

2024 SPECIAL SESSION I

CHAPTER 1

[H 6002]

Approved May 13, 2024

An Act to amend and reenact Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769 of the Acts of Assembly of 2023, as further amended by Chapter 1 of the Acts of Assembly of 2023, Special Session I, which appropriates the public revenues for two years ending, respectively, on June 30, 2023, and June 30, 2024.

Be it enacted by the General Assembly of Virginia:

1. That Items 0, 2, 6, 38, 72, 73, 98, 113, 115, 124, 125, 136, 137, 233, 274, 280, 284, 302, 303, 304, 306, 307, 308, 312, 313, 340, 341, 342, 344, 345, 347, 350, 373, 374, 380, 381, 386, 391, 392, 402, 452, 479, 480, 483, 486, 486.10, 487.50, 494, § 2-0, C-77, § 3-1.01, § 3-5.14, and § 4-6.01 of Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769 of the Acts of Assembly of 2023, as further amended by Chapter 1 of the Acts of Assembly of 2023, be hereby amended and reenacted and that the cited chapter be further amended by adding Items C-4.10, § 3-5.30 and § 3-5.31.

2. 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 Beginning Balance | \$10,684,532,497 | \$10,930,591,910 | \$21,615,124,407 |
| Additions to Balance | (\$3,078,628,035) | (\$7,126,108,812) | (\$10,204,736,847) |
| | | (\$6,603,924,564) | (\$9,682,552,599) |
| Official Revenue Estimates | \$24,871,135,500 | \$26,369,314,900 | \$51,240,450,400 |
| | | \$28,279,500,000 | \$53,150,635,500 |
| Transfer | \$714,716,804 | (\$129,796,220) | \$584,920,584 |
| | | (\$24,610,948) | \$690,105,856 |
| Total General Fund Resources Available for | | | |
| Appropriation | \$33,191,756,766 | \$30,044,001,778 | \$63,235,758,544 |
| | | \$32,581,556,398 | \$65,773,313,164 |

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

| | First Year | Second Year | Total |
|------------------------------|------------------|------------------|------------------|
| Balance, June 30, 2022 | \$8,383,240,878 | \$0 | \$8,383,240,878 |
| Official Revenue Estimates | \$45,429,302,663 | \$47,405,121,153 | \$92,834,423,816 |
| | | \$46,297,760,335 | \$91,727,062,998 |
| Lottery Proceeds Fund | \$784,671,715 | \$850,842,423 | \$1,635,514,138 |
| | | \$944,668,276 | \$1,729,339,991 |
| Internal Service Fund | \$2,404,388,342 | \$2,413,968,065 | \$4,818,356,407 |
| Bond Proceeds | \$157,296,000 | \$98,420,000 | \$255,716,000 |
| Total Nongeneral Fund | | | |

| | | | |
|--------------------------------------|-------------------------|--|--|
| Revenues Available for Appropriation | \$57,158,899,598 | \$50,768,351,641 \$49,754,816,676 | \$107,927,251,239 \$106,913,716,274 |
| TOTAL PROJECTED REVENUES | \$90,350,656,364 | \$80,812,353,419 \$82,336,373,074 | \$171,163,009,783 \$172,687,029,438 |

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

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

§ 6. When used in this act the term:

A. "Current biennium" means the period from the first day of July two thousand twenty-two, through the thirtieth day of June two thousand twenty-four, inclusive.

B. "Previous biennium" means the period from the first day of July two thousand twenty, through the thirtieth day of June two thousand twenty-two, inclusive.

C. "Next biennium" means the period from the first day of July two thousand twenty-four, through the thirtieth day of June two thousand twenty-six, inclusive.

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

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

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

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

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

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

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

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

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

BIENNIAL 2022-24

| | General Fund | Nongeneral Fund | Total |
|-----------------------------------|--------------------------------------|--|--|
| OPERATING EXPENSES | \$60,768,061,978 \$60,323,246,202 | \$104,126,520,049 \$104,044,145,358 | \$164,894,582,027 \$164,367,391,560 |
| LEGISLATIVE DEPARTMENT | \$237,295,625 | \$10,491,800 \$10,723,991 | \$247,787,425 \$248,019,616 |
| JUDICIAL DEPARTMENT | \$1,171,654,063 | \$75,913,598 | \$1,247,567,661 |
| EXECUTIVE DEPARTMENT | \$59,325,134,857 \$58,880,319,081 | \$101,721,695,319 \$101,639,088,437 | \$161,046,830,176 \$160,519,407,518 |
| INDEPENDENT AGENCIES | \$33,977,433 | \$2,318,419,332 | \$2,352,396,865 \$2,352,396,765 |
| STATE GRANTS TO NONSTATE AGENCIES | \$0 | \$0 | \$0 |

CAPITAL OUTLAY

| | | | |
|----------|------------------|-------------------|-------------------|
| EXPENSES | \$2,460,439,690 | \$1,446,900,612 | \$3,907,340,302 |
| | | \$1,447,640,612 | \$3,908,080,302 |
| TOTAL | \$63,228,501,668 | \$105,573,420,661 | \$168,801,922,329 |
| | \$62,783,685,892 | \$105,491,785,970 | \$168,275,471,862 |

§ 8. This chapter shall be known and may be cited as the "2024 Amendments to the 2023 Special Session I Amendments to the 2023 Appropriation Act."

| ITEM 1. | Item Details(\$) | | Appropriations(\$) | |
|---------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

PART 1: OPERATING EXPENSES

LEGISLATIVE DEPARTMENT

1. Not set out.

§ 1-1. AUDITOR OF PUBLIC ACCOUNTS (133)

| | | | | |
|----|--|--------------|--------------|--------------|
| 2. | Legislative Evaluation and Review (78300)..... | | \$15,637,832 | \$15,637,832 |
| | Financial and Compliance Audits (78301)..... | \$15,637,832 | \$15,637,832 | |
| | Fund Sources: General..... | \$13,704,429 | \$13,704,429 | |
| | Special..... | \$1,933,403 | \$1,933,403 | |

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

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

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

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

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

2. The Auditor of Public Accounts shall include in the Specifications for Audits of Counties, Cities, and Towns regulations for all local governments establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to § 15.2-2114, Code of Virginia, a requirement to ensure that each impacted local government is in compliance with the provisions of § 15.2-2114 A., Code of Virginia. Any such adjustment to the Specifications for Audits of Counties, Cities, and Towns regulations shall be exempt from the Administrative Process Act and shall be required for all audits completed after July 1, 2014.

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

| ITEM 2. | Item Details(\$) | | Appropriations(\$) | |
|---------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

of management and the governing body must be made in the form of official, written communication.

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

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

| | | | |
|---|--------------|--------------|--------------|
| Total for Auditor of Public Accounts..... | | \$15,637,832 | \$15,637,832 |
| General Fund Positions..... | 120.00 | 120.00 | |
| Nongeneral Fund Positions..... | 16.00 | 16.00 | |
| Position Level..... | 136.00 | 136.00 | |
| Fund Sources: General..... | \$13,704,429 | \$13,704,429 | |
| Special..... | \$1,933,403 | \$1,933,403 | |

3. Not set out.
4. Not set out.
5. Not set out.

§ 1-2. DIVISION OF LEGISLATIVE SERVICES (107)

| | | | |
|----|--|-------------|----------------------------|
| 6. | Legislative Research and Analysis (78400)..... | \$8,738,378 | \$9,315,530 \$9,547,721 |
| | Bill Drafting and Preparation (78401)..... | \$8,738,378 | \$9,315,530 \$9,547,721 |
| | Fund Sources: General..... | \$8,718,346 | \$8,968,346 |
| | Special..... | \$20,032 | \$347,184 \$579,375 |

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

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

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

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

D. Out of this appropriation, \$250,000 the first year from the general fund is provided to support the work of the Senate Joint Resolution 47 (2014) Joint Subcommittee to Study

| ITEM 6. | Item Details(\$) | | Appropriations(\$) | |
|---------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

Mental Health Services in the Commonwealth in the 21st Century. The funding may be used to contract for expertise and assistance in its work to evaluate the community-based system of service delivery or other related topics as required by the work of the Joint Subcommittee. Any contractor hired shall evaluate the current system along with alternative delivery systems to provide the necessary information and assistance to the subcommittee in determining the most appropriate delivery system, or modifications to the current delivery system, that ensures access, quality, consistency, and accountability. Any remaining balance at year-end shall be carried forward to the subsequent fiscal year.

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

2. Notwithstanding any other provision of law, the Senate Joint Resolution 10 (2022 Session) Joint Subcommittee to Examine the Commonwealth's Pandemic Response shall continue conducting its study and meet as needed, provide an interim status report by the first day of the 2024 General Assembly Session, and provide a final report by September 1, 2024. Any remaining appropriation at year end shall be carried forward to the subsequent fiscal year to support the Joint Subcommittee.

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

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

| | | |
|---|-------------|-------------|
| Total for Division of Legislative Services..... | \$8,738,378 | \$9,315,530 |
| | | \$9,547,721 |
| General Fund Positions..... | 61.00 | 61.00 |
| Position Level..... | 61.00 | 61.00 |
| Fund Sources: General..... | \$8,718,346 | \$8,968,346 |
| Special..... | \$20,032 | \$347,184 |
| | | \$579,375 |

7. Not set out.
8. Not set out.
9. Not set out.
10. Not set out.
11. Not set out.
12. Not set out.
13. Not set out.
14. Not set out.
15. Not set out.
16. Not set out.

§ 1-3. DIVISION OF LEGISLATIVE SERVICES (107)

| | | | |
|-------|---|------|-----------|
| 35.50 | Not set out. | | |
| | Grand Total for Division of Legislative Services..... | \$0 | \$345,525 |
| | General Fund Positions..... | 0.00 | 6.00 |
| | Position Level..... | 0.00 | 6.00 |
| | Fund Sources: General..... | \$0 | \$345,525 |

| ITEM 36. | | Item Details(\$) | | Appropriations(\$) | |
|----------|--------------|------------------|-------------|--------------------|-------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| 36. | Not set out. | | | | |
| 37. | Not set out. | | | | |

§ 1-4. LEGISLATIVE DEPARTMENT REVERSION CLEARING ACCOUNT (102)

| | | | | | |
|-----|--|-----------|-----------|-----------|-----------|
| 38. | Enactment of Laws (78200)..... | | | \$710,315 | \$710,315 |
| | Undesignated Support for Enactment of Laws Services (78205)..... | \$710,315 | \$710,315 | | |
| | Fund Sources: General..... | \$710,315 | \$710,315 | | |

Authority: Discretionary Inclusion.

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

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

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

| Legislative Agency | | Estimated Savings FY 2024 | |
|--|---------------|------------------------------|----------------------|
| 101: General Assembly | | \$1,200,000 | |
| 107: Division of Legislative Services | | \$1,200,000 | \$3,912,169 |
| <i>109: Division of Legislative Automated Systems</i> | | \$500,000 | |
| 110: Joint Legislative Audit and Review Commission | | \$934,762 | |
| <i>133: Auditor of Public Accounts</i> | | \$601,464 | |
| 839: Virginia Commission on Youth | | \$25,000 | |
| 844: Joint Commission on Health Care | | \$20,000 | |
| 961: Division of Capitol Police | | \$3,692,545 | \$6,835,912 |
| Total | | \$7,072,307 | \$14,029,307 |
| Total for Legislative Department Reversion Clearing Account..... | | \$710,315 | \$710,315 |
| General Fund Positions..... | 1.00 | 1.00 | |
| Position Level..... | 1.00 | 1.00 | |
| Fund Sources: General..... | \$710,315 | \$710,315 | |
| TOTAL FOR LEGISLATIVE DEPARTMENT..... | | \$123,734,824 | \$124,052,601 |
| | | | \$124,284,792 |
| General Fund Positions..... | 628.00 | 641.00 | |
| Nongeneral Fund Positions..... | 32.50 | 32.50 | |
| Position Level..... | 660.50 | 673.50 | |
| Fund Sources: General..... | \$118,652,500 | \$118,643,125 | |
| Special..... | \$4,815,500 | \$5,142,652 | |
| | | \$5,374,843 | |
| Trust and Agency..... | \$129,282 | \$129,282 | |
| Federal Trust..... | \$137,542 | \$137,542 | |

| ITEM 39. | | Item Details(\$) | | Appropriations(\$) | |
|----------------------------|--------------|--|-----------------------|----------------------|-----------------------|
| | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| JUDICIAL DEPARTMENT | | | | | |
| 39. | Not set out. | | | | |
| 40. | Not set out. | | | | |
| 41. | Not set out. | | | | |
| 42. | Not set out. | | | | |
| 43. | Not set out. | | | | |
| 44. | Not set out. | | | | |
| 45. | Not set out. | | | | |
| 46. | Not set out. | | | | |
| 47. | Not set out. | | | | |
| 48. | Not set out. | | | | |
| 49. | Not set out. | | | | |
| 50. | Not set out. | | | | |
| 51. | Not set out. | | | | |
| 52. | Not set out. | | | | |
| 53. | Not set out. | | | | |
| 54. | Not set out. | | | | |
| | | TOTAL FOR JUDICIAL DEPARTMENT | | \$619,984,876 | \$627,582,785 |
| | | General Fund Positions..... | 3,749.71 | 3,754.71 | |
| | | Nongeneral Fund Positions..... | 106.00 | 106.00 | |
| | | Position Level..... | 3,855.71 | 3,860.71 | |
| | | Fund Sources: General..... | \$582,028,077 | \$589,625,986 | |
| | | Special..... | \$10,556,686 | \$10,556,686 | |
| | | Dedicated Special Revenue..... | \$26,085,368 | \$26,085,368 | |
| | | Federal Trust..... | \$1,314,745 | \$1,314,745 | |

| ITEM 55. | | Item Details(\$) | | Appropriations(\$) | | |
|-----------------------------|--------------|---|-----------------------|----------------------|-----------------------|--|
| | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 | |
| EXECUTIVE DEPARTMENT | | | | | | |
| EXECUTIVE OFFICES | | | | | | |
| 55. | Not set out. | | | | | |
| 56. | Not set out. | | | | | |
| 57. | Not set out. | | | | | |
| 58. | Not set out. | | | | | |
| 59. | Not set out. | | | | | |
| 60. | Not set out. | | | | | |
| 61. | Not set out. | | | | | |
| 62. | Not set out. | | | | | |
| 63. | Not set out. | | | | | |
| 64. | Not set out. | | | | | |
| 65. | Not set out. | | | | | |
| 66. | Not set out. | | | | | |
| 67. | Not set out. | | | | | |
| 68. | Not set out. | | | | | |
| 69. | Not set out. | | | | | |
| | | TOTAL FOR EXECUTIVE OFFICES..... | | \$92,367,860 | \$94,642,376 | |
| | | General Fund Positions..... | 421.92 | 439.92 | | |
| | | Nongeneral Fund Positions..... | 247.58 | 247.58 | | |
| | | Position Level..... | 669.50 | 687.50 | | |
| | | | | | | |
| | | Fund Sources: General..... | \$55,116,035 | \$57,390,551 | | |
| | | Special..... | \$22,832,192 | \$22,832,192 | | |
| | | Commonwealth Transportation..... | \$2,352,587 | \$2,352,587 | | |
| | | Dedicated Special Revenue..... | \$112,735 | \$112,735 | | |
| | | Federal Trust..... | \$11,954,311 | \$11,954,311 | | |

| ITEM 70. | Item Details(\$) | | Appropriations(\$) | |
|----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

OFFICE OF ADMINISTRATION

70. Not set out.

71. Not set out.

§ 1-5. COMPENSATION BOARD (157)

| | | | | |
|--|---------------|--------------------------------|---------------|--------------------------------|
| 72. Financial Assistance for Sheriffs' Offices and Regional Jails (30700)..... | | | \$573,722,067 | \$593,528,504 \$591,279,814 |
| Financial Assistance for Regional Jail Operations (30710)..... | \$198,332,868 | \$205,094,615 \$204,318,222 | | |
| Financial Assistance for Local Law Enforcement (30712)..... | \$108,643,817 | \$109,464,232 | | |
| Financial Assistance for Local Court Services (30713)..... | \$66,038,779 | \$66,665,308 | | |
| Financial Assistance to Sheriffs (30716)..... | \$13,664,735 | \$14,512,415 | | |
| Financial Assistance for Local Jail Operations (30718)..... | \$187,041,868 | \$197,791,934 \$196,319,637 | | |
| Fund Sources: General..... | \$565,719,409 | \$585,525,846 \$583,277,156 | | |
| Dedicated Special Revenue..... | \$8,002,658 | \$8,002,658 | | |

Authority: Title 15.2, Chapter 16, Articles 3 and 6.1; and §§ [53.1-83.1](#) and [53.1-85](#), Code of Virginia.

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

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

| August 1, 2022 | July 1, 2023 | December 1, 2023 |
|----------------|-------------------|------------------|
| to | to | to |
| June 30, 2023 | November 30, 2023 | June 30, 2024 |

Law Enforcement and Jail Responsibility

| | | | |
|--------------------|-----------|-----------|-----------|
| Less than 10,000 | \$78,853 | \$82,796 | \$115,946 |
| 10,000 to 19,999 | \$90,633 | \$95,165 | \$115,946 |
| 20,000 to 39,999 | \$99,599 | \$104,579 | \$115,946 |
| 40,000 to 69,999 | \$108,260 | \$113,673 | \$115,946 |
| 70,000 to 99,999 | \$120,288 | \$126,302 | \$128,828 |
| 100,000 to 174,999 | \$133,657 | \$140,340 | \$143,147 |
| 175,000 to 249,999 | \$140,688 | \$147,722 | \$150,676 |
| 250,000 and above | \$156,320 | \$164,136 | \$167,419 |

Law Enforcement or Jail

| ITEM 72. | Item Details(\$) | | Appropriations(\$) | |
|--------------------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| Less than 10,000 | \$77,273 | \$81,137 | \$113,628 | |
| 10,000 to 19,999 | \$88,822 | \$93,263 | \$113,628 | |
| 20,000 to 39,999 | \$97,606 | \$102,486 | \$113,628 | |
| 40,000 to 69,999 | \$106,095 | \$111,400 | \$113,628 | |
| 70,000 to 99,999 | \$117,882 | \$123,776 | \$126,252 | |
| 100,000 to 174,999 | \$130,980 | \$137,529 | \$140,280 | |
| 175,000 to 249,999 | \$137,876 | \$144,770 | \$147,665 | |
| 250,000 and above | \$153,976 | \$161,675 | \$164,909 | |

No Law Enforcement or Jail Responsibility

| | | | |
|--------------------|-----------|-----------|-----------|
| Less than 10,000 | \$72,609 | \$76,239 | \$106,671 |
| 10,000 to 19,999 | \$80,676 | \$84,710 | \$106,671 |
| 20,000 to 39,999 | \$89,637 | \$94,119 | \$106,671 |
| 40,000 to 69,999 | \$99,599 | \$104,579 | \$106,671 |
| 70,000 to 99,999 | \$110,667 | \$116,200 | \$118,524 |
| 100,000 to 174,999 | \$122,960 | \$129,108 | \$131,690 |
| 175,000 to 249,999 | \$129,430 | \$135,902 | \$138,620 |
| 250,000 and above | \$145,378 | \$152,647 | \$155,700 |

B. Out of the amounts provided for in this Item, no expenditures shall be made to provide security devices such as magnetometers in standard use in major metropolitan airports. Personnel expenditures for operation of such equipment incidental to the duties of courtroom and courthouse security deputies may be authorized, provided that no additional expenditures for personnel shall be approved for the principal purpose of operating these devices.

C. In accordance with the provisions of § 53.1-120, Code of Virginia, sheriffs are responsible for ensuring courtroom safety and chief judges are responsible, by agreement with the sheriff of the jurisdiction, for the designation of courtroom security deputies for their respective courts. However, unless a judge provides the sheriff with a written order stating that a substantial security risk exists in a particular case, no courtroom security deputies may be ordered by a judge for civil cases, not more than one deputy may be ordered by a judge for criminal cases in a district court, and not more than two deputies may be ordered by a judge for criminal cases in a circuit court. In complying with such orders for additional security, the sheriff may consider other deputies present in the courtroom as part of his security force.

D. Should the scheduled opening date of any facility be delayed for which funds are available in this Item, the Director, Department of Planning and Budget, may allot such funds as the Compensation Board may request to allow the employment of staff for training purposes not more than 45 days prior to the rescheduled opening date for the facility.

E. Consistent with the provisions of paragraph B of Item 79, the board shall allocate the additional jail deputies provided in this appropriation using a ratio of one jail deputy for every 3.0 beds of operational capacity. Operational capacity shall be determined by the Department of Corrections. No additional deputy sheriffs shall be provided from this appropriation to a local jail in which the present staffing exceeds this ratio unless the jail is overcrowded. Overcrowding for these purposes shall be defined as when the average annual daily population exceeds the operational capacity. In those jails experiencing overcrowding, the board may allocate one additional jail deputy for every five average annual daily prisoners above operational capacity. Should overcrowding be reduced or eliminated in any jail, the Compensation Board shall reallocate positions previously assigned due to overcrowding to other jails in the Commonwealth that are experiencing overcrowding.

F. Two-thirds of the salaries set by the Compensation Board of medical, treatment, and inmate classification positions approved by the Compensation Board for local correctional facilities shall be paid out of this appropriation.

G.1. Subject to appropriations by the General Assembly for this purpose, the Compensation

| ITEM 72. | Item Details(\$) | | Appropriations(\$) | |
|----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

Board shall provide for a master deputy pay grade to those sheriffs' offices which had certified, on or before January 1, 1997, having a career development plan for deputy sheriffs that meet the minimum criteria set forth by the Compensation Board for such plans. The Compensation Board shall allow for additional grade 9 positions, at a level not to exceed one grade 9 master deputy per every five Compensation Board grade 7 and 8 deputy positions in each sheriff's office.

2. Each sheriff who desires to participate in the Master Deputy Program who had not certified a career development plan on or before January 1, 1997, may elect to participate by certifying to the Compensation Board that the career development plan in effect in his office meets the minimum criteria for such plans as set by the Compensation Board. Such election shall be made by July 1 for an effective date of participation the following July 1.

3. Subject to appropriations by the General Assembly for this purpose, funding shall be provided by the Compensation Board for participation in the Master Deputy Program to sheriffs' offices electing participation after January 1, 1997, according to the date of receipt by the Compensation Board of the election by the sheriff.

H. The Compensation Board shall estimate biannually the number of additional law enforcement deputies which will be needed in accordance with § [15.2-1609.1](#), Code of Virginia. Such estimate of the number of positions and related costs shall be included in the board's biennial budget request submission to the Governor and General Assembly. The allocation of such positions, established by the Governor and General Assembly in Item 79 of this act, shall be determined by the Compensation Board on an annual basis. The annual allocation of these positions to local sheriffs' offices shall be based upon the most recent final population estimate for the locality that is available to the Compensation Board at the time when the agency's annual budget request is completed. The source of such population estimates shall be the Weldon Cooper Center for Public Service of the University of Virginia or the United States Bureau of the Census. For the first year of the biennium, the Compensation Board shall allocate positions based upon the most recent provisional population estimates available at the time the agency's annual budget is completed.

I. Any amount in the program Financial Assistance for Sheriffs' Offices and Regional Jails may be transferred between Items 72 and 73, as needed, to cover any deficits incurred in the programs Financial Assistance for Confinement of Inmates in Local and Regional Facilities, and Financial Assistance for Sheriffs' Offices and Regional Jails.

J.1. Subject to appropriations by the General Assembly for this purpose, the Compensation Board shall provide for a Sheriffs' Career Development Program.

2. Following receipt of a sheriff's certification that the minimum requirements of the Sheriffs' Career Development Program have been met, and provided that such certification is submitted by sheriffs as part of their annual budget request to the Compensation Board on or before February 1 of each year, the Compensation Board shall increase the annual salary shown in paragraph A of this Item by the percentage shown herein for a twelve-month period effective the following July 1.

a. 9.3 percent increase for all sheriffs who certify their compliance with the established minimum criteria for the Sheriffs' Career Development Program where such criteria includes that a sheriff has achieved certification in a program agreed upon by the Compensation Board and the Virginia Sheriffs' Institute by Virginia Commonwealth University, or, where such criteria include that a sheriff's office seeking accreditation has been assessed and will be considered for accreditation by the accrediting body no later than March 1, and have achieved accreditation by March 1 from the Virginia Law Enforcement Professional Standards Commission, or the Commission on Accreditation of Law Enforcement agencies, or the American Correctional Association.

3. Other constitutional officers' associations may request the General Assembly to include certification in a program agreed upon by the Compensation Board and the officers' associations by the Weldon Cooper Center for Public Service to the requirements for participation in their respective career development programs.

K. Notwithstanding the provisions of Article 7, Chapter 15, Title 56, Code of Virginia,

| ITEM 72. | Item Details(\$) | | Appropriations(\$) | |
|----------|--|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | \$8,000,000 the first year and \$8,000,000 the second year from the Wireless E-911 Fund is included in this appropriation for local law enforcement dispatchers to offset dispatch center operations and related costs. | | | |
| L. | Notwithstanding the provisions of §§ 53.1-131 through 53.1 -131.3, Code of Virginia, local and regional jails may charge inmates participating in inmate work programs a reasonable daily amount, not to exceed the actual daily cost, to operate the program. | | | |
| M.1. | Included in this appropriation is \$ 1,856,649 the first year and \$1,856,649 the second year from the general fund for the Compensation Board to contract for services to be provided by the Virginia Center for Policing Innovation to implement and maintain the interface between all local and regional jails in the Commonwealth and the Statewide Automated Victim Information and Notification (SAVIN) system, to provide for SAVIN program coordination, and to maintain the interface between SAVIN and the Virginia Sex Offender Registry and provide for automated protective order notifications. All law enforcement agencies receiving general funds pursuant to this item shall provide the data requirements necessary to participate in the SAVIN system. | | | |
| 2. | The data collected for purposes of the Statewide Automated Victim Information and Notification (SAVIN) system may be used to support additional public safety systems authorized by statute or the Appropriation Act. In support of these systems, the data may be used to determine or supplement risk factors, provide notifications, or data-driven information. The Commonwealth of Virginia's Chief Data Officer and the Compensation Board shall be permitted access to, and extraction of, such raw state data provided for these purposes, under terms agreed to by both the vendor collecting data under contract with the Virginia Center for Policing Innovation and the Commonwealth of Virginia's Chief Data Officer. No raw data shall be transferred beyond the SAVIN system except that which is shared with the Commonwealth of Virginia's Chief Data Officer in such mutually agreed upon manner. | | | |
| N. | Included in this appropriation is \$2,478,556 the first year and \$2,478,556 the second year from the general fund to support staffing costs associated with the expansion project at Prince William/Manassas Regional Jail. | | | |
| O. | Included in this appropriation is \$2,194,589 the first year and \$2,194,589 the second year from the general fund to support staffing costs associated with the Henry County jail replacement project. | | | |
| P. | Out of the amounts appropriated in this item, \$7,332,246 the first year and \$9,835,820 the second year from the general fund is provided for additional behavioral health case managers and medical treatment positions in local and regional jails. The Compensation Board shall provide a progress report on the implementation of these positions, including but not limited to the amount of funding allocated to each jail and how the jail utilized the funding, behavioral health screening and assessment of individuals committed to local correctional facilities, the type of mental health services provided, the number of individuals with serious mental illness assessed as requiring behavioral health services who (i) needed and (ii) received discharge planning upon release from the local correctional facility, and barriers to implementing the initiative. A progress report shall be submitted to the Governor, the Secretary of Administration, the Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee, and the Director, Department of Planning and Budget, on or before November 1, 2022 and November 1, 2023. | | | |
| Q. | Out of the amounts appropriated in this item, \$32,154,902 the first year and \$38,585,989 the second year from the general fund is provided to raise the entry level annual salary of sworn sheriff deputies and regional jail officers personnel to \$42,000, effective August 1, 2022. The Compensation Board shall report on the allocation of these funds and the specific measures of effectiveness that indicate the degree to which these salary adjustments reduce the number of departures and vacancies. A report is due to the Governor, the Chairs of the House Appropriation and Senate Finance and Appropriation Committees, and the Director, Department of Planning and Budget no later than October 15, 2023. | | | |
| R. | Included in this item, \$6,777,219 the first year and \$8,132,664 the second year from the general fund to provide a base salary increase of \$100 for each full year of service for sworn personnel who have three or more years of continuous state service up to thirty years, | | | |

| ITEM 72. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|------------------------------|--------------------|------------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| effective August 1, 2022. | | | | |
| S. Out of the amounts appropriated in this item, \$7,579,057 the second year from the general fund is provided for compensation adjustments for deputy sheriffs and regional jail officers, effective December 1, 2023, to address compression issues which resulted from increasing the entry level starting pay to \$42,000. | | | | |
| T. Notwithstanding the provisions of paragraph H. of Item 79 of this act, included in this appropriation is \$1,026,952 the second year from the general fund to support new staffing associated with an increase in the rated operating capacity resulting from former expansions at the Piedmont Regional Jail that were not previously provided in base staffing and related funding by the Compensation Board, effective December 1, 2023. | | | | |
| 73. Financial Assistance for Confinement of Inmates in Local and Regional Facilities (35600)..... | | | \$50,841,403 | \$54,906,489 \$39,906,489 |
| Financial Assistance for Local Jail Per Diem (35601)..... | \$21,544,188 | \$23,261,981 \$16,151,533 | | |
| Financial Assistance for Regional Jail Per Diem (35604)..... | \$29,297,215 | \$31,644,508 \$23,754,956 | | |
| Fund Sources: General..... | \$50,841,403 | \$54,906,489 \$39,906,489 | | |

Authority: §§ [53.1-83.1](#), [53.1-84](#) and [53.1-85](#), Code of Virginia.

A. In the event the appropriation in this Item proves to be insufficient to fund all of its provisions, any amount remaining as of June 1, 2023, and June 1, 2024, may be reallocated among localities on a pro rata basis according to such deficiency.

B. For the purposes of this Item, the following definitions shall be applicable:

1. Effective sentence--a convicted offender's sentence as rendered by the court less any portion of the sentence suspended by the court.

2. Local responsible inmate--(a) any person arrested on a state warrant and incarcerated in a local correctional facility, as defined by § [53.1-1](#), Code of Virginia, prior to trial; (b) any person convicted of a misdemeanor offense and sentenced to a term in a local correctional facility; or (c) any person convicted of a felony offense and given an effective sentence of (i) twelve months or less or (ii) less than one year.

3. State responsible inmate--any person convicted of one or more felony offenses and (a) the sum of consecutive effective sentences for felonies, committed on or after January 1, 1995, is (i) more than 12 months or (ii) one year or more, or (b) the sum of consecutive effective sentences for felonies, committed before January 1, 1995, is more than two years.

C. The individual or entity responsible for operating any facility which receives funds from this Item may, if requested by the Department of Corrections, enter into an agreement with the department to accept the transfer of convicted felons, from other local facilities or from facilities operated by the Department of Corrections. In entering into any such agreements, or in effecting the transfer of offenders, the Department of Corrections shall consider the security requirements of transferred offenders and the capability of the local facility to maintain such offenders. For purposes of calculating the amount due each locality, all funds earned by the locality as a result of an agreement with the Department of Corrections shall be included as receipts from these appropriations.

D. Out of this appropriation, an amount not to exceed \$377,010 the first year and \$377,010 the second year from the general fund, is designated to be held in reserve for unbudgeted medical expenses incurred by local correctional facilities in the care of state responsible felons.

E. The following amounts shall be paid out of this appropriation to compensate localities

| ITEM 73. | Item Details(\$) | | Appropriations(\$) | |
|----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

for the cost of maintaining prisoners in local correctional facilities, as defined by § 53.1-1, Code of Virginia, or if the prisoner is not housed in a local correctional facility, in an alternative to incarceration program operated by, or under the authority of, the sheriff or jail board:

1.a. For local responsible inmates--\$4 per inmate day, or, if the inmate is housed and maintained in a jail farm not under the control of the sheriff, the rate shall be \$18 per inmate day, for inmates housed through November 30, 2023.

b. For local responsible inmates--\$5 per inmate day, or, if the inmate is housed and maintained in a jail farm not under control of the sheriff, the rate shall be \$19 per inmate day, for inmates housed beginning December 1, 2023.

2. For state responsible inmates--\$12 per inmate day through June 30, 2022, and \$15 per inmate day effective July 1, 2022.

F. For the payment specified in paragraph E.1. of this Item for prisoners in alternative punishment or alternative to incarceration programs:

1. Such payment is intended to be made for prisoners that would otherwise be housed in a local correctional facility. It is not intended for prisoners that would otherwise be sentenced to community service or placed on probation.

2. No such payment shall be made unless the program has been approved by the Department of Corrections or the Department of Criminal Justice Services. Alternative punishment or alternative to incarceration programs, however, may include supervised work experience, treatment, and electronic monitoring programs.

G.1. Except as provided for in paragraph G.2., and notwithstanding any other provisions of this Item, the Compensation Board shall provide payment to any locality with an average daily jail population of under ten in FY 1995 an inmate per diem rate of \$18 per day for local responsible inmates and \$12 per day for state responsible inmates held in these jails in lieu of personal service costs for corrections' officers.

2. Any locality covered by the provisions of this paragraph shall be exempt from the provisions thereof provided that the locally elected sheriff, with the assistance of the Compensation Board, enters into good faith negotiations to house his prisoners in an existing local or regional jail. In establishing the per diem rate and capital contribution, if any, to be charged to such locality by a local or regional jail, the Compensation Board and the local sheriff or regional jail authority shall consider the operating support and capital contribution made by the Commonwealth, as required by §§ 15.2-1613, 15.2-1615.1, 53.1-80, and 53.1-81, Code of Virginia. The Compensation Board shall report periodically to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the progress of these negotiations and may withhold the exemption granted by this paragraph if, in the board's opinion, the local sheriff fails to negotiate in good faith.

H.1. The Compensation Board shall recover the state-funded costs associated with housing federal inmates, District of Columbia inmates or contract inmates from other states. The Compensation Board shall determine, by individual jail, the amount to be recovered by the Commonwealth by multiplying the jail's current inmate days for this population by the proportion of the jail's per inmate day salary funds provided by the Commonwealth, as identified in the most recent Jail Cost Report prepared by the Compensation Board. Beginning July 1, 2009, the Compensation Board shall determine, by individual jail, the amount to be recovered by the Commonwealth by multiplying the jail's current inmate days for this population by the proportion of the jail's per inmate day operating costs provided by the Commonwealth, excluding payments otherwise provided for in this Item, as identified in the most recent Jail Cost Report prepared by the Compensation Board. If a jail is not included in the most recent Jail Cost Report, the Compensation Board shall use the statewide average of per inmate day salary funds provided by the Commonwealth.

2. The Compensation Board shall deduct the amount to be recovered by the Commonwealth from the facility's next quarterly per diem payment for state-responsible and local-responsible inmates. Should the next quarterly per diem payment owed the locality not be sufficient against which to net the total quarterly recovery amount, the locality shall remit the remaining

| ITEM 73. | Item Details(\$) | | Appropriations(\$) | |
|----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

amount not recovered to the Compensation Board.

3. Any local or regional jail which receives funding from the Compensation Board shall give priority to the housing of local-responsible, state-responsible, and state contract inmates, in that order, as provided in paragraph H.1.

4. The Compensation Board shall not provide any inmate per diem payments to any local or regional jail which holds federal inmates in excess of the number of beds contracted for with the Department of Corrections, unless the Director, Department of Corrections, certifies to the Chairman of the Compensation Board that a) such contract beds are not required; b) the facility has operational capacity built under contract with the federal government; c) the facility has received a grant from the federal government for a portion of the capital costs; or d) the facility has applied to the Department of Corrections for participation in the contract bed program with a sufficient number of beds to meet the Department of Corrections' need or ability to fund contract beds at that facility in any given fiscal year.

5. The Compensation Board shall apply the cost recovery methodology set out in paragraph H.1. of this Item to any jail which holds inmates from another state on a contractual basis. However, recovery in such circumstances shall not be made for inmates held pending extradition to other states or pending transfer to the Virginia Department of Corrections.

6. The provisions of this paragraph shall not apply to any local or regional jail where the cumulative federal share of capital costs exceeds the Commonwealth's cumulative capital contribution.

7. For a local or regional jail which operates bed space specifically built utilizing federal capital or grant funds for the housing of federal inmates and for which Compensation Board funding has never been authorized for staff for such bed space, the Compensation Board shall allow an exemption from the recovery provided in paragraph H.1. for a defined number of federal prisoners upon certification by the sheriff or superintendent that the federal government has paid for the construction of bed space in the facility or provided a grant for a portion of the capital cost. Such certification shall include specific funding amounts paid by the federal government, localities, and/or regional jail authorities, and the Commonwealth for the construction of bed space specifically built for the housing of federal inmates and for the construction of the jail facility in its entirety. The defined number of federal prisoners to be exempted from the recovery provided in paragraph H.1. shall be based upon the proportion of funding paid by the federal government and localities and/or regional jail authorities for the construction of bed space to house federal prisoners to the total funding paid by all sources, including the Commonwealth, for all construction costs for the jail facility in its entirety. For Western Tidewater Regional Jail, exemption from the recovery provided in paragraph H.1. shall apply to the first 76 federal inmates housed at the jail and for any inmate above 130 housed at the jail at any given time.

8. Beginning March 1, 2013, federal inmates placed in the custody of a regional jail pursuant to a work release program operated by the federal Bureau of Prisons shall be exempt from the recovery of costs associated with housing federal inmates pursuant to paragraph H.1. of this item if such federal inmates have been assigned by the federal Bureau of Prisons to a home electronic monitoring program in place for such inmates by agreement with the jail on or before January 1, 2012 and are not housed in the jail facility. However, no such exemption shall apply to any federal inmate while they are housed in the regional jail facility.

I. Any amounts in the program Financial Assistance for Confinement of Inmates in Local and Regional Facilities, may be transferred between Items 72 and 73, as needed, to cover any deficits incurred in the programs Financial Assistance for Sheriffs' Offices and Regional Jails and Financial Assistance for Confinement of Inmates in Local and Regional Facilities.

J.1. The Compensation Board shall provide an annual report on the number and diagnoses of inmates with mental illnesses in local and regional jails, the treatment services provided, and expenditures on jail mental health programs. The report shall be prepared in

| ITEM 73. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------------------|--------------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| cooperation with the Virginia Sheriffs Association, the Virginia Association of Regional Jails, the Virginia Association of Community Services Boards, and the Department of Behavioral Health and Developmental Services, and shall be coordinated with the data submissions required for the annual jail cost report. Copies of this report shall be provided by November 1 of each year to the Governor, Director, Department of Planning and Budget, and the Chairs of the Senate Finance and Appropriations and House Appropriations Committees. | | | | |
| 2. Whenever a person is admitted to a local or regional correctional facility, the staff of the facility shall screen such person for mental illness using a scientifically validated instrument. The Commissioner of Behavioral Health and Developmental Services shall designate the instrument to be used for the screenings and such instrument shall be capable of being administered by an employee of the local or regional correctional facility, other than a health care provider, provided that such employee is trained in the administration of such instrument. | | | | |
| K. Out of the amounts appropriated in this item, \$215,939 the first year and \$215,939 the second year from the general fund is provided for the purpose of reimbursing the County of Nottoway for the expense of confining residents of the Virginia Center for Behavioral Rehabilitation arrested for new offenses and held in Piedmont Regional Jail at the expense of the County. Reimbursements by the Board are to be made quarterly, and shall be equal to demonstrated costs incurred by the County of Nottoway for confinement of these individuals, and shall not exceed the amounts provided in this paragraph for each fiscal year. Demonstrated costs may include expenses incurred in the last month of the prior fiscal year if not previously reimbursed. The County of Nottoway, the Virginia Center for Behavioral Rehabilitation, and Piedmont Regional Jail shall upon request provide the Compensation Board any information and assistance it determines is necessary to calculate amounts to be reimbursed to the County of Nottoway. | | | | |
| 74. | Not set out. | | | |
| 75. | Not set out. | | | |
| 76. | Not set out. | | | |
| 77. | Not set out. | | | |
| 78. | Not set out. | | | |
| 79. | Not set out. | | | |
| Total for Compensation Board..... | | | \$826,608,111 | \$858,557,415 \$841,308,725 |
| General Fund Positions..... 21.00 21.00 | | | | |
| Nongeneral Fund Positions..... 1.00 1.00 | | | | |
| Position Level..... 22.00 22.00 | | | | |
| Fund Sources: General..... \$810,012,233 | | | \$841,961,537 \$824,712,847 | |
| Trust and Agency..... \$8,003,370 | | | \$8,003,370 | |
| Dedicated Special Revenue..... \$8,592,508 | | | \$8,592,508 | |
| 80. | Not set out. | | | |
| 81. | Not set out. | | | |
| 82. | Not set out. | | | |
| 83. | Not set out. | | | |
| 84. | Not set out. | | | |

| ITEM 85. | | Item Details(\$) | | Appropriations(\$) | |
|---|--------------|------------------|--------------------------------|--------------------|------------------------------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| 85. | Not set out. | | | | |
| 86. | Not set out. | | | | |
| 87. | Not set out. | | | | |
| 88. | Not set out. | | | | |
| 89. | Not set out. | | | | |
| 90. | Not set out. | | | | |
| 91. | Not set out. | | | | |
| 92. | Not set out. | | | | |
| 93. | Not set out. | | | | |
| 94. | Not set out. | | | | |
| TOTAL FOR OFFICE OF ADMINISTRATION..... | | | | \$4,068,056,357 | \$4,077,560,420 \$4,060,311,730 |
| General Fund Positions..... | | 456.90 | 454.90 | | |
| Nongeneral Fund Positions..... | | 787.50 | 823.50 | | |
| Position Level..... | | 1,244.40 | 1,278.40 | | |
| Fund Sources: General..... | | \$886,289,698 | \$910,451,222 \$893,202,532 | | |
| Special..... | | \$22,825,132 | \$23,546,132 | | |
| Enterprise..... | | \$631,969,447 | \$631,994,109 | | |
| Internal Service..... | | \$2,351,204,710 | \$2,357,197,983 | | |
| Trust and Agency..... | | \$138,365,306 | \$138,365,306 | | |
| Dedicated Special Revenue..... | | \$8,592,508 | \$8,592,508 | | |
| Federal Trust..... | | \$28,809,556 | \$7,413,160 | | |

| ITEM 95. | Item Details(\$) | | Appropriations(\$) | |
|----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

OFFICE OF AGRICULTURE AND FORESTRY

95. Not set out.

§ 1-6. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES (301)

96. Not set out.

97. Not set out.

| | | | |
|--|--------------|--------------|--------------|
| 98. Agricultural Industry Marketing, Development, Promotion, and Improvement (53200)..... | | \$24,854,689 | \$24,235,814 |
| Grading and Certification of Virginia Products (53201)..... | \$7,846,952 | \$7,846,952 | |
| Milk Marketing Regulation (53204)..... | \$888,753 | \$888,753 | |
| Marketing Research (53205)..... | \$313,200 | \$313,200 | |
| Market Virginia Agricultural and Forestry Products Nationally and Internationally (53206)..... | \$5,343,927 | \$5,343,927 | |
| Agricultural Commodity Boards (53208)..... | \$8,540,393 | \$7,921,518 | |
| \$9,073,417 | | | |
| Agribusiness Development Services and Farmland Preservation (53209)..... | \$1,921,464 | \$1,921,464 | |
| Fund Sources: General..... | \$11,111,463 | \$10,492,588 | |
| \$11,644,487 | | | |
| Special..... | \$158,125 | \$158,125 | |
| Trust and Agency..... | \$7,285,070 | \$7,285,070 | |
| Dedicated Special Revenue..... | \$5,579,133 | \$5,579,133 | |
| Federal Trust..... | \$720,898 | \$720,898 | |

Authority: Title 3.2, Chapters 1, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 30, 32, 34, 35; Title 28.2, Chapter 2; and Title 61.1, Chapter 4, Code of Virginia.

A. Agricultural Commodity Boards shall be paid from the special fund taxes levied in the following estimated amounts:

1. To the Tobacco Board, \$143,000 the first year and \$143,000 the second year.
2. To the Corn Board, \$390,000 the first year and \$390,000 the second year.
3. To the Egg Board, \$210,000 the first year and \$210,000 the second year.
4. To the Soybean Board, \$1,164,000 the first year and \$1,164,000 the second year.
5. To the Peanut Board, \$320,000 the first year and \$320,000 the second year.
6. To the Cattle Industry Board, \$800,000 the first year and \$800,000 the second year.
7. To the Virginia Small Grains Board, \$400,000 the first year and \$400,000 the second year.
8. To the Virginia Horse Industry Board, \$320,000 the first year and \$320,000 the second year.
9. To the Virginia Sheep Industry Board, \$35,000 the first year and \$35,000 the second year.
10. To the Virginia Potato Board, \$25,000 the first year and \$25,000 the second year.
11. To the Virginia Cotton Board, \$180,000 the first year and \$180,000 the second year.
12. To the State Apple Board, \$150,000 the first year and \$150,000 the second year.

B. Each commodity board is authorized to expend funds in accordance with its authority as stated in the Code of Virginia. Such expenditures will be limited to available revenue levels.

| ITEM 98. | Item Details(\$) | | Appropriations(\$) | |
|----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

C. Each commodity board specified in this Item shall provide an annual notification to its excise tax paying producers which summarizes the purpose of the board and the excise tax, current tax rate, amount of excise taxes collected in the previous tax year, the previous fiscal year expenditures and the board's past year activities. The manner of notification shall be determined by each board.

D. Out of the amounts in this Item shall be paid from certain special fund license taxes, license fees, and permit fees levied or imposed under Title 28.2, Chapters 2, 3, 4, 5, 6 and 7, Code of Virginia, to the Virginia Marine Products Board, \$402,543 and two positions the first year and \$402,543 and two positions the second year.

E.1. Out of the amounts in this Item, \$2,514,048 the first year and \$2,514,048 the second year from the general fund shall be deposited to the Virginia Wine Promotion Fund as established in § 3.2-3005, Code of Virginia.

2. Out of the amounts provided in this item, \$125,000 the first year from the general fund is provided to support the Wine Board of Virginia for the purpose of developing vinifera-style wine grapes adapted to the Mid-Atlantic region.

F. Out of the amounts in this Item, \$952,375 the first year ~~the general fund and an amount the second year to be provided consistent with the provisions of Chapters 84 and 85 of the Acts of Assembly of 2022 and \$1,151,899 the second year from the general fund~~ shall be deposited to the Virginia Spirits Promotion Fund established pursuant to § 3.2-3012, Code of Virginia.

G. Out of the amounts in this Item, \$875,000 the first year and \$875,000 the second year from the general fund shall be deposited to the Virginia Farmland Preservation Fund established in § 3.2-201, Code of Virginia. This appropriation shall be deemed sufficient to meet the provisions of § 2.2-1509.4, Code of Virginia.

H. Out of the amounts in this Item, \$30,000 the first year and \$30,000 the second year from the general fund is provided to support a pilot partnership between the Department and Virginia State University's (VSU) Small Farm Management Agents to increase diversity of program participants, with an emphasis on small, socially disadvantaged, BIPOC, new and beginning, veteran and women farmers and landowners.

I. Out of the amounts in this Item, the Commissioner is authorized to expend from the general fund amounts not to exceed \$25,000 the first year and \$25,000 the second year for entertainment expenses commonly borne by businesses. Further, such expenses shall be recorded separately by the agency.

J. Out of the amounts in this Item, the Commissioner is authorized to expend \$1,120,226 the first year and \$1,120,226 the second year from the general fund for the promotion of Virginia's agricultural products overseas. Such efforts shall be conducted in concert with the international offices opened by the Virginia Economic Development Partnership.

K. Out of the amounts in this Item, \$250,000 the first year and \$250,000 the second year from the general fund is provided for the Department's efforts to support the International Trade Plan.

L. Out of the amounts in this Item, \$25,000 the first year and \$25,000 the second year from the general fund shall be provided to support 4-H and Future Farmers of America youth participation educational costs at the State Fair of Virginia. These funds shall not be used for administrative costs by the State Fair.

M. Out of the amounts for this Item, \$458,500 the second year from the general fund and two positions are provided to establish the Virginia Beer Distribution Company, consistent with the provisions of § 3.2-102, Code of Virginia.

99. Not set out.

100. Not set out.

| ITEM 101. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|------------------|--------------|------------------------------|--------------------------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| 101. | Not set out. | | | | |
| 102. | Not set out. | | | | |
| 103. | Not set out. | | | | |
| 104. | Not set out. | | | | |
| 105. | Not set out. | | | | |
| 106. | Not set out. | | | | |
| 107. | Not set out. | | | | |
| | Total for Department of Agriculture and Consumer Services..... | | | \$88,495,929 | \$88,407,054 \$89,558,953 |
| | General Fund Positions..... | 359.49 | 376.49 | | |
| | Nongeneral Fund Positions..... | 222.51 | 232.51 | | |
| | Position Level..... | 582.00 | 609.00 | | |
| | Fund Sources: General..... | \$49,249,000 | | \$49,165,125 \$50,317,024 | |
| | Special..... | \$7,518,148 | \$7,518,148 | | |
| | Trust and Agency..... | \$7,453,864 | \$7,453,864 | | |
| | Dedicated Special Revenue..... | \$10,842,027 | \$10,837,027 | | |
| | Federal Trust..... | \$13,432,890 | \$13,432,890 | | |
| 108. | Not set out. | | | | |
| 109. | Not set out. | | | | |
| 110. | Not set out. | | | | |
| 111. | Not set out. | | | | |
| | TOTAL FOR OFFICE OF AGRICULTURE AND FORESTRY..... | | | \$140,225,694 | \$134,559,989 \$135,711,888 |
| | General Fund Positions..... | 528.08 | 545.08 | | |
| | Nongeneral Fund Positions..... | 345.92 | 355.92 | | |
| | Position Level..... | 874.00 | 901.00 | | |
| | Fund Sources: General..... | \$78,419,987 | | \$72,759,282 \$73,911,181 | |
| | Special..... | \$25,099,502 | \$25,099,502 | | |
| | Trust and Agency..... | \$7,474,864 | \$7,474,864 | | |
| | Dedicated Special Revenue..... | \$11,508,298 | \$11,503,298 | | |
| | Federal Trust..... | \$17,723,043 | \$17,723,043 | | |

| ITEM 112. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

OFFICE OF COMMERCE AND TRADE

§ 1-7. SECRETARY OF COMMERCE AND TRADE (192)

112. Not set out.

Economic Development Incentive Payments (312)

| | | | |
|--|---------------|---------------|---------------|
| 113. Economic Development Services (53400)..... | | \$155,583,083 | \$414,366,290 |
| Financial Assistance for Economic Development (53410)..... | \$155,583,083 | \$414,366,290 | \$403,613,433 |
| Fund Sources: General..... | \$155,433,083 | \$414,216,290 | \$403,463,433 |
| Dedicated Special Revenue..... | \$150,000 | \$150,000 | |

Authority: Discretionary Inclusion.

A.1. Out of the appropriation for this Item, \$19,750,000 the first year and \$19,750,000 the second year from the general fund shall be deposited to the Commonwealth's Development Opportunity Fund, as established in § 2.2-115, Code of Virginia. Such funds shall be used at the discretion of the Governor, subject to prior consultation with the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, to attract economic development prospects to locate or expand in Virginia. If the Governor, pursuant to the provisions of § 2.2-115, E.1., Code of Virginia, determines that a project is of regional or statewide interest and elects to waive the requirement for a local matching contribution, such action shall be included in the report on expenditures from the Commonwealth's Development Opportunity Fund required by § 2.2-115, F., Code of Virginia. Such report shall include an explanation on the jobs anticipated to be created, the capital investment made for the project, and why the waiver was provided.

2. The Governor may allocate these funds as grants or loans to political subdivisions. Loans shall be approved by the Governor and made in accordance with procedures established by the Virginia Economic Development Partnership and approved by the State Comptroller. Loans shall be interest-free unless otherwise determined by the Governor and shall be repaid to the general fund of the state treasury. The Governor may establish the interest rate to be charged, otherwise, any interest charged shall be at market rates as determined by the State Treasurer and shall be indicative of the duration of the loan. The Virginia Economic Development Partnership shall be responsible for monitoring repayment of such loans and reporting the receivables to the State Comptroller as required.

3. Funds may be used for public and private utility extension or capacity development on and off site; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition; grading, drainage, paving, and other activity required to prepare a site for construction; construction or build-out of publicly-owned buildings; grants or loans to an industrial development authority, housing and redevelopment authority, or other political subdivision pursuant to their duties or powers; training; or anything else permitted by law.

4. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure.

5. It is the intent of the General Assembly that the Virginia Economic Development Partnership shall work with localities awarded grants from the Commonwealth's Development Opportunity Fund to recover such moneys when the economic development projects fail to meet minimal agreed-upon capital investment and job creation targets. All such recoveries shall be deposited and credited to the Commonwealth's Development Opportunity Fund.

| ITEM 113. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| B.1. Out of the appropriation for this Item, \$2,910,000 the first year and \$2,786,350 \$2,276,350 the second year from the general fund shall be deposited to the Investment Performance Grant subfund of the Virginia Investment Partnership Grant Fund to be used to pay investment performance grants in accordance with § 2.2-5101 , Code of Virginia. | | | | |
| 2. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure. | | | | |
| C. Out of the appropriation for this Item, \$4,000,000 the first year and \$5,000,000 the second year from the general fund and an amount estimated at \$150,000 the first year and \$150,000 the second year from nongeneral funds shall be deposited to the Governor's Motion Picture Opportunity Fund, as established in § 2.2-2320 , Code of Virginia. These nongeneral fund revenues shall be deposited to the fund from revenues generated by the digital media fee established pursuant to § 58.1-1731 , et seq., Code of Virginia. Such funds shall be used at the discretion of the Governor to attract film industry production activity to the Commonwealth. | | | | |
| D.1. Out of the appropriation for this Item, \$1,200,000 the first year and \$2,869,000 the second year from the general fund shall be deposited to the Virginia Economic Development Incentive Grant subfund of the Virginia Investment Partnership Grant Fund to be used to pay investment performance grants in accordance with § 2.2-5102.1 , Code of Virginia. Notwithstanding any other provision of law, any excess funds remaining in the subfund from prior fiscal years for projects previously approved shall be appropriated for expenditure in subsequent fiscal years. | | | | |
| 2. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure. | | | | |
| E. Out of the appropriation for this Item, \$4,669,833 the first year and \$4,669,833 the second year from the general fund shall be available for eligible businesses under the Virginia Jobs Investment Program. Pursuant to § 2.2-1611 , Code of Virginia, the appropriation provided for the Virginia Jobs Investment Program for eligible businesses shall be deposited to the Virginia Jobs Investment Program Fund. | | | | |
| F. Out of the appropriation for this Item, \$500,000 the first year and \$500,000 the second year from the general fund may be provided to the Virginia Economic Development Partnership to facilitate additional domestic and international marketing and trade missions approved by the Governor. The Director, Department of Planning and Budget, is authorized to provide these funds to the Virginia Economic Development Partnership upon written approval of the Governor. | | | | |
| G. Out of the appropriation in this Item, \$8,000,000 the first year and \$8,000,000 second year from the general fund shall be deposited to the Advanced Shipbuilding Production Facility Grant Fund for grants to be paid in accordance with § 59.1-284.29 , Code of Virginia. | | | | |
| H. Out of the appropriation in this Item, \$300,000 the first year and \$1,742,857 the second year from the general fund shall be deposited to the Truck Manufacturing Grant Fund for grants to be paid in accordance with § 59.1-284.33 , Code of Virginia. | | | | |
| I.1. Out of the appropriation in this Item, \$2,993,750 the first year and \$2,993,750 the second year from the general fund shall be deposited to the Pharmaceutical Manufacturing Grant Fund for grants to be paid in accordance with § 59.1-284.36 , Code of Virginia. | | | | |
| 2. Of the amounts deposited to the fund, \$2,500,000 the first year and \$2,500,000 the second year may be awarded as grants to a qualified pharmaceutical company in a qualified locality pursuant to §§ 59.1-284.35 and 59.1-284.36 , Code of Virginia. | | | | |
| 3. Of the amounts deposited to the fund, \$493,750 the first year and \$493,750 the second year may be awarded as grants to a comprehensive community college and a baccalaureate public institution of higher education in or near the eligible county pursuant to § 59.1-284.37 , Code of Virginia. | | | | |
| J. Out of the appropriation in this Item, \$1,300,000 the first year and \$1,300,000 the second | | | | |

| ITEM 113. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

year from the general fund shall be deposited to the Advanced Production Grant Fund for grants to be paid in accordance with § [59.1-284.34](#), Code of Virginia.

K.1. Out of the amounts in this Item, \$825,000 the first year and \$825,000 the second year from the general fund shall be deposited to the Governor's New Airline Service Incentive Fund to assist in the provision of marketing, advertising, or promotional activities by airlines in connection with the launch of new air passenger service at Virginia airports, and to incentivize airlines that have committed to commencing new air passenger service in Virginia, pursuant to the provisions of § [2.2-2320.1](#), Code of Virginia.

2. Notwithstanding the provisions of § [2.2-2320.1](#), Code of Virginia, 25 percent of the annual appropriation to the Governor's New Airline Service Incentive Fund shall be set aside for projects in Virginia commercial airports with less than 400,000 enplanements per calendar year for the purposes of economic development in these areas. Enplanement data shall come from the Federal Aviation Administration.

L. Out of the appropriation in this Item, \$5,625,000 the first year and \$5,625,000 the second year from the general fund shall be deposited to the Technology Development Grant Fund for grants to be paid in accordance with § [59.1-284.38](#), Code of Virginia.

M. Out of the appropriation in this Item, \$1,359,500 the first year and \$1,154,500 the second year from the general fund shall be deposited to the Shipping and Logistics Headquarters Grant Fund for grants to be paid in accordance with § [59.1-284.39](#), Code of Virginia.

O.1. Out of the appropriation in this Item, \$42,500,000 the first year and \$78,000,000 the second year from the general fund shall be deposited to the Major Headquarters Workforce Grant Fund for grants to be paid in accordance with § [59.1-284.31](#), Code of Virginia.

2. Of the amounts included in the second year, \$35,500,000 represents the appropriation of excess fiscal year 2022 general fund revenues reserved by the Comptroller in the Committed Fund balance pursuant to Item 485 L. of this act.

P.1. Out of the appropriation in this item, \$54,500,000 the first year, and \$179,500,000 the second year from the general fund shall be provided for the Virginia Business Ready Sites Program Fund, and shall be used in accordance with the provisions of Chapter 83 of the 2022 Acts of Assembly. As a condition of the grants awarded from these funds, the Virginia Economic Development Partnership Authority shall require grant recipients to provide matching funds.

2. It is the intent of the General Assembly that the Virginia Economic Development Partnership Authority consider investing these funds in economic development sites over 1,000 acres ("mega-sites"), and smaller sites of at least 50 acres concentrated in GO Virginia Regions 1 and 2.

3. Notwithstanding the provisions of Chapter 83 of the 2022 Acts of Assembly, the Virginia Economic Development Partnership Authority may reimburse localities, without a local match requirement, for fees associated with rezoning land for the purpose of building a portfolio of strategic economic development sites in Virginia from the funds provided in this paragraph.

4. The Virginia Economic Development Partnership Authority may use up to \$19,000,000 of the funds provided in this paragraph for an economic development project approved by the MEI Project Approval Commission on May 17, 2022.

5. Of the amounts included in the second year, \$50,000,000 represents the appropriation of excess fiscal year 2022 general fund revenues reserved by the Comptroller in the Committed Fund balance pursuant to Item 485 L. of this act.

Q. Included in the amounts in this item, \$5,000,000 the first year from the general fund is provided to the Frederick County Economic Development Authority for regional economic development initiatives and construction or improvements to facilities that support the growth of small aerospace, avionics, and unmanned systems companies in Planning District 7. Prior to the release of any funds to the Authority, documentation shall

| ITEM 113. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

be provided, to the satisfaction of the Secretary of Commerce and Trade and the Secretary of Finance, that matching funding, exclusive of in-kind contributions or currently pledged amounts, from local or other non-state sources are available to be pledged to the project. Funding shall be released only upon the written approval of the Governor and any funding not awarded by June 30, 2023 shall revert to the general fund.

R. The State Comptroller shall continue the Property Analytics Firm Infrastructure Fund as established in Item 112, Paragraph S. of House Bill 29, 2022 General Assembly, Special Session I. All moneys in this Fund shall be used as provided for in Item 112, Paragraph S. of House Bill 29, 2022 General Assembly, Special Session I.

S. Notwithstanding any other provision of law to the contrary, a data center operator that was approved by the MEI Project Approval Commission for a grant from the Cloud Computing Cluster Infrastructure Grant Fund on December 13, 2022, shall be eligible to receive grants beginning with the Commonwealth's fiscal year starting on July 1, 2025, and ending no later than the Commonwealth's fiscal year starting on July 1, 2044, and not to exceed \$140.0 million, subject to the terms of a memorandum of understanding (MOU) entered into between such data center operator and the Commonwealth. The amount of the fiscal year grant payment for each fiscal year shall be calculated based upon an award of \$8,642 for each new full-time job created by the qualified company in the prior calendar year, and an award of \$3,364 for each \$1.0 million of capital investment by the qualified company in the prior calendar year. Prior calendar year performance for calendar year 2024 shall include capital investments made and jobs created by the company in 2023.

T.1. Out of this appropriation, \$10,000,000 the second year from the general fund is provided for the development of an inland port in the Mount Rogers Planning District. The Virginia Port Authority shall acquire, plan, design, and develop a site for the establishment of an inland port in the Mount Rogers Planning District. The Virginia Port Authority and the Virginia Economic Development Partnership Authority shall develop a business recruitment strategy for the inland port and the surrounding area to provide for rapid development and utilization of the facility. The Virginia Port Authority, in consultation with the Virginia Economic Development Partnership Authority, shall provide recommendations to the Governor, the Secretary of Transportation, and the Secretary of Commerce and Trade and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on any additional infrastructure improvements needed to maximize the economic benefit of the inland port by December 1, 2023.

2. The Director of the Department of Planning and Budget is authorized to transfer moneys from this paragraph on a quarterly basis to the Virginia Port Authority. The Virginia Port Authority shall verify to the Secretary of Finance and the Director of the Department of Planning and Budget estimated quarterly expenses prior to the release of these funds. Any funding remaining at the end of the fiscal year 2024 shall be carried forward into the next fiscal year for the purposes described in this paragraph.

3. The Virginia Port Authority may collaborate with the Virginia Department of Rail and Public Transportation, Virginia Department of Transportation, the Virginia Economic Development Partnership Authority, and any federal, state, or local agency as may be necessary to support the development and utilization of an inland port. The Virginia Port Authority shall engage in negotiations with necessary parties, including railroads and beneficial cargo owners, for development of the inland port.

4. The Virginia Port Authority shall report quarterly to the Governor, the Secretary of Transportation, the Secretary of Commerce and Trade, and the Virginia Economic Development Partnership Authority, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the timeline, progress to date, and overall cost for the construction of the inland port. The first of these reports shall be due December 1, 2023.

U.1. Out of the appropriation in this Item, \$8,500,000 the second year from the general fund shall be provided to the Economic Development Authority of York County for support of a cruise ship port-of-call location and related visitor support and tourism on the York River at Yorktown, Virginia. Prior to the award of any funds included in this item, the Secretary of Commerce and Trade and the Secretary of Transportation shall ensure that: (i) there is an agreement with at least one cruise ship company for calls at the pier location beginning in 2023; (ii) a working group is convened among state and local agencies related to the

| ITEM 113. | Item Details(\$) | | Appropriations(\$) | |
|--|----------------------|--------------------------------|----------------------|--------------------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| <p>permitting of the pier location to facilitate its development; (iii) there is outreach to tourism and other stakeholders in the region to maximize the economic impact of the pier location; (iv) the agreement will result in a positive return to the state for its investment; and (v) there is a plan to maximize philanthropic support, federal matching funds, and other funding necessary to construct and maintain the pier location. Following the completion of these items and the final approval from the Secretary of Commerce and Trade and Secretary of Transportation, the funds shall be awarded. The Secretaries shall enter into a memorandum of understanding with the Economic Development Authority of York County to outline the framework for the funding, design, procurement, and construction of the pier location, a plan for its ongoing maintenance, and to maximize the economic and tourism benefits of this facility to the Commonwealth.</p> <p>2. The funding appropriated in this paragraph includes \$1,000,000 the second year for development and implementation of transit system improvements in conjunction with the Colonial Williamsburg Foundation to provide ground transportation from the tender pier facility to sites within the historic triangle.</p> <p>3. Should the Secretary of Commerce and Trade and the Secretary of Transportation fail to recommend proceeding with the development of the pier location, the funds in paragraph U.1. shall revert to the general fund.</p> <p>V. Out of this appropriation, up to \$6,000,000 the second year from the general fund shall be made available as an incentive payment, if the valuation of the property is negative and the bid is negative, to the winning purchaser of the Central Virginia Training Center property in Madison Heights, Virginia. As part of the sale of the property, the Department of General Services shall inform any potential offeror of the availability of this funding for remediation efforts on the property and that any proposal must include complete remediation and removal of existing derelict buildings, excluding those that can be rehabilitated and must be brought up to building code standards and are included in the proposed development for such use, and removal of all debris from the property within 12 months after the change in ownership prior to the incentive payment being paid to the purchaser. As part of the sale of the property, the Department of General Services shall require a performance bond for the restoration and remediation of the property. <i>Any funding remaining at the end of fiscal year 2024 shall be carried forward to the next fiscal year and reappropriated for the purposes described in this paragraph.</i></p> <p>W. Out of the appropriation in this Item, \$75,000,000 the second year from the general fund shall be deposited to the Virginia Business Ready Sites Acquisition Fund and used in accordance with provisions of Chapter 779, 2023 Acts of Assembly, establishing the Virginia Business Ready Sites Acquisition Program and Fund to expand Virginia's portfolio of industrial properties for large-scale economic development projects.</p> | | | | |
| Total for Economic Development Incentive Payments..... | | | \$155,583,083 | \$414,366,290 \$403,613,433 |
| Fund Sources: General..... | \$155,433,083 | \$414,216,290 \$403,463,433 | | |
| Dedicated Special Revenue..... | \$150,000 | \$150,000 | | |
| Grand Total for Secretary of Commerce and Trade. | | | \$156,739,839 | \$415,523,046 \$404,770,189 |
| General Fund Positions..... | 9.00 | 9.00 | | |
| Position Level..... | 9.00 | 9.00 | | |
| Fund Sources: General..... | \$156,589,839 | \$415,373,046 \$404,620,189 | | |
| Dedicated Special Revenue..... | \$150,000 | \$150,000 | | |

§ 1-8. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (165)

| | | | |
|------|---|---------------|---------------|
| 114. | Not set out. | | |
| 115. | Community Development Services (53300)..... | \$176,626,786 | \$151,560,442 |

ITEM 115.

| | Item Details(\$) | | Appropriations(\$) | |
|---|-------------------------|--------------------|---------------------------|--------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| Community Development and Revitalization (53301) | \$74,125,874 | \$75,395,874 | | |
| Financial Assistance for Regional Cooperation (53303)..... | \$35,408,251 | \$35,388,251 | | |
| Financial Assistance for Community Development (53305)..... | \$67,092,661 | \$40,776,317 | | |
| Fund Sources: General..... | \$147,096,483 | \$122,030,139 | | |
| Special..... | \$5,221,893 | \$5,221,893 | | |
| Trust and Agency..... | \$150,000 | \$150,000 | | |
| Federal Trust..... | \$24,158,410 | \$24,158,410 | | |

Authority: Title 15.2, Chapter 13, Article 3 and Chapter 42; Title 36, Chapters 8, 10 and 11; and Title 59.1, Chapter 22, Code of Virginia.

A. Out of the amounts in this Item, \$351,930 the first year and \$351,930 the second year from the general fund is provided for annual membership dues to the Appalachian Regional Commission.

B. The department and local program administrators shall make every reasonable effort to provide participants basic financial counseling to enhance their ability to benefit from the Indoor Plumbing Program and to foster their movement to economic self-sufficiency.

C. Out of the amounts in this Item shall be paid from the general fund in four equal quarterly installments each year:

1. To the Lenowisco Planning District Commission, \$89,971 the first year and \$89,971 the second year, which includes \$38,610 the first year and \$38,610 the second year for responsibilities originally undertaken and continued pursuant to § [15.2-4207](#), Code of Virginia, and the Virginia Coalfield Economic Development Authority.

2. To the Cumberland Plateau Planning District Commission, \$89,971 the first year and \$89,971 the second year, which includes \$42,390 the first year and \$42,390 the second year for responsibilities originally undertaken and continued pursuant to § [15.2-4207](#), Code of Virginia, and the Virginia Coalfield Economic Development Authority.

3. To the Mount Rogers Planning District Commission, \$89,971 the first year and \$89,971 the second year.

4. To the New River Valley Planning District Commission, \$89,971 the first year and \$89,971 the second year.

5. To the Roanoke Valley-Alleghany Regional Commission, \$89,971 the first year and \$89,971 the second year.

6. To the Central Shenandoah Planning District Commission, \$89,971 the first year and \$89,971 the second year.

7. To the Northern Shenandoah Valley Regional Commission, \$89,971 the first year and \$89,971 the second year.

8. To the Northern Virginia Regional Commission, \$165,943 the first year and \$165,943 the second year.

9. To the Rappahannock-Rapidan Regional Commission, \$89,971 the first year and \$89,971 the second year.

10. To the Thomas Jefferson Planning District Commission, \$89,971 the first year and \$89,971 the second year.

11. To the Region 2000 Local Government Council, \$89,971 the first year and \$89,971 the second year.

12. To the West Piedmont Planning District Commission, \$89,971 the first year and \$89,971 the second year.

| ITEM 115. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 13. To the Southside Planning District Commission, \$89,971 the first year and \$89,971 the second year. | | | | |
| 14. To the Commonwealth Regional Council, \$89,971 the first year and \$89,971 the second year. | | | | |
| 15. To the Richmond Regional Planning District Commission, \$127,957 the first year and \$127,957 the second year. | | | | |
| 16. To the George Washington Regional Commission, \$89,971 the first year and \$89,971 the second year. | | | | |
| 17. To the Northern Neck Planning District Commission, \$89,971 the first year and \$89,971 the second year. | | | | |
| 18. To the Middle Peninsula Planning District Commission, \$89,971 the first year and \$89,971 the second year. | | | | |
| 19. To the Crater Planning District Commission, \$89,971 the first year and \$89,971 the second year. | | | | |
| 20. To the Accomack-Northampton Planning District Commission, \$89,971 the first year and \$89,971 the second year. | | | | |
| 21. To the Hampton Roads Planning District Commission \$165,943 the first year, and \$165,943 the second year. | | | | |
| D. Out of the amounts in this Item, \$1,568,442 the first year and \$1,568,442 the second year from the general fund shall be provided for the Southeast Rural Community Assistance Project (formerly known as the Virginia Water Project) operating costs and water and wastewater grants. The department shall disburse the total payment each year in twelve equal monthly installments. | | | | |
| E. The department shall leverage any appropriation provided for the capital costs for safe drinking water and wastewater treatment in the Lenowisco, Cumberland Plateau, or Mount Rogers planning districts with other state moneys, federal grants or loans, local contributions, and private or nonprofit resources. | | | | |
| F. Out of the amounts in this Item, \$95,000 the first year and \$95,000 the second year from the general fund shall be provided for the Center for Rural Virginia. The department shall report periodically to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees on the status, needs and accomplishments of the center. | | | | |
| G. Out of the amounts in this Item, \$171,250 the first year and \$171,250 the second year from the general fund shall be provided to support The Crooked Road: Virginia's Heritage Music Trail. | | | | |
| H. Out of the amounts in this Item, \$3,000,000 the first year and \$3,000,000 the second year from the general fund shall be deposited to the Virginia Removal or Rehabilitation of Derelict Structures Fund to support industrial site revitalization. Out of the amounts in this paragraph, \$1,500,000 the first year and \$1,500,000 the second year from the general fund is designated for removing, renovating or modernizing port-related buildings and facilities in the cities of Portsmouth, Norfolk, Newport News, Richmond or Front Royal. | | | | |
| I. Out of the amounts in this Item, \$500,000 the first year and \$500,000 the second year from the general fund shall be provided for the Virginia Main Street Program. This amount shall be in addition to other appropriations for this activity. | | | | |
| J. Of the general fund amounts provided for the Virginia Main Street Program, the Indoor Plumbing Rehabilitation Program, and the water and wastewater planning and construction projects in Southwest Virginia, the department is authorized to use up to two percent of the appropriation in each year for program administration. | | | | |
| K.1. Out of the amounts in this Item, \$875,000 the first year and \$875,000 the second year from the general fund shall be provided for the Southwest Virginia Cultural Heritage Foundation. | | | | |

| ITEM 115. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 2. The foundation shall report by September 1 of each year to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the expenditures of the foundation and its ongoing efforts to generate revenues sufficient to sustain operations. | | | | |
| L.1. Out of the amounts in this Item, \$49,725,000 the first year and \$49,725,000 the second year from the general fund is provided for the Virginia Telecommunication Initiative. The funds shall be used for providing financial assistance to supplement construction costs by private sector broadband service providers to extend service to areas that presently are unserved by any broadband provider. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2023, and June 30, 2024, shall not revert to the general fund but shall be carried forward and reappropriated. | | | | |
| 2. The department shall develop appropriate criteria and guidelines for the use of the funding provided to the Virginia Telecommunication Initiative. Such criteria and guidelines shall: (i) facilitate the extension of broadband networks by the private sector and shall focus on unserved areas; (ii) attempt to identify the most cost-effective solutions, given the proposed technology and speed that is desired; (iii) give consideration to proposals that are public-private partnerships in which the private sector will own and operate the completed project; (iv) consider the number of locations where the applicant states that service will be made available, in addition to whether customers take the service in both evaluating applications and in establishing completion and accountability requirements; and, (v) require investment from the private sector partner in the project prior to making any award from the fund at an appropriate level determined by the department. The department shall encourage additional assistance from the local governments in areas designated to receive funds to lower the overall cost and further assist in the timely completion of construction, including assistance with permits, rights of way, easement and other issues that may hinder or delay timely construction and increase the cost. | | | | |
| 3. The department shall post electronic copies of all submitted applications to the department's website after the deadline for application submissions has passed but before project approval, and shall establish a process for providers to challenge applications where providers assert the proposed area is served by another broadband provider. | | | | |
| 4. The department shall consult with the Broadband Advisory Council to designate the unserved areas to receive funds. | | | | |
| 5. Notwithstanding the foregoing, the department shall allow public broadband authorities to apply directly for Virginia Telecommunications Initiative funds without investment from the private sector. The cumulative total of any grants awarded to public broadband authorities shall not exceed 10 percent of total available funding in any fiscal year. | | | | |
| 6. For grants awarded from the amounts appropriated in paragraphs B.2.b.2) and C.1. of Chapter 1 of the 2021 Acts of Assembly, Special Session II, Item 114, Paragraph L. of Chapter 552, 2021 Acts of Assembly, Special Session I, and this paragraph, for the construction of broadband infrastructure through the Virginia Telecommunications Initiative (VATI), the Department of Housing and Community Development shall deliver an annual performance report to the Governor, Secretary of Commerce and Trade, Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee, and Broadband Advisory Council, on or before November 1st of each year, starting in Calendar Year 2022. To the extent possible, the annual performance report shall contain information by grant recipient and year on the following metrics: (1) Number of passings; (2) Grant dollars expended by fund source (State and Local Recovery Fund, Capital Project Fund, general fund state grants and match); (3) Contract performance period, and on-time progress towards project delivery; (4) Maximum advertised project speeds available; and, (5) Achievement of key project milestones. The annual performance report shall include an evaluation of any projects under risk of incompletion or underperformance. The Department of Housing and Community Development shall develop a public facing dashboard to be updated quarterly that contains key performance information by grant recipient and year, and includes the key performance indicators outlined above. Information in this public facing tool shall contain data beginning with grants awarded in the fiscal year 2022 Virginia Telecommunications Initiative grant cycle, and any future VATI grant cycles. | | | | |

| ITEM 115. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

M. Out of the amounts in this Item, \$1,408,647 the first year and \$1,408,647 the second year from the general fund is provided for administrative support for the Virginia Telecommunications Initiative.

N.1. Out of the amounts in this Item, \$30,000,000 the first year and \$30,000,000 the second year from the general fund shall be deposited to the Virginia Growth and Opportunity Fund to encourage regional cooperation among business, education, and government on strategic economic and workforce development efforts in accordance with § [2.2-2487](#), Code of Virginia.

2. Of the amounts provided in this paragraph, the appropriation shall be distributed as follows: (i) \$2,250,000 the first year and \$2,250,000 the second year from the general fund shall be allocated to qualifying regions to support organizational and capacity building activities, which, notwithstanding § [2.2-2489](#), Code of Virginia, may not require matching funds if a waiver is granted by the Virginia Growth and Opportunity Board to a qualifying region upon request; (ii) \$16,900,000 the first year and \$16,900,000 the second year from the general fund shall be allocated to qualifying regions based on each region's share of the state population; and (iii) \$10,850,000 the first year and \$10,850,000 the second year from the general fund shall be awarded to regional councils on a competitive basis.

3. The Virginia Growth and Opportunity Board may allocate monies among the distributions outlined in paragraph N.2. of this item to meet demonstrated demand for funds. However, only those regional councils whose allocation is less than \$1,000,000 in a fiscal year based on the region's share of state population shall be eligible to receive an additional allocation, and the amount shall be limited such that the total allocation does not exceed \$1,000,000 in a fiscal year.

4. The Virginia Growth and Opportunity Board may approve grants for assessments of commercial economic development demand and current access, and to advance the planning and engineering of broadband infrastructure that are aligned with the framework recommended by the working group, established in Chapter 2, 2018 Special Session I, Acts of Assembly and shall give priority consideration for broadband technology development and deployment to facilitate the connectivity or upgrade of services to current and proposed business-ready sites in areas of high unemployment in qualifying regions.

5. The Virginia Growth and Opportunity Board may rescind funds allocated to regional councils on a per capita basis, if the unobligated balances of a regional council exceeds its average annual per capita distribution award. Any funds rescinded pursuant to this paragraph shall be retained in the Virginia Growth and Opportunity Fund (09272) and may be used by the Virginia Growth and Opportunity Board for grant awards to competitive projects. The Department shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 10 days of the decision by the Virginia Growth and Opportunity Board to rescind regional per capital allocations. The regional council, the amount, and reason for unused funds shall be included in such notice.

6.a. The department shall report one month after the close of each calendar quarter to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on grant awards and expenditures from the Virginia Growth and Opportunity Fund. The report shall include, but not be limited to, total appropriations made or transferred to the fund, total grants awarded, total expenditures from the fund, total per capita allocations rescinded and repurposed to competitive awards, cash balances, and balances available for future commitments. The report shall further summarize such amounts by the allocations provided in paragraph N.2. of this item, including amounts allocated to support organizational and capacity building activities, amounts allocated to regional councils based on each region's share of the state population, and amounts to be awarded on a competitive basis by fiscal year. The report shall include details on the cash balances available in the Virginia Growth and Opportunity Fund including the unobligated balances by the per capita allocation and competitive allocation of paragraph N.2., which shall be further disaggregated by fiscal year and regional council, as appropriate.

b. The department shall report at the close of each fiscal year to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees

| ITEM 115. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | on the outcomes associated with closed projects that received a grant from the Virginia Growth and Opportunity Fund. This report shall include itemized information that details the project name, the Regional Council, GO Virginia investment type (regional per capita, competitive, or Economic Resilience and Recovery), GO Virginia strategy, program year, date of award, committed match, anticipated project outcomes, and actual project outcomes. | | | |
| O. | O. Of the amounts in this Item, \$20,000 the first year from the general fund shall be provided to the Middle Peninsula Planning District Commission for the purpose of designing and constructing a pilot elevated septic system suitable for areas susceptible to recurrent flooding in rural coastal Virginia. The Department of Health will monitor its ability to protect public health and as a potential strategy for resiliency of recurrent tidal flooding. | | | |
| P.1. | P.1. Out of the amounts in this Item, \$424,000 the first year and \$424,000 the second year from the general fund is provided to support the creation of a statewide broadband map. The department shall, in coordination with the Office of the Chief Broadband Advisor, develop a statewide broadband availability map indicating broadband coverage, including maximum broadband speeds available in service territories in the Commonwealth. The department and Chief Advisor shall provide the initial map by July 1, 2022, or as soon as practicable, and shall update the map at least annually. | | | |
| 2. | 2. Broadband service providers shall be required to submit updated service territory data to the department annually. The department shall establish a process, timeline, and specific data requirements for broadband providers to submit their data. All public bodies shall cooperate with the department, or any agent thereof, to furnish data requested by the Department for the initial improvement and maintenance of the map. | | | |
| 3. | 3. In no instance may the department require broadband providers to submit any data, in either substantive content or form, beyond that which the provider is required to submit to the Federal Communications Commission pursuant to the federal Broadband Deployment Accuracy and Technological Availability Act, 47 U.S.C. § 641 et. seq., provided, however, that satellite-based broadband providers that have been designated as an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e)(6) for any portion of the Commonwealth shall be required to submit comparable data as other broadband providers. Public bodies and broadband providers shall not be required to submit any customer information, such as names, addresses, or account numbers. | | | |
| 4. | 4. The department may publish only anonymized versions of the map, showing locations served and unserved by broadband without reference to any specific provider. The map shall not include information regarding ownership or control over the network or networks providing service. The department shall establish a process for broadband providers to petition the Department to correct inaccuracies in the map. Any determination made by the department pursuant to any specific petition with respect to any specific map to correct inaccuracies shall be final and not subject to further review. | | | |
| 5. | 5. Maps published by the department pursuant to this section may be considered, but shall not be considered conclusive, for purposes of determining eligibility for funding for Commonwealth broadband expansion grant or loan programs, including the Virginia Telecommunication Initiative, or challenges thereto. | | | |
| 6. | 6. The department: (i) may contract with private parties to make the necessary improvements to the existing map and to maintain the map. Such private parties may include any entities and individuals selected by the department to assist the department in improving and maintaining such a map; (ii) shall consult existing broadband maps, particularly those published by the Federal Communications Commission; and (iii) may acquire existing, privately held data or mapping information that may contribute to the accuracy of the map. | | | |
| 7. | 7. Information submitted by a broadband provider in connection with this section shall be excluded from the requirements of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). Information submitted by a broadband provider pursuant to this section shall be used solely for the purposes stated under this section and shall not be released by the department, or any other public records custodian, without the express written permission of the submitting broadband provider. | | | |
| 8. | 8. The department shall annually evaluate federal mapping data and shall waive the | | | |

| ITEM 115. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

requirement for broadband providers to submit territory data if a map of near identical or greater quality is made publicly available by the Federal Communications Commission as part of the federal Digital Opportunity Data Collection program or its successor. This waiver shall not be unreasonably withheld.

9. For the purposes of the initiative outlined in paragraph P. of this item, "Broadband" means Internet access at speeds equal to or greater than the broadband Internet speed benchmark set by the Federal Communications Commission. "Broadband provider" means a provider of fixed or mobile broadband Internet access service and includes any entity required to provide the federal government with information on Federal Communications Commission Form 477 or as part of the federal Digital Opportunity Data Collection program or a provider of satellite-based broadband Internet access service that has been designated as an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e)(6) for any portion of the Commonwealth. "Chief Advisor" means the Commonwealth Broadband Chief Advisor as established in § [2.2-205.2](#), Code of Virginia. "Map" means the statewide broadband availability map developed and maintained pursuant to paragraph P. of this item.

Q. Out of this appropriation, \$1,500,000 the second year from the general fund is provided for the Community Development Financial Institutions Fund, as established by § [36-140.01](#), Code of Virginia. Of these amounts, the department is authorized to use up to \$150,000 to administer these funds.

R. Out of the amounts in this Item, \$500,000 the first year and \$500,000 the second year from the general fund is provided for the Lenowisco Planning District Commission and Cumberland Plateau Planning District Commission designated for initiatives intended to expand education and telehealth access. Such funds for grants shall be managed by the Virginia Coalfield Economic Development Authority.

S. Out of the amounts in this Item, \$4,000,000 the second year from the general fund shall be provided to Halifax County to support the construction of a water line from the City of Danville to an infrastructure project at the Virginia International Raceway. The project will leverage both state and local, or private funds, with a one-third match ~~by local, or private sources~~*by non-state sources* as certified by the department.

T.1. The Department of Housing and Community Development, in collaboration with the State Council of Higher Education for Virginia shall convene a taskforce to review and recommend investments in regional initiatives to strengthen Virginia's Biotechnology, Life Sciences, and Pharmaceutical Manufacturing industry cluster (the taskforce). This taskforce shall be comprised of representatives of the Virginia Innovation Partnership Authority, Virginia Economic Development Partnership Authority, Virginia Initiative for Growth and Opportunity Board, State Council of Higher Education for Virginia, and the staff directors of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations, or their designees. The taskforce shall use non-biased industry experts to help evaluate the investments below, but shall not receive guidance or advice from representatives of any company, institution, or organization with a vested interest in the projects outlined below.

2. Out of the appropriation in this item, \$48,716,344 the first year and \$18,000,000 the second year from the general fund shall be provided to the Department of Housing and Community Development for investments in identified regional innovation clusters. Prior to the award of any funds included in this item, the taskforce, Secretary of Commerce and Trade, and Secretary of Education shall ensure the regional innovation cluster proposals: (i) align with state or regional economic development strategies; (ii) facilitate the opportunity for job creation, wage growth, business creation, and positive economic outcomes for the Commonwealth; (iii) offer a positive return to the state for its investment; and, (iv) maximize philanthropic and federal matching funds. Upon recommendation of the taskforce and final approval from the Secretary of Commerce and Trade and Secretary of Education, the following amounts shall be awarded as follows:

a. Up to \$15,000,000 the first year to the Virginia Biotechnology Research Partnership Authority to support the scale-up of a Virginia pharmaceutical research, development, and manufacturing cluster in the Richmond Regional Planning District or the Crater Planning District (central Virginia). The Virginia Biotechnology Research Partnership Authority

| ITEM 115. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

shall award the funds as follows:

1) Of the amounts provided in paragraph T.2.a., up to \$10,000,000 the first year may be used to help fund the construction of a life sciences lab building located at the Virginia Biotech Park in the City of Richmond.

2) Of the amounts provided in paragraph T.2.a., up to \$5,000,000 the first year may be used to administer a one-time grant program designed to fund a key starting materials pilot project located in the central Virginia. At a minimum, criteria to award the grant shall include: (i) the company is headquartered in Virginia; and (ii) the company has a chemical industrial site to stand up the program in either the Richmond Regional Planning District or the Crater Planning District. Any funding awards shall be used for the direct costs of key starting materials reactors, a centrifuge, and a dryer.

3) As a condition of the award of any funding identified in paragraph T.2.a., the Virginia Biotechnology Research Partnership Authority shall provide evidence, to the satisfaction of the taskforce, Secretary of Commerce and Trade, and Secretary of Education of a commitment of funding from private or other non-state sources of not less than a like amount of any funding awarded.

b. Up to \$18,000,000 the first year and \$18,000,000 the second year to the University of Virginia's Institute for Biotechnology to accelerate biotechnology commercialization, genomics and gene therapies, drug delivery technologies and biomanufacturing facilities in the Commonwealth over the next five fiscal years through incentives designed to attract 150 research scientists. Upon recommendation of the taskforce and final approval from the Secretary of Commerce and Trade and Secretary of Education, the following amounts shall be awarded as follows:

1) Up to \$18,000,000 the first year and \$18,000,000 the second year may be awarded to incentivize the recruitment of high performing biomedical and bioengineering research scientists to the Institute.

2) Upon approval of the Secretary of Commerce and Trade and Secretary of Education, the University of Virginia shall develop, in consultation with the Secretary of Finance, the Secretary of Education, the Director of the Department of Planning and Budget, the President of the Virginia Economic Development Partnership Authority, and the staff directors of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations, or their designees, a Memorandum of Understanding which will set forth the conditions for continued allocations beginning July 1, 2024.

3) Prior to the release of any funding provided in paragraph T.2.b, and upon the affirmative recommendation of the taskforce, Secretary of Commerce and Trade, and Secretary of Education, the University of Virginia shall demonstrate, to the satisfaction of the taskforce, Secretary of Commerce and Trade, and Secretary of Education, a commitment from private or other non-state sources of not less than a like amount of any funding awarded.

c. Up to \$15,716,344 the first year as a grant to the City of Roanoke for the renovation of an existing facility to create advanced laboratory, business incubation and an accelerator space for the development of new biotechnology companies across southwestern Virginia. Prior to the release of any funding in this item, and upon the recommendation of the taskforce, the City of Roanoke shall cause or cause to made a matching amount of not less than \$1,955,000 for the project.

3. Should the taskforce, Secretary of Commerce and Trade, and/or Secretary of Education fail to recommend investments for any of the identified regional projects prior to June 15, 2023, any unawarded first year funds remaining in paragraph T.2. shall revert to the general fund.

U. The department shall continue the talent pathways planning grant program established in Item 114, Paragraph S. in House Bill 29 of the 2022 General Assembly, Special Session I.

V.1. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from the general fund is provided for the Lenowisco Planning District Commission and the Cumberland Plateau Planning District Commission (PDC), in equal amounts, to identify, plan, and support economic development efforts within each PDC that align with federal funding opportunities, including Assistance to Coal Communities funding. In fulfilling the purposes of

| ITEM 115. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

this paragraph, the PDCs may hire an additional position to help coordinate efforts and activities designed to maximize the receipt of federal funding by the region. These economic development initiatives may be coordinated Virginia Economic Development Partnership Authority and other regional economic development organizations as applicable. The PDCs shall provide quarterly reports to the department on the activities supported and federal investment secured as a result of the funding provided in this paragraph.

2. The department shall establish an Inter-Agency Task Force chaired by the Secretary of Commerce and Trade, or their designee, and comprised of designees from the Virginia Economic Development Partnership Authority, Virginia Energy, the Virginia Tourism Corporation, the Department of Housing and Community Development, the Virginia Department of Agriculture and Consumer Services, the Virginia Department of Environmental Quality, the Secretary of Labor, the Virginia Coalfield Economic Development Authority, the Tobacco Region Revitalization Commission, and the Virginia Community College System. The purpose of the Inter-Agency Task Force is to review and make recommendations to support economic development in Southwest Virginia. The Inter-Agency Task Force shall initially review and make recommendations on its findings to the General Assembly by June 1, 2023 regarding (i) the establishment of a downtown revitalization matching fund for communities of less than 2,000 people; (ii) expansion of the Tobacco Commission's Talent Attraction Program; (iii) support for the Southwest Virginia Energy Park, known as the "Energy Lab" project; and, (iv) support for the innovative Energy Storage and Electrification Manufacturing project. The Inter-Agency Task Force may include additional recommendations that will support economic development and job creation in the region in its June 2023 report to the General Assembly. In conducting its review, the department's Division of Economic Development and Community Vitality shall conduct regular stakeholder outreach with impacted communities and regional stakeholders to identify the necessary programs, resources, and policy changes required to support transitioning workers and communities. The Inter-Agency Task Force shall consult with impacted stakeholders including residents of the coalfield counties, employers in the coalfield counties, local government representatives, and representatives of regional nonprofit entities.

W. The department is hereby authorized to use federal funding received by Virginia from the Broadband Equity, Access, and Deployment (BEAD) Program of the Federal Infrastructure and Jobs Act (Public Law 117-58).

X. Out of this appropriation, \$400,000 the second year from the general fund is provided to Fairfax County to support the Workforce, Innovation, Skills Hub (WISH). The funding provided in this paragraph shall be used to support programming costs including tuition grants, transportation stipends, wraparound services, and consumables for WISH. The department in coordination with the Department of Workforce Development and Advancement will examine the feasibility of implementing similar regional workforce center models throughout the state.

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

2. Units of government under contract with the department for the delivery of projects shall work with the department to surrender contiguous areas, as standardized and

| ITEM 115. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|---------------|--------------------|---------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| <i>defined by the department, that it will not be able to complete by the December 31, 2026 deadline for use of the American Rescue Plan Act funds, prior to beginning the BEAD Program subgrantee selection process or by June 1, 2024, whichever comes sooner, in order to be included in the state's list of BEAD-eligible locations.</i> | | | | |
| 3. Any project redesign, including amending a current project, changing the private sector partner, or moving passings to another active Virginia Telecommunication Initiative Project by a unit of local government under contract with the department for the delivery of a project shall be concluded prior to beginning the BEAD Program subgrantee selection process or by June 1, 2024, whichever comes sooner, in order for any passings excluded from a project to be included in the state's list of BEAD-eligible locations. Any passings excluded from a rescoped project shall be in a contiguous area, as standardized and defined by the department. | | | | |
| 4. Units of local government under contract with the department in mutual agreement with its private sector partner may surrender the entirety of a project or part of a project prior to beginning the BEAD Program subgrantee selection process or by June 1, 2024, whichever comes sooner, in order for any passings excluded from a project to be included in the state's list of BEAD-eligible locations. Any passings surrendered shall be in a contiguous area, as standardized and defined by the department. | | | | |
| 5. Prior to any determination by the local government, the private sector partner, or the department, the investment made by public rate payers in the installation of middle-mile fiber included in the fiscal year 2022 Virginia Telecommunication Initiative grant round projects shall be considered in instances where projects are surrendered, partially surrendered, transferred to another project, passings are retuned, or projects are changed through the rescoping process. | | | | |
| 6. Nothing in this paragraph shall be construed to limit the ability of the department to effectively administer the Virginia Telecommunication Initiative program. | | | | |
| 7. Any American Rescue Plan Act funds returned during this process shall be deposited to the State and Local Fiscal Recovery Fund (12110) or the Capital Project Fund (12120) for use in accordance with the provisions of Item 472 of House Bill 6001 of the 2024 General Assembly, Special Session I. | | | | |
| 116. | Not set out. | | | |
| 117. | Not set out. | | | |
| 118. | Not set out. | | | |
| 119. | Not set out. | | | |
| Total for Department of Housing and Community Development..... | | | \$499,071,084 | \$474,204,740 |
| General Fund Positions..... | 105.25 | 111.25 | | |
| Nongeneral Fund Positions..... | 132.75 | 133.75 | | |
| Position Level..... | 238.00 | 245.00 | | |
| Fund Sources: General..... | \$264,045,566 | \$239,179,222 | | |
| Special..... | \$103,305,071 | \$103,305,071 | | |
| Trust and Agency..... | \$150,000 | \$150,000 | | |
| Dedicated Special Revenue..... | \$400,000 | \$400,000 | | |
| Federal Trust..... | \$131,170,447 | \$131,170,447 | | |
| 120. | Not set out. | | | |
| 121. | Not set out. | | | |
| 122. | Not set out. | | | |

| ITEM 123. | Item Details(\$) | | Appropriations(\$) | |
|-----------|----------------------|-----------------------|----------------------|-----------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |

123. Not set out.

§ 1-9. FORT MONROE AUTHORITY (360)

| | | | | |
|---|-------------|----------------------------|-------------|----------------------------|
| 124. Economic Development Services (53400)..... | | | \$6,840,947 | \$6,597,351 \$9,097,351 |
| Administrative Services (53422)..... | \$6,840,947 | \$6,597,351 \$9,097,351 | | |
| Fund Sources: General..... | \$6,840,947 | \$6,597,351 \$9,097,351 | | |

Authority: Title 2.2, Chapter 22, Code of Virginia.

A.1. Out of the amounts in this Item, \$6,840,947 the first year and \$6,597,351 \$9,097,351 the second year from the general fund shall be provided for the Commonwealth's share of the estimated operating expenses of the Fort Monroe Authority (FMA). This appropriation represents the Commonwealth's share of the FMA's estimated operating expenses. These expenses may not be reimbursed by the federal government and shall be reduced by any federal funding the authority may receive for expenditures funded through the Commonwealth's contribution that ultimately qualify for federal reimbursement. Any such reimbursements shall be repaid to the general fund. The State Comptroller shall disburse the first and second year appropriations in twelve equal monthly installments.

2. All moneys of the FMA, from whatever source derived, shall be paid to the treasurer of the FMA. The Auditor of Public Accounts or his legally authorized representatives shall annually examine the accounts of the books of the FMA.

3. Employees of the FMA shall be eligible for membership in the Virginia Retirement System and participation in all of the health and related insurance and other benefits, including premium conversion and flexible benefits, available to state employees as provided by law.

4. Pursuant to § 2.2-2338, Code of Virginia, the Board of Trustees of the FMA shall be deemed a state public body and may meet by electronic communication means in accordance with the requirements set forth in § 2.2-3708, Code of Virginia. Electronic communication shall mean the same as that term is defined in § 2.2-3701, Code of Virginia.

5. Notwithstanding any other provision of law or agreement, the amount paid from all sources of funds by the FMA to the City of Hampton pursuant to § 2.2-2342, Code of Virginia, shall not exceed \$983,960 the first year and \$983,960 the second year.

B. Out of this appropriation, \$545,349 the first year and \$301,753 the second year from the general fund is provided to create a facilities maintenance department.

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

| | | | | |
|--------------------------------------|-------------|----------------------------|-------------|----------------------------|
| Total for Fort Monroe Authority..... | | | \$6,840,947 | \$6,597,351 \$9,097,351 |
| Fund Sources: General..... | \$6,840,947 | \$6,597,351 \$9,097,351 | | |

§ 1-10. VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP (310)

| | | | | |
|---|--------------|------------------------------|--------------|------------------------------|
| 125. Economic Development Services (53400)..... | | | \$48,504,192 | \$50,812,792 \$50,077,792 |
| Economic Development Services (53412)..... | \$48,504,192 | \$50,812,792 \$50,077,792 | | |
| Fund Sources: General..... | \$48,504,192 | \$50,812,792 \$50,077,792 | | |

| ITEM 125. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

Authority: Title 2.2, Chapter 22, Article 4 and Chapter 51; and § [15.2-941](#), Code of Virginia.

A. Upon authorization of the Governor, the Virginia Economic Development Partnership may transfer funds appropriated to it by this act to a nonstock corporation.

B. Prior to July 1 of each fiscal year, the Virginia Economic Development Partnership shall provide to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees and the Director, Department of Planning and Budget a report of its operational plan. Prior to November 1 of each fiscal year, the Partnership shall provide to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees and the Director, Department of Planning and Budget a detailed expenditure report and a listing of the salaries and bonuses for all partnership employees for the prior fiscal year. All three reports shall be prepared in the formats as previously approved by the Department of Planning and Budget.

C. In developing the criteria for any pay for performance plan, the board shall include, but not be limited to, these variables: 1) the number of economic development prospects committed to move to or expand operations in Virginia; 2) dollar investment made in Virginia for land acquisition, construction, buildings, and equipment; 3) number of full-time jobs directly related to an economic development project; and 4) location of the project. To that end, the pay for performance plan shall be weighted to recognize and reward employees who successfully recruit new economic development prospects or cause existing prospects to expand operations in localities with fiscal stress greater than the statewide average. Fiscal Stress shall be based on the Index published by the Commission on Local Government. If a prospect is physically located in more than one contiguous locality, the highest Fiscal Stress Index of the participating localities will be used.

D. The State Comptroller shall disburse the first and second year appropriations in twelve equal monthly installments. The Director, Department of Planning and Budget may authorize an increase in disbursements for any month, not to exceed the total appropriation for the fiscal year, if such an advance is necessary to meet payment obligations.

E. The Virginia Economic Development Partnership shall provide administrative and support services for the Virginia Tourism Authority as prescribed in the Memorandum of Agreement until July 1, 2024, or until the authority is able to provide such services.

F. The Virginia Economic Development Partnership shall report one month after the close of each quarter to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees on the Commonwealth's Development Opportunity Fund. The report shall include, but not be limited to, total appropriations made or transferred to the fund, total grants awarded, cash balances, and balances available for future commitments.

G. Prior to purchasing airline and hotel accommodations related to overseas trade shows, the Virginia Economic Development Partnership shall provide an itemized list of projected costs for review by the Secretary of Commerce and Trade.

H.1. Out of the amounts in this Item, \$2,250,000 in the first year and \$2,250,000 in the second year from the general fund shall be deposited in the Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund established pursuant to § [10.1-1237](#), Code of Virginia.

2. Guidelines developed by the Virginia Economic Development Partnership, in consultation with the Department of Environmental Quality, governing the use of the Fund shall provide for grants of up to \$500,000 for site remediation and include a requirement that sites with potential for redevelopment and economic benefits to the surrounding community be prioritized for consideration of such grants.

I. Any requests for administrative or staff support for the Committee on Business Development and Marketing or the Committee on International Trade established to advise the Virginia Economic Development Partnership shall be directed to, and are subject to the approval of, the Chair or the Chief Executive Officer of the Virginia Economic Development Partnership.

J.1. Out of the amounts in this Item, \$9,000,000 the first year and \$9,000,000 the second year from the general fund is provided to support the development of a workforce program to

| ITEM 125. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

provide training and recruitment services to select companies locating or expanding in the Commonwealth.

2. Out of this appropriation, \$560,000 the first year ~~and \$735,000 the second year~~ from the general fund is provided to effectuate the provisions of Chapters 731 and 746 of the 2022 Acts of Assembly. This funding is supplemental to the funds provided in Paragraph J.1. and shall not be included in any base budget for the Virginia Talent Accelerator Program.

K. Out of the amounts in this item, \$1,062,500 the first year and \$1,062,500 the second year from the general fund is provided for the Virginia Economic Development Partnership Authority to administer a comprehensive Virginia Business Ready Sites program. The funds in this paragraph may be used to administer the program established by Chapter 83 of the 2022 Acts of Assembly, Chapter 779 of the 2023 Acts of Assembly, and characterize, inventory, develop, market and deploy economic sites in the Commonwealth, which includes business investment activities.

L.1. Out of the amounts in this Item, \$500,000 the first year and \$733,600 the second year from the general fund is provided to support the Office of Education and Labor Market Alignment in accordance with § [2.2-2238](#), Code of Virginia.

2. Notwithstanding any provision of law, the Office of Labor Market Alignment (the Office) shall serve as a resource for education and workforce programs administered by state government to better inform programmatic decisions on workforce education and training. Additionally, the Office shall serve as a guide and resource for the Governor and the General Assembly in determining strategic education and workforce investments in current and future education and workforce training programs with a particular focus on those programs supported with state general fund dollars.

3. The Office shall develop and report an annual research agenda to the Governor and General Assembly on or before June 30th of each year in collaboration with the Secretaries of Education, Labor, and Commerce and Trade, the State Council of Higher Education for Virginia, institutions of higher education, the Virginia Department of Education, the Virginia Employment Commission, the Virginia Initiative for Growth and Opportunity Board, and the Department of Workforce Development and Advancement, members of or staff to the House Committee on Education, Senate Committee on Education and Health, House Committee on Appropriations, and the Senate Committee on Finance and Appropriations.

4. The Virginia Economic Development Partnership Authority shall include in its annual report, due on November 1st of each year, an update on the activities of the Office of Labor Market Alignment.

M.1. Out of the amounts in this Item, \$4,600,000 the first year and \$4,600,000 the second year from the general fund is provided to fully implement Virginia's International Trade Plan. The authority shall include an update to the International Trade Plan in its annual operating plan due November 1, 2022, as required by § [2.2-2237.1](#), Code of Virginia.

2. By January 31, 2023, the initiatives funded through the proposed increase for the authority's International Trade programs will support an additional 55 small to mid-size existing Virginia businesses. No later than January 31, 2023, the authority will report to the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee the number of additional small to mid-size existing Virginia businesses supported by VEDP's International Trade programs and services.

N. Out of this appropriation, \$1,158,969 the first year and \$1,158,969 the second year from the general fund is provided to establish the Division of Incentives consistent with the provisions of § [2.2-2237.3](#), Code of Virginia.

O. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from the general fund is provided to establish an internal audit function for the authority, consistent with the provisions of § [2.2-2236.1](#), Code of Virginia.

P. Out of this appropriation, \$200,000 the first year from the general fund is provided for the authority to complete an economic impact study of expanding a natural gas pipeline to Accomac in Accomack County, Virginia. This analysis shall include a return on

| ITEM 125. | Item Details(\$) | | Appropriations(\$) | |
|--|--|--------------|--------------------|-----------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| <p>investment analysis on the materials used to construct the pipeline (metal or plastic) and its capacity to support business development in terms of capital investment and job creation along the eastern shore. Any-investor owned public service company engaged in the business of furnishing natural gas shall provide information as needed to the authority, at their request, to aid in the completion of this study. The authority shall submit the results of this economic impact study to the Governor and General Assembly on or before December 1, 2022.</p> <p>Q. Out of the amounts in this item, \$200,000 the first year from the general fund is provided for an inland port feasibility assessment. The Virginia Economic Development Partnership Authority and the Virginia Port Authority, in consultation with the Virginia Tobacco Region Revitalization Commission, the Central Virginia Planning District Commission, and the Mount Rogers Planning District Commission, shall assess the feasibility of establishing an inland port in Region 2000, the Mount Rogers Planning District Commission, or the City of Bristol and submit its findings to the General Assembly no later than November 1, 2022. In conducting this assessment, the Secretary of Transportation, the Department of Rail and Public Transportation, and the Office of Intermodal Planning and Investment shall provide any technical assistance that may be required.</p> <p>R. Out of the amounts in this item, \$200,000 the first year from the general fund is provided for the authority to undertake a workforce study for the offshore wind and maritime industries. The authority shall evaluate strategies to attract skilled out-of-state talent to fill maritime jobs in Hampton Roads in support of the shipbuilding, ship repair, and offshore wind industries. In conducting the study, the authority shall assess talent attraction programs operated in other states and review their recruiting strategies, incentives offered for relocation, and the overall programmatic effectiveness. The report shall contain both legislative and funding recommendations with respect to implementation strategies focused on specifically targeted out-of-state populations, including transitioning military personnel, trade-school graduates, and other wind-industry related skillsets, specific incentives that would attract such talent, and potential costs to effectively administer such a program. The report shall be submitted to the General Assembly, Virginia Community College System, and the officials listed in Paragraph A. of Item 487.5 of this act no later than November 1, 2022.</p> <p>S. Out of the amounts in this item, \$2,500,000 the second year from the general fund is provided to create a supply chain for the offshore wind industry in Virginia through direct business investment in equipment. In developing this new investment program, the authority shall focus on smaller companies and how investment from the state for equipment can incentivize their participation in this new industry. Individual investments from this program may range from \$20,000 to \$250,000 per company. The authority in collaboration with the Office of Offshore Wind, and other relevant stakeholders shall develop criteria and guidelines for this offshore wind supply chain development program in Virginia on or before June 1, 2023.</p> <p>T. Out of this appropriation, \$1,500,000 the first year and \$1,500,000 the second year from the general fund is provided to support the administration of new and expanding programs. This funding shall remain unallotted until authorized for allotment by the Secretary of Finance.</p> | | | | |
| | Total for Virginia Economic Development Partnership..... | | \$48,504,192 | \$50,812,792 |
| | Fund Sources: General..... | \$48,504,192 | \$50,812,792 | \$50,077,792 |
| 126. | Not set out. | | | |
| 127. | Not set out. | | | |
| | TOTAL FOR OFFICE OF COMMERCE AND TRADE..... | | \$834,564,885 | \$1,066,127,752 |
| | General Fund Positions..... | 321.68 | 327.68 | \$1,057,139,895 |
| | Nongeneral Fund Positions..... | 231.32 | 232.32 | |

| ITEM 127. | Item Details(\$) | | Appropriations(\$) | |
|----------------------------------|------------------|--------------------------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| Position Level..... | 553.00 | 560.00 | | |
| Fund Sources: General..... | \$571,822,827 | \$803,385,694 \$794,397,837 | | |
| Special..... | \$111,870,576 | \$111,870,576 | | |
| Commonwealth Transportation..... | \$1,682,629 | \$1,682,629 | | |
| Trust and Agency..... | \$775,000 | \$775,000 | | |
| Dedicated Special Revenue..... | \$1,704,283 | \$1,704,283 | | |
| Federal Trust..... | \$146,709,570 | \$146,709,570 | | |

| ITEM 128. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

OFFICE OF EDUCATION

128. Not set out.

§ 1-11. DEPARTMENT OF EDUCATION, CENTRAL OFFICE OPERATIONS (201)

129. Not set out.

130. Not set out.

131. Not set out.

132. Not set out.

133. Not set out.

134. Not set out.

135. Not set out.

Direct Aid to Public Education (197)

| | | | |
|------|--|--------------|------------------------------|
| 136. | Financial Assistance for Educational, Cultural, Community, and Artistic Affairs (14300)..... | \$75,865,982 | \$60,916,982 \$60,314,482 |
| | Financial Assistance for Supplemental Education (14304)..... | \$75,865,982 | \$60,916,982 \$60,314,482 |
| | Fund Sources: General..... | \$75,865,982 | \$60,916,982 \$60,314,482 |

Authority: Discretionary Inclusion.

It is intended that appropriations under this Item and under Item 138.10 for State Education Assistance shall support the following programs:

Appropriation Detail of Educational, Cultural, Community, and Artistic Affairs (14300)

| Supplemental Education Assistance Programs (14304) | FY 2023 | FY 2024 |
|---|-------------|-------------|
| Achievable Dream - Newport News | \$500,000 | \$500,000 |
| Achievable Dream - Virginia Beach | \$500,000 | \$500,000 |
| Active Learning Grants | \$250,000 | \$250,000 |
| Advancing Computer Science Education | \$2,700,000 | \$1,350,000 |
| American Civil War Museum | \$500,000 | \$0 |
| Blue Ridge PBS | \$850,000 | \$350,000 |
| Career and Technical Education Regional Centers | \$660,000 | \$660,000 |
| Career and Technical Education Resource Center | \$298,021 | \$298,021 |
| Career and Technical Education Student Organizations | \$718,957 | \$718,957 |
| Career Council at Northern Neck Career & Technical Center | \$60,300 | \$60,300 |
| Chesterfield Recovery High School | \$864,000 | \$500,000 |
| Communities in Schools (CIS) | \$2,004,400 | \$2,004,400 |

ITEM 136.

| | Item Details(\$) | | Appropriations(\$) | |
|---|----------------------------|--------------------|----------------------------|--------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| Community Schools Fund | \$10,000,000 | | \$0 | |
| Computer Science Teacher Training | \$550,000 | | \$550,000 | |
| Denbigh Aviation Academy | \$275,000 | | \$0 | |
| Dolly Parton's Imagination Library For Kids | \$481,180 | | \$1,157,065 | |
| Early Childhood Educator Incentive | \$10,000,000 | | \$10,000,000 | |
| EduTutorVA | \$100,000 | | \$100,000 | |
| eMediaVA | \$1,500,000 | | \$1,000,000 | |
| Get Schooled - Center in the Square Roanoke | \$150,000 | | \$0 | |
| Great Aspirations Scholarship Program (GRASP) | \$500,000 | | \$500,000 | |
| Jobs for Virginia Graduates (JVG) | \$2,243,776 | | \$2,243,776 | |
| Literacy Lab - VPI Minority Educator Fellowship | \$300,000 | | \$300,000 | |
| Milk and Cookies (MAC) Children's Program | \$250,000 | | \$250,000 | |
| National Board Certification Program | \$5,035,000 \$4,700,000 | | \$5,035,000 \$4,432,500 | |
| PBS Appalachia | \$500,000 | | \$0 | |
| Petersburg Executive Leadership Recruitment Incentives | \$350,000 | | \$350,000 | |
| Positive Behavioral Interventions & Support (PBIS) | \$1,598,000 | | \$1,598,000 | |
| Power Scholars Academy- YMCA BELL | \$1,000,000 | | \$1,000,000 \$1,250,000 | |
| Praxis and Virginia Communication and Literacy Assessment Assistance for Provisionally Licensed Minority Teachers | \$50,000 | | \$50,000 | |
| Project Discovery | \$987,500 | | \$987,500 | |
| RISE Foundation of Waynesboro School Program Innovation | \$250,000 \$500,000 | | \$0 \$500,000 | |
| Small School Division Assistance | \$145,896 | | \$145,896 | |
| Southside Virginia Regional Technology Consortium | \$108,905 | | \$108,905 | |
| Southwest Virginia Public Education Consortium | \$124,011 | | \$124,011 | |
| STEM Program / Research Study (VA Air & Space Center) | \$1,181,975 | | \$1,181,975 | |
| STEM Competition Team Grants | \$200,000 | | \$200,000 | |
| Targeted Extended/Enriched School Year and Year-round School Grants | \$7,763,312 | | \$7,763,312 | |
| Teach for America | \$500,000 | | \$500,000 | |
| Teacher Recruitment & Retention Grant Programs | \$2,181,000 | | \$2,181,000 | |
| Teacher Residency Program | \$2,250,000 | | \$2,250,000 | |
| Teacher Workforce Initiatives | \$1,500,000 | | \$0 | |
| Van Gogh Outreach Program | \$71,849 | | \$71,849 | |
| Virginia Boys State | \$50,000 | | \$0 | |
| Virginia Early Childhood Foundation (VECF) | \$8,221,900 | | \$10,986,015 | |
| Virginia Girls State | \$50,000 | | \$0 | |
| Virginia Holocaust Museum | \$50,000 | | \$0 | |

ITEM 136.

| | Item Details(\$) | | Appropriations(\$) | |
|--|-------------------------|---------------------|---------------------------|---------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| Virginia Museum of History and Culture | | \$250,000 | | \$0 |
| Virginia Reading Corps | | \$600,000 | | \$600,000 |
| Virginia Student Training and Refurbishment (VA STAR) Program | | \$300,000 | | \$300,000 |
| Vision Screening Grants | | \$741,000 | | \$391,000 |
| VPM Media Corporation | | \$500,000 | | \$0 |
| Western Virginia Public Education Consortium | | \$50,000 | | \$0 |
| Wolf Trap Model STEM Program | | \$1,000,000 | | \$1,300,000 |
| Youth Entrepreneurship Pilot Program-Hampton Roads | | \$1,500,000 | | \$0 |
| <i>School Security Equipment Grants</i> | | \$0 | | \$12,000,000 |
| <i>Chesapeake Regional Career and Technical Education Center</i> | | \$0 | | \$3,000,000 |
| <i>Oak Street Elementary Improvements</i> | | \$0 | | \$3,000,000 |
| <i>Critical Security Language Program Grants</i> | | \$0 | | \$150,000 |
| Total | | \$75,865,982 | | \$60,916,982 |
| | | | | \$78,714,482 |

A. Out of this appropriation, the Department of Education shall provide \$2,243,776 the first year and \$2,243,776 the second year from the general fund for the Jobs for Virginia Graduates initiative.

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

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

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

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

F. It is the intent of the General Assembly that the Department of Education provide bonuses from state funds to classroom teachers in Virginia's public schools who hold certification from the National Board of Professional Teaching Standards. Such bonuses shall be \$5,000 the first year of the certificate and \$2,500 annually thereafter for the life of the certificate. This appropriation includes an amount estimated at ~~\$5,035,000~~ \$4,700,000 the first year and ~~\$5,035,000~~ \$4,432,500 the second year from the general fund for the purpose of paying these bonuses. By October 15 of each year, school divisions shall notify the Department of Education of the number of classroom teachers under contract for that school year that hold such certification.

G. This appropriation includes \$2,181,000 the first year and \$2,181,000 the second year from the general fund for grants, scholarships, and incentive payments to attract, recruit, and retain high-quality teachers and fill critical teacher shortage disciplines in Virginia's public schools.

1. Out of this appropriation, \$708,000 the first year and \$708,000 the second year from the

| ITEM 136. | Item Details(\$) | | Appropriations(\$) | |
|-----------|----------------------|-----------------------|----------------------|-----------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |

general fund is provided for teaching scholarship loans. These scholarships shall be for undergraduate students in college with a cumulative grade point average of at least 2.7 on a 4.0 scale or its equivalent, who are nominated by their Virginia regionally accredited college or university, and who meet the criteria and qualifications, pursuant to § 22.1-290.01, Code of Virginia, except as provided herein. Awards shall be made to students who are enrolled full-time or part-time in approved undergraduate or graduate teacher education programs for the top ten critical teacher shortage disciplines, however minority students may be enrolled in any content area for teacher preparation. Upon program completion, scholarship recipients may fulfill the scholarship loan obligation by teaching in the public schools of the Commonwealth in the first full academic year after becoming eligible for a renewable teaching license in the appropriate endorsement area and teaching for at least two years in a school division (i) in one of the critical teacher shortage disciplines as established by the Board of Education; or (ii) in a Virginia public school or program with 50 percent or more of the students eligible for free or reduced price lunch; or (iii) in a school division designated critical shortage subject area, as defined in the Board of Education's Regulations Governing the Determination of Critical Teacher Shortage Areas. Scholarship recipients who only complete one year of the teaching obligation shall be forgiven for one-half of the scholarship loan amount. Scholarship amounts are based on up to \$10,000 per year for full-time students, and shall be prorated for part-time students based on the number of credit hours. The Department of Education shall report annually on the critical shortage teaching areas in Virginia.

a. The Department of Education shall make payments on behalf of the scholarship recipients directly to the Virginia institution of higher education where the scholarship recipient is enrolled full-time or part-time in an approved undergraduate or graduate teacher education program.

b. The Department of Education is authorized to recover total funds awarded as scholarships, or the appropriate portion thereof, in the event that scholarship recipients fail to honor the stipulated teaching obligation.

c. Within the fiscal year, any funds not awarded from this program may be applied toward the other teacher preparation, recruitment, and retention programs under paragraph G.

2. Out of this appropriation, \$808,000 the first year and \$808,000 the second year from the general fund is provided to attract, recruit, and retain high-quality diverse individuals to teach science, technology, engineering, or mathematics (STEM) subjects in Virginia's middle and high schools experiencing difficulty in recruiting qualified teachers. Eligible teachers must (i) be employed full-time in a Virginia school division or school with more than 40 percent of the students eligible for free or reduced price lunch; (ii) be entering their first, second, or third year of teaching experience; and (iii) hold a five- or ten-year valid Virginia teaching license with an endorsement in Middle Education 6-8: Mathematics, Mathematics-Algebra-I, Mathematics, Middle Education 6-8: Science, Biology, Chemistry, Earth and Space Science, Physics, Engineering, or Technology Education and be assigned to a teaching position in a corresponding STEM subject area. Selected eligible teachers will receive a \$5,000 incentive award after the completion of each year of full-time teaching experience, up to three consecutive years under the grant, in an eligible school division or school with a satisfactory performance evaluation and a written commitment to return in the same school division for the following school year. The maximum incentive award for each eligible teacher is \$15,000. Eligibility for these incentives shall be determined through an application process whereby school divisions shall apply to the Department of Education. Priority for distribution of these incentives shall be to school divisions experiencing the most acute difficulties in recruiting qualified teachers, as determined using Department of Education criteria. For individuals who received funds under this program prior to July 1, 2020, the criteria provided in Chapter 854, 2019 Acts of Assembly, shall continue to apply. Within the fiscal year, any funds not awarded from this program may be applied toward the other teacher preparation, recruitment, and retention programs under paragraph G.

3. Out of this appropriation, \$415,000 the first year and \$415,000 the second year from the general fund is provided to help school divisions recruit and retain qualified middle-school mathematics teachers. Within the fiscal year, any funds not awarded from this program may be applied toward the other teacher preparation, recruitment, and retention programs

| ITEM 136. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

under paragraph G.

4. Out of this appropriation, \$250,000 the first year and \$250,000 the second year from the general fund is provided for tuition scholarships to be specifically allocated solely for licensed public high school teachers pursuing additional credentialing requirements necessary to be considered faculty who are qualified to teach dual enrollment courses in high schools in their local school division. The Department of Education shall make payments on behalf of the scholarship recipients directly to the regionally accredited Virginia institution of higher education where the scholarship recipient is enrolled in courses for credit applicable to dual enrollment course curriculum available for public high school students. The lifetime maximum dual enrollment tuition scholarship award for each approved eligible teacher is \$7,500. Eligibility for access to these dual enrollment tuition scholarship awards shall be determined through an application process whereby school divisions shall apply to the Department of Education. In the application process, the applying school division shall include: i) an explanation of why such dual enrollment tuition scholarship is warranted, ii) the dual enrollment course or courses that shall be offered by the scholarship recipient's high school and taught by the recipient upon the recipient's successful completion of required coursework for appropriate credentialing to teach such dual enrollment courses, and iii) the projected student enrollment in the recipient taught public high school dual enrollment courses. The Department of Education shall compile and report the application information for each applying school division, and shall also report the number of recipients and amount of tuition awarded to each school division, the institution of higher education receiving tuition, the credentialing area pursued by recipients, and dual enrollment courses offered after the recipient's successful completion of the pursued credentialing. The Department shall submit the report by June 30 annually to the House Committees on Education and Appropriations and the Senate Committees on Finance and Appropriations and Education and Health.

H. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the general fund shall be distributed to the Great Aspirations Scholarship Program (GRASP) to provide students and families in need access to financial aid, scholarships, and counseling to maximize educational opportunities for students.

I. Out of this appropriation, the Department of Education shall provide \$2,004,400 the first year and \$2,004,400 the second year from the general fund to Communities in Schools. These funds shall be used to strengthen and sustain existing programming in Hampton Roads, Northern Virginia, Petersburg, Richmond City, and Southwest Virginia and to expand programming to new schools. Further, Communities in Schools is directed to assist the Community School organization with developing opportunities to establish a Community School program in interested school divisions.

J. 1. Out of this appropriation, the Department of Education shall provide \$987,500 the first year and \$987,500 the second year from the general fund for Project Discovery. These funds are towards the cost of the program in Abingdon, Accomack/Northampton, Alexandria, Amherst, Appomattox, Arlington, Bedford, Bland, Campbell, Charlottesville, Cumberland, Danville/Pittsylvania, Fairfax, Franklin/Patrick, Fredericksburg/Spotsylvania, Goochland/Powhatan, Lynchburg, Newport News, Norfolk, Richmond City, Roanoke City, Smyth, Surry/Sussex, Tazewell, Williamsburg/James City, Wythe, and Madison/Orange and the salary of a fiscal officer for Project Discovery. The Department of Education shall administer the Project Discovery funding distributions to each community action agency. Distributions to each community action agency shall be based on performance measures established by the Board of Directors of Project Discovery. The contract with Project Discovery should specify the allocations to each local program and require the submission of a financial and budget report and program evaluation performance measures.

2. Each participating community action agency shall submit annual performance metrics for services provided through the Project Discovery program that provide measurable evaluations and outcomes of participating students. Such performance metrics shall include evidenced-based data that effectively measure academic improvement outcomes. In addition, the performance metrics shall also include evidenced-based data to evaluate the specific effectiveness of the program for participating students on a longitudinal basis. Further, the performance metrics shall include the coordination and collaboration efforts the program staff regularly have with the school-based personnel, such as teachers and guidance counselors,

| ITEM 136. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

that support and maximize opportunities of participating students to successfully graduate from high school and then to enroll and graduate from an institution of higher learning. Project Discovery shall submit a comprehensive and cumulative program performance metrics evaluation to the Department of Education no later than October 1 each year.

K. Out of this appropriation, the Department of Education shall provide \$300,000 the first year and \$300,000 the second year from the general fund for the Virginia Student Training and Refurbishment Program.

L. Out of this appropriation, \$1,598,000 the first year and \$1,598,000 the second year from the general fund is provided to expand the number of schools implementing a system of positive behavioral interventions and supports with the goal of improving school climate and reducing disruptive behavior in the classroom. Such a system may be implemented as part of a tiered system of supports that utilizes evidence-based, system-wide practices to provide a response to academic and behavioral needs. Any school division which desires to apply for this competitive grant must submit a proposal to the Department of Education by June 1 preceding the school-year in which the program is to be implemented. The proposal must define student outcome objectives including, but not limited to, reductions in disciplinary referrals and out-of-school suspension rates. In making the competitive grant awards, the Department of Education shall give priority to school divisions proposing to serve schools identified by the Department as having high suspension rates. No funds awarded to a school division under this grant may be used to supplant funding for schools already implementing the program.

M. Targeted Extended/Enriched School Year and Year-round School Grants Payments

1. Out of this appropriation, \$7,150,000 the first year and \$7,150,000 the second year from the general fund is provided for a targeted extended/enriched school year or year-round school incentive in order to improve student achievement. Annual start-up grants of up to \$300,000 per school may be awarded for a period of up to two years after the initial implementation year. The per school amount may be up to \$400,000 in the case of schools that have an Accredited with Conditions status and are rated at Level Three in two or more Academic Achievement for All Students school quality indicators, or schools that had an Accredited with Conditions status and were rated at Level Three in two or more Academic Achievement for All Students school quality indicators when the initial application was made. Schools that qualified for the per school grant up to \$400,000 under the previous Standards of Accreditation Denied Accreditation status remain eligible for funding for the initial three year period; after that period, such schools are subject to eligibility under the current Standards of Accreditation. After the third consecutive year of successful participation, an eligible school's grant amount shall be based on a shared split of the grant between the state and participating school division's local composite index. Such continuing schools shall remain eligible to receive a grant based on the 2012 JLARC Review of Year Round Schools' researched base findings.

2. Except for school divisions with schools that are in an Accredited with Conditions status and are rated at Level Three in two or more Academic Achievement for All Students school quality indicators or in a Denied Accreditation status, any other school division applying for such a grant shall be required to provide a twenty percent local match to the grant amount received from either an extended/enriched school year or year-round school start-up or planning grant.

3. In the case of any school division with schools that are in an Accredited with Conditions status and are rated at Level Three in two or more Academic Achievement for All Students school quality indicators or in a Denied Accreditation status that apply for funds, the school division shall also consult with the Superintendent of Public Instruction or designee on all recommendations regarding instructional programs or instructional personnel prior to submission to the local board for approval.

4. Out of this appropriation, \$613,312 the first year and \$613,312 the second year from the general fund is provided for planning grants of no more than \$50,000 each for local school divisions pursuing the creation of new extended/enriched school year or year-round school programs for divisions or individual schools in support of the findings from the 2012 JLARC Review of Year Round Schools. School divisions must submit applications to the Department of Education by August 1 of each year. Priority shall be given to schools

| ITEM 136. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

based on need, relative to the state accreditation ratings or similar federal designations. Applications shall include evidence of commitment to pursue implementation in the upcoming school year. If balances exist, existing extended school year programs may be eligible to apply for remaining funds.

5. A school division that has been awarded an extended/enriched school year or year-round school start-up grant or planning grant for the development of an extended/enriched school year or year-round school program may spend the awarded grant over two consecutive fiscal years.

6. a) Any such school division receiving funding from a Targeted Extended/Enriched School Year and Year-round School grant shall provide an annual progress report to the Department of Education that evaluates end of year success of the extended/enriched school year or year-round school model implemented as compared to the prior school year performance as measured by an appropriate evaluation matrix no later than September 1 each year.

b) The Department of Education shall develop such evaluation matrix that would be appropriate for a comprehensive evaluation for such models implemented. Further, the Department of Education is directed to submit the annual progress reports from the participating school divisions and an executive summary of the program's overall status and levels of measured success to the Chairs of House Appropriations and Senate Finance and Appropriations Committees no later than November 1 each year.

7. Any funds remaining in this paragraph following grant awards may be disbursed by the Department of Education as grants to school divisions to support innovative approaches to instructional delivery or school governance models.

N. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the general fund is provided through grants or contracts for the cost of fees and financial incentives associated with hiring teachers in challenged schools. These funds may be used for grants or contracts awarded and expenses associated with supporting the Teach for America program. School divisions or their partners may apply for those funds through applications submitted to the Department of Education. Applications must be submitted to the Department of Education by September 1 each year. Within the fiscal year, any unobligated balance may be used for the Teacher Residency program.

O. Out of this appropriation, \$1,000,000 the first year and \$1,300,000 the second year from the general fund is provided to the Wolf Trap Foundation for the Performing Arts to administer STEM Arts and early literacy programs for preschool, kindergarten, and first grade students in Accomack, Albemarle, Arlington, Chesterfield, Fairfax, Henrico, Loudoun, Norfolk, Petersburg, Richmond, Suffolk, and Wythe Public Schools. The model will also support growth in the 5C skills identified in the Profile of a Virginia Graduate. Within this appropriation, funds may support the phase in of services into currently unserved divisions in an equitable manner, with a special focus on capacity building and establishing new services in Regions 3, 6, or 8. The Wolf Trap Foundation shall work with the Department of Education and currently served divisions to determine need and phase programs into unserved divisions. The Wolf Trap Foundation shall report annually to the Chairs of the House Committee on Education and the Senate Committee on Education and Health and the Superintendent of Public Instruction on its activities, including number of divisions served, number of students served, number of educators, and number of families impacted.

P. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the general fund is provided for the Achievable Dream partnership with Newport News School Division.

Q. Out of this appropriation, \$2,250,000 the first year and \$2,250,000 the second year from the general fund is provided for grants for teacher residency partnerships between university teacher preparation programs and the Petersburg, Norfolk, and Richmond City school divisions and any other university teacher preparation programs and hard-to-staff school divisions to help improve new teacher training and retention for hard-to-staff schools. The grants will support a site-specific residency model program for preparation, planning, development and implementation, including possible stipends in the program to attract qualified candidates and mentors. Applications must be submitted to the Department of Education by August 1 each year.

| ITEM 136. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 1. Of this amount, \$500,000 the first year and \$500,000 the second year is provided for Virginia Commonwealth University to establish a pilot program to support 20 special education residents and 20 elementary school residents in partnership with the Richmond Teacher Residency program. Virginia Commonwealth University shall include this pilot program in its annual report to the Department of Education, pursuant to paragraph Q.2. of this Item. | | | | |
| 2. Partner school divisions shall provide at least one-third of the cost of each program and shall provide data requested by the university partner in order to evaluate program effectiveness by the mutually agreed upon timelines. Each university partner shall report annually, no later than June 30, to the Department of Education on available outcome measures, including student performance indicators, as well as additional data needs requested by the Department of Education. The Department of Education shall provide, directly to the university partners, relevant longitudinal data that may be shared. The Department of Education shall consolidate all submissions from the participating university partners and school divisions and submit such consolidated annual report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than November 1 each year. | | | | |
| R. Out of this appropriation, \$60,300 the first year and \$60,300 the second year from the general fund is provided to the Northern Neck Regional Technical Center to expand the workforce readiness education and industry based skills and certification development efforts supporting that region in the state. These funds support the Center's programs that serve high school students from the surrounding counties of Essex, Lancaster, Northumberland, Rappahannock, Westmoreland and Colonial Beach. | | | | |
| S. Out of this appropriation, \$8,221,900 the first year and \$10,986,015 the second year from the general fund is provided to the Virginia Early Childhood Foundation. | | | | |
| 1. Of this amount, \$250,000 the first year and \$250,000 the second year is provided for general operations of the Foundation's grant program to strengthen the capacity of local communities to promote school readiness for young children through innovative regional partnerships. | | | | |
| 2. Of this amount, \$1,000,000 the first year and \$1,000,000 the second year is provided to operate a scholarship program to increase the skills of Virginia's early education workforce. | | | | |
| 3. Of this amount, \$6,971,900 the first year and \$9,736,015 the second year from the general fund is provided for an initiative to support public-private delivery of pre-kindergarten services for at-risk three- and four-year-old children each year and to support a pilot of 200 infant and toddler slots each year. Programs must provide full-day or half-day and, at least, school-year services. The Department of Education is authorized to prorate payment for this program so as not to exceed available appropriation. | | | | |
| a) The Department of Education shall establish academic standards that are in accordance with appropriate preparation for students to be ready to successfully enter kindergarten. These standards shall be established in such a manner as to be measurable for student achievement and success. Students shall be required to be evaluated in the fall and in the spring by each participating provider and grantees must certify that the Virginia Preschool Initiative standards are followed in order to receive the funding for quality preschool education and criteria for the service components. Such standards shall align with the Virginia Standards of Learning for Kindergarten. | | | | |
| b) The Department of Education shall require and ensure that all participating classrooms have the quality of their teacher-child interactions assessed through a rigorous and research-based observation instrument at least once every two years. | | | | |
| c) Any locality that desires to participate in this grant program must submit a proposal each year to the Virginia Early Childhood Foundation. For the first year, the application must be submitted by August 15. For subsequent years, the application must be submitted by May 15 to align with the Virginia Preschool Initiative timeline. Each application shall identify a lead agency for this program within the locality. The lead agency shall be responsible for developing a local plan for the delivery of quality preschool services to at- | | | | |

| ITEM 136. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

risk three- and four-year-old children in private settings that demonstrates the coordination of resources and the combination of funding streams in an effort to serve the greatest number of at-risk children.

d) The proposal must demonstrate: (i) coordination with all parties necessary for the successful delivery of comprehensive services, including schools, child care providers, local social services agencies, Head Start, local health departments, and other groups identified by the lead agency, (ii) a plan for supporting inclusive practices for children with identified special needs, and (iii) a plan to transition the pilot into a sustainable program that is supported with a similar level of state support as Virginia Preschool Initiative slots.

e) Local plans must indicate the number of at-risk children to be served, and the eligibility criteria for participation in this program shall be consistent with the economic and educational risk factors stated in the current program guidelines that are specific to: (i) family income at or below 200 percent of federal poverty guidelines, (ii) homelessness, (iii) student's parents or guardians are school dropouts, or (iv) children with disabilities or delays who are eligible for special education services under the Individuals with Disabilities Education Act, regardless of household income. Up to 15 percent of slots may be filled based on locally established eligibility criteria so as to meet the unique needs of at-risk children in the community. Localities that can demonstrate that more than 15 percent of slots are needed to meet the needs of at-risk children in their community may apply for a waiver from the Superintendent of Public Instruction to use a larger percentage of their slots. Localities must demonstrate that increasing eligibility will enable the maximization of federal funds and will not have a negative impact on access for other individuals currently being served.

f) Notwithstanding any provisions of § [22.1-299](#), Code of Virginia, and in order to achieve the priorities of the Joint Subcommittee on Early Childhood Care and Education for exploring the feasibility of and barriers to mixed delivery preschool systems in Virginia, recipients of a Mixed-Delivery Preschool grant shall be provided maximum flexibility within their respective pilot initiative in order to fully implement the associated goals and objectives of the pilot. Recipients of a Mixed-Delivery Preschool grant and divisions participating in such grant pilot activities shall be exempted from all regulatory and statutory provisions related to teacher licensure requirements and qualifications when paid by public funds within the confines of the Mixed-Delivery Preschool pilot initiative.

g) Children served by the pilots shall be assigned student identification numbers as provided in § [22.1-287.03](#) B of the Code of Virginia to evaluate pilot program outcomes and to permit comparison with Virginia Preschool Initiative outcomes.

h) Pilot providers shall provide information to the Department of Education as necessary to fulfill the reporting requirement established.

T. This appropriation includes \$500,000 the first year and \$500,000 the second year from the general fund to support ten competitive grants, not to exceed \$50,000 each, for planning the implementation of systemic Elementary, Middle, and/or High School Program Innovation by either individual school divisions or consortia of school divisions or implementing a plan for public pre-kindergarten through Grade 12 School Program Innovation previously approved by the Department of Education. The local applicant(s) selected to conduct this systemic approach to school reform, in consultation with the Department of Education, will develop and plan or implement innovative approaches to engage and to motivate students through personalized learning and instruction leading to demonstrated mastery of content, as well as skills development of career readiness. Essential elements of school innovation include: (1) student centered learning, with progress based on student demonstrated proficiency; (2) 'real-world' connections that promote alignment with community work-force needs and emphasize transition to college and/or career; and (3) varying models for educator supports and staffing. Individual school divisions or consortia will be invited to apply on a competitive basis by submitting a grant application that includes descriptions of key elements of innovations, a detailed budget, expectations for outcomes and student achievement benefits, evaluation methods, and plans for sustainability. The Department of Education will make the final determination of which individual school divisions or consortia of divisions will receive the year-long planning grant for public pre-kindergarten through Grade 12 School Innovation or a grant to implement an Elementary, Middle, and/or High School Program Innovation plan previously approved by the Department of Education. Any school division or consortium of

| ITEM 136. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

divisions which desires to apply for this competitive grant must submit a proposal to the Department of Education by June 1 preceding the school year in which the planning or implementation for systemic school innovation is to take place.

U. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from the general fund is provided for STEM Competition Team Grants. Grants may not exceed \$5,000 each.

V. Out of this appropriation, \$1,181,975 the first year and \$1,181,975 the second year from the general fund is provided to support a multi-platform STEM education engagement program and research study and other educational programs at the Virginia Air & Space Center.

W. Out of this appropriation, \$350,000 the first year and \$350,000 the second year from the general fund is provided for executive leadership incentives in the Petersburg City Public Schools to strengthen the impact of division and school level executive leadership on student achievement in the school division. Such incentives may include, but not be limited to, supplements to locally funded salaries, deferred salary compensation, bonuses, housing and commuting supplements, and professional development supplements. The Department of Education shall provide such executive management incentive payments directly to the Petersburg City Public Schools accounts pursuant to a Memorandum of Understanding entered into between the Board of Education and the Petersburg City School Board, which shall cover no less than both years of the biennium and may be amended with the consent of both parties. Such Agreement shall include operational and student achievement metrics and include provisions for the achievement of such metrics as a condition of payment of the incentive funds by the Department of Education. The Department of Education shall provide updates on the Agreement to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees.

X. Out of this amount, \$600,000 the first year and \$600,000 the second year from the general fund shall be reserved for school divisions to partner with the Virginia Reading Corps program. The implementation partner shall determine and select partner school divisions. The Virginia Reading Corps shall report annually to the school divisions and Department of Education on the outcomes of this program.

Y. Out of this appropriation, \$50,000 the first year and \$50,000 the second year from the general fund is provided for praxis assistance and Virginia Communication and Literacy Assessment assistance for provisionally licensed minority teachers seeking full licensure in Virginia. Grants of up to \$10,000 shall be awarded to school divisions, teacher preparation programs, or nonprofit organizations in all regions of the state to subsidize test fees and the cost of tutoring for provisionally licensed minority teachers seeking full licensure in Virginia.

Z. Out of this appropriation, \$741,000 the first year and \$391,000 the second year from the general fund is provided to school divisions to pay for a portion of the vision screening of students in kindergarten, grade two or three and grades seven and ten, pursuant to Chapter 312, 2017 Session Acts of Assembly. Eligible school divisions may receive the state's share of \$7.00 for each student reported in average daily membership and enrolled in kindergarten, grades three, seven and ten and who has received such vision screening test. The Department of Education shall administrator and distribute reimbursements to school divisions and the funding shall be prorated if needed, such that the appropriation is not exceeded. Prioritization shall be given the schools that would most benefit from state assistance in order to provide such vision screening service to students that are eligible for free lunch.

AA. Out of this appropriation, \$660,000 the first year and \$660,000 the second year from the general fund is provided for annual grants of \$60,000 to each of the nine regional career and technical centers, Winchester Public Schools' Innovation Center and Norfolk Public Schools' Norfolk Technical Center, to expand workforce readiness education and industry based skills.

BB. 1. Out of this appropriation, \$550,000 the first year and \$550,000 the second year from the general fund is provided to CodeVA for the development, marketing, and implementation of high-quality and effective computer science training and professional

| ITEM 136. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | development activities for public school teachers throughout the Commonwealth for the purpose of improving the computer science literacy of all public school students in the Commonwealth using the Computer Science Standards of Learning For Virginia Public Schools, which were reviewed and endorsed by the Virginia Board of Education in November 2017. The provided funds may be utilized for planning, preparing and materials needed for teacher training sessions provided during the biennium. | | | |
| 2. | CodeVA shall report, no later than October 1, each year to the Chairmen of the House Education and Senate Education & Health Committees, Secretary of Education and the Superintendent of Public Instruction on its activities in the previous year to support computer science teacher training and curriculum development, including on collaboration with other stakeholders to avoid duplication of efforts. | | | |
| CC. | To strengthen quality, attract new educators, and reduce turnover in hard-to-serve preschool classrooms, \$10,000,000 the first year and \$10,000,000 the second year from the general fund shall be used to supplement the Early Childhood Educator Incentive created through the Preschool Development Grant Birth to Five and in support of the implementation of the Unified Measurement and Improvement System, known as VQB5, established pursuant to § 22.1-289.05, Code of Virginia. The Virginia Department of Education shall set the specific guidelines for the program and funds. | | | |
| DD. | Out of this appropriation, \$250,000 the first year and \$250,000 the second year from the general fund shall be provided for grants to school divisions for encouraging active-in class, remote and hybrid learning for students in pre-kindergarten through the second grade. School divisions seeking to apply for this grant shall submit a proposal to the Department of Education outlining the intended use of funds and a projected number of students to be served. The Department shall establish criteria for awarding these funds. The funds may be used to purchase a platform featuring on-demand activities that integrate math and English Standards of Learning content into movement-rich activities that can be used at school, home and on all devices (i.e. computers, tablets, and phones). | | | |
| EE. | Out of this appropriation, \$850,000 the first year and \$350,000 the second year from the general fund is provided to Blue Ridge PBS for educational outreach programming. | | | |
| FF. | Out of this appropriation, \$300,000 the first year and \$300,000 the second year from the general fund is provided for a fellowship program administered by the Literacy Lab to place recent high-school graduates of a minority background new to the field of education in VPI or Head Start classrooms of participating local school divisions or community-based early childhood centers to provide evidence based literacy support to at-risk pre-kindergarten students. Such a program must provide training, coaching, and professional development to the fellowship participants, place fellowship participants for at least 800 paid hours within a pre-kindergarten classroom during a school year, work to diversify the educator pipeline, and assist fellowship participants in understanding the teacher education and licensure process in Virginia. Literacy Lab shall partner with school divisions or community-based early childhood centers in Richmond and Portsmouth. Literacy Lab shall report by August 1, 2022 to the Chairs of the House Education and Senate Education and Health Committees, Secretary of Education, and the Superintendent of Public Instruction on its activities to provide training, coaching, and professional development to the fellowship participants, including collaboration with school division partners and community-based early childhood centers, and provide metrics on the success of participants entering the educator pipeline either through employment or a teacher preparation program. | | | |
| GG. | Out of this appropriation, \$1,000,000 the first year and \$1,000,000 \$1,250,000 the second year from the general fund is provided to support pilot public-private partnerships between local school divisions and the Virginia Alliance of YMCAs to expand student participation opportunities in existing summer Power Scholars Academies in such partnered school divisions. | | | |
| HH. | Out of this appropriation, \$718,957 the first year and \$718,957 the second year from the general fund is provided to support Career and Technical Education Student Organizations. These Student Organizations extend Career and Technical Education in Virginia through networks of programs, business and community partnerships, and leadership experiences at the school, state, and national levels and provide Virginia students with opportunities to apply academic, technical, and employability knowledge and skills necessary in today's workforce. | | | |

| ITEM 136. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

II. Out of this appropriation, \$1,500,000 the first year and \$1,000,000 the second year from the general fund is provided for the Hampton Roads Education Telecommunications Association's eMediaVA program for statewide digital content development, online learning, and related support services. All digital content produced and delivery of online learning shall meet criteria established by the Department of Education, meet or exceed applicable Standards of Learning, and be correlated to such state standards. The eMedia VA program shall incorporate consultation with division superintendents or their designated representatives to assess school divisions' needs for digital content, online learning, teacher training, and support services that advance technology integration into the K-12 classroom, as well as for additional educational resources that may be made available to school divisions throughout the Commonwealth. The Hampton Roads Educational Telecommunications Association, in partnership with Blue Ridge PBS, VPM Media Corporation, and PBS Appalachia, shall report by June 30, 2023 to the Secretary of Education, the Department of Education, and the General Assembly on a plan to share educational resources and content among these organizations in an effort to reduce duplication of efforts in content and curriculum development.

JJ. Out of this appropriation, \$2,700,000 the first year and \$1,350,000 the second year from the general fund is provided to support the advancement of computer science education and implementation of the Commonwealth's computer science standards across the public education continuum. These funds are intended to provide high quality professional development to current and future teachers; create, curate, and disseminate high quality computer science curriculum, instructional resources, and assessments; support summer and after-school computer science related programming for students; and facilitate meaningful career exposure and work-based learning opportunities in computer science fields for high school students. Funds shall be disbursed through a competitive grant process and shall prioritize at-risk students and schools. The Department of Education shall develop a process to award these funds in accordance with the provisions of this language.

KK. Out of this appropriation, \$1,500,000 the first year from the general fund is provided to increase educator recruitment and retention and the supply of qualified educators and support positions. These funds shall be used to support: (i) provisionally-licensed educators and other school staff to earn or renew full state teaching licensure; (ii) teacher mentoring for early career teachers; (iii) recruitment and retention efforts for critical vacancies and shortages; and (iv) professional development opportunities to educators. The Department of Education shall develop a process to award these funds to divisions and shall focus efforts on divisions with high vacancies and critical shortages. The Department may also use these funds to supplement any program in this item related to educator preparation, retention, or recruitment; however, funds shall not be committed to any program with a multi-year commitment. Any balances remaining shall not revert to the general fund at the end of the fiscal year, but shall be brought forward and made available to support these efforts in the second year.

LL. Out of this appropriation, \$500,000 the first year from the general fund is provided to VPM Media Corporation to support curriculum development and the development of learning assets.

MM. Out of this appropriation, \$10,000,000 the first year from the general fund is provided for grants to school divisions and Communities in Schools and its affiliates to support the development and implementation of community schools initiatives that provide a framework for integrated student supports, expanded and enriched learning time and opportunities, active family and community engagement, and collaborative leadership and practices. The Department of Education shall award these grants in consultation with a stakeholder workgroup convened to focus on community schools. The workgroup shall include representatives from local school divisions, existing Virginia providers of community schools models, and other relevant stakeholders. Grant awards shall prioritize eligible programs serving schools that demonstrate significant need, including Title I-eligible schools. Eligible programs shall reflect the recommendations outlined in the Virginia Community School Framework (2019) and shall include identification of a lead partner agency, including a public or private agency or community-based organization, to help coordinate programs and services; use of research- and evidence-based strategies and

| ITEM 136. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | best practices to incorporate integrated student supports that address non-academic and out-of-school barriers to learning as a means to enhance student success; a dedicated community school coordinator for each school included in the proposal; and use of rigorous and equitable evaluation systems to assess student and school outcomes and overall effectiveness of the community school initiative. Grants may be awarded for the purposes of planning, including conducting a needs-assessment, and for the purposes of implementation. Any unobligated balance for this program on June 30, 2023, shall be reappropriated for expenditure in the second year for the same purpose. | | | |
| NN. | Out of this appropriation, \$1,500,000 the first year from the general fund is provided to Portsmouth Public Schools to establish a Youth Entrepreneurship Pilot Program in partnership with institutions of higher education and community partners in Hampton Roads. | | | |
| OO. | Out of this appropriation, \$500,000 the first year from the general fund is provided to the American Civil War Museum to support the advancement of experiential learning opportunities for K-12 students. These funds are intended to support high-quality, off-site learning experiences for students to engage in educational content, aligned to Virginia's Standards of Learning, related to the American Civil War. | | | |
| PP. | Out of this appropriation, \$150,000 the first year from the general fund is provided to Get Schooled Center in the Square program in Roanoke for science, math, and agriculture programming for public school students. | | | |
| QQ. | Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the general fund is provided for the Achievable Dream partnership with Virginia Beach School Division. | | | |
| RR. | Out of this appropriation, \$481,180 the first year and \$1,157,065 the second year from the general fund is provided to support Dolly Parton's Imagination Library for Kids program. | | | |
| SS. | Out of this appropriation, \$100,000 the first year and \$100,000 the second year from the general fund is provided to EduTutorVA to support targeted tutoring to help K-12 students recover from COVID-19 learning gaps. | | | |
| TT. | Out of the appropriation, \$50,000 the first year from the general fund is provided to Virginia Boys State of The American Legion to support civic education programming. | | | |
| UU. | Out of this appropriation, \$50,000 the first year from the general fund is provided to the Western Virginia Public Education Consortium for collaborative work with Radford University, Virginia Tech, and New River Community College to address teacher vacancies in the consortium. | | | |
| VV. | Out of this appropriation, \$250,000 the first year from the general fund is provided to the Virginia Museum of History and Culture and partner institutions of public higher education to support the advancement of experiential learning opportunities for K-12 students. These funds are intended to support high-quality, off-site learning experiences and traveling exhibitions for students to engage in educational content, aligned to Virginia's Standards of Learning, related to the history of free Blacks in Virginia prior to the Civil War. | | | |
| WW. | Out of this appropriation, \$250,000 the first year and \$250,000 the second year is provided to the Milk and Cookies (MAC) Children's Program to support expansion of the support program for children of parents who are incarcerated. | | | |
| XX. | Out of this appropriation, \$500,000 the first year from the general fund is provided to PBS Appalachia to support curriculum development and the development of learning assets. | | | |
| YY. | Out of this appropriation, \$50,000 the first year from the general fund is provided to the Virginia Holocaust Museum, in support of the Alexander Leibenstein Teacher Education Institute, to support the advancement of experiential learning opportunities for K-12 students. These funds are intended to support high-quality, off-site learning experiences, educational content, and exhibitions for students to engage in educational content, aligned to Virginia's Standards of Learning, related to the history of the Holocaust and other genocides. | | | |
| ZZ. | Out of the appropriation, \$50,000 the first year from the general fund is provided to Virginia Girls State of The American Legion Auxiliary to support civic education | | | |

| ITEM 136. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

programming.

AAA. Out of this appropriation, \$864,000 the first year and \$500,000 the second year from the general fund is provided to Chesterfield County Public Schools to assist with establishing a recovery high school as a year-round high school with enrollment open to any high school student residing in Superintendent's Region 1 who is in the early stages of recovery from substance use disorder or dependency. Students in the high school shall be provided academic, emotional, and social support needed to progress toward earning a high school diploma and reintegrating into a traditional high school setting. Chesterfield County Public Schools shall submit a report regarding the planning, implementation, and outcomes of the recovery high school to the Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee by December 1 each year.

BBB. Out of this appropriation, \$250,000 the first year from the general fund is provided to the RISE Foundation of Waynesboro for preventive services for at-risk youth.

CCC. Out of this appropriation, \$275,000 the first year from the general fund is provided to the Denbigh Aviation Academy.

DDD. Out of this appropriation, \$12,000,000 the second year from the general fund is designated to support school safety and security grants. The Department of Education shall administer the program and develop guidelines. Funds may be used to support equipment and planning to improve safety and security, including purposes not authorized for the existing VPSA-funded Security Equipment grant program. In determining grant awards, prioritization shall be placed on the severity of identified deficiencies and the school division's local ability to pay as identified by its local composite index. In addition to this amount, \$8,000,000 in federal State and Local Recovery Funds are provided for this purpose pursuant to Item 486. Of this amount, \$1,500,000 is provided to Newport News Public schools to support safety and security improvements at Richneck Elementary School.

EEE. Out of this appropriation, \$3,000,000 the second year from the general fund is provided to Chesapeake Public Schools to support equipment costs for a regional career and technical education facility in the Chesapeake, Portsmouth, and Norfolk region.

FFF. Out of this appropriation, \$3,000,000 the second year from the general fund is provided to Falls Church City Public Schools to support safety and security improvements at Oak Street Elementary School.

GGG. Out of this appropriation, \$150,000 the second year from the general fund is provided for Critical National Security Language Grants. The Department of Education shall award these competitive grants to school divisions that provide one or more foreign language courses in a foreign language that is currently identified as critical by the National Security Language Initiative for Youth scholarship program. Each grant shall be limited to an annual amount sufficient to provide one or more full-time equivalent teaching position to provide one or more critical foreign language courses. The Department shall establish guidelines for administering the program, including selection criteria that considers teacher experience and qualifications, student interest, class size and student to teacher ratios, and the number of courses to be taught.

| | | | | |
|------|--|-----------------|------------------------------------|------------------------------------|
| 137. | State Education Assistance Programs (17800)..... | | \$9,772,313,087 | \$9,236,167,746 \$9,039,314,901 |
| | Standards of Quality for Public Education (SOQ) (17801)..... | \$7,105,647,051 | \$7,049,123,331 \$6,919,740,426 | |
| | Financial Incentive Programs for Public Education (17802)..... | \$1,826,488,727 | \$1,366,432,177 \$1,208,555,059 | |
| | Financial Assistance for Categorical Programs (17803)..... | \$55,505,594 | \$55,940,523 \$56,859,678 | |
| | Distribution of Lottery Funds (17805)..... | \$784,671,715 | \$764,671,715 \$854,159,738 | |

ITEM 137.

| | Item Details(\$) | | Appropriations(\$) | |
|----------------------------------|----------------------|------------------------------------|----------------------|--------------------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| Fund Sources: General..... | \$8,935,387,072 | \$8,469,105,801 \$8,182,764,933 | | |
| Special..... | | \$895,000 | | \$895,000 |
| Commonwealth Transportation..... | | \$1,359,300 | | \$1,495,230 |
| Trust and Agency..... | | \$834,671,715 | | \$764,671,715 \$854,159,738 |

Authority: Standards of Quality for Public Education (SOQ) (17801): Article VIII, Section 2, Constitution of Virginia; Chapter 667, Acts of Assembly, 1980; §§ [22.1-176](#) through [22.1-198](#), [22.1-199.1](#), [22.1-199.2](#), [22.1-213](#) through [22.1-221](#), [22.1-227](#) through [22.1-237](#), [22.1-253.13:1](#) through [22.1-253.13:8](#), [22.1-254.01](#), Code of Virginia; Title 51.1, Chapters 1, 5, 6.2, 7, and 14, Code of Virginia; P.L. 91-230, as amended; P.L. 93-380, as amended; P.L. 94-142, as amended; P.L. 98-524, as amended, Federal Code.

Financial Incentive Programs for Public Education (17802): §§ [22.1-24](#), [22.1-289.1](#) through [22.1-318](#), Code of Virginia; P.L. 79-396, as amended; P.L. 89-10, as amended; P.L. 89-642, as amended; P.L. 108-265, as amended; Title II P.L. 99-159, as amended, Federal Code.

Financial Assistance for Categorical Programs (17803): Discretionary Inclusion; Treaty of 1677 between Virginia and the Indians; §§ [22.1-3.4](#), [22.1-108](#), [22.1-199](#) through [22.1-212.2:2](#), [22.1-213](#) through [22.1-221](#), [22.1-223](#) through [22.1-237](#), [22.1-254](#), Code of Virginia; P.L. 89-10, as amended; P.L. 91-230, as amended; P.L. 93-380, as amended; P.L. 94-142, as amended; P.L. 94-588; P.L. 95-561, as amended; P.L. 98-211, as amended; P.L. 98-524, as amended; P.L. 99-570; P.L. 100-297, as amended; P.L. 102-73, as amended; P.L. 105-220, as amended, Federal Code.

Distribution of Lottery Funds (17805): §§ [58.1-4022](#) and [58.1-4022.1](#), Code of Virginia

It is intended that appropriations under this Item and under Item 138.10 for State Education Assistance shall support the following programs:

Appropriation Detail of Education Assistance Programs (17800)

| Standards of Quality (17801) | FY 2023 | FY 2024 |
|---|------------------------|------------------------|
| Basic Aid | \$3,733,489,214 | \$3,762,257,759 |
| | \$3,637,350,106 | \$3,872,210,973 |
| Sales Tax | \$1,739,000,000 | \$1,640,900,000 |
| | \$1,943,600,000 | \$1,654,700,000 |
| Textbooks | \$89,797,176 | \$90,101,186 |
| | \$90,140,608 | \$89,909,826 |
| Vocational Education | \$71,320,877 | \$71,249,810 |
| | \$71,754,918 | \$71,582,032 |
| Gifted Education | \$38,513,933 | \$38,695,346 |
| | \$38,653,178 | \$38,601,232 |
| Special Education | \$427,816,140 | \$429,073,747 |
| | \$429,559,487 | \$428,607,447 |
| Prevention, Intervention, and Remediation | \$125,697,172 | \$125,949,775 |
| | \$126,074,273 | \$125,624,197 |
| English as a Second Language | \$98,474,887 | \$106,864,471 |
| | \$100,535,325 | \$107,489,148 |
| VRS Retirement (includes RHCC) | \$520,016,134 | \$521,728,628 |
| | \$522,016,098 | \$520,749,350 |
| Social Security | \$223,067,461 | \$223,798,638 |
| | \$223,926,038 | \$223,379,463 |
| Group Life | \$15,728,679 | \$15,778,593 |
| | \$15,789,177 | \$15,749,020 |
| Remedial Summer School | \$22,725,378 | \$22,725,378 |
| | \$31,865,163 | \$29,169,304 |
| Total | \$7,105,647,051 | \$7,049,123,331 |

ITEM 137.

| | Item Details(\$) | | Appropriations(\$) | |
|--|-------------------------|------------------------|---------------------------|------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | | \$7,231,264,371 | | \$7,177,771,992 |

Incentive Programs (17802)

| | | |
|--|------------------------|------------------------|
| Compensation Supplement | \$231,754,237 | \$525,462,688 |
| | \$232,252,444 | \$591,835,633 |
| Governor's Schools | \$21,285,278 | \$22,849,583 |
| | \$22,292,915 | \$24,504,908 |
| At-Risk Add-On (split funded) | \$178,977,243 | \$209,141,908 |
| | \$160,106,824 | \$11,938,336 |
| Clinical Faculty | \$318,750 | \$318,750 |
| Career Switcher Mentoring Grants | \$279,983 | \$279,983 |
| Special Education - Endorsement Program | \$437,186 | \$437,186 |
| Special Education – Vocational Education | \$200,089 | \$200,089 |
| Virginia Workplace Readiness Skills Assessment | \$308,655 | \$308,655 |
| Math/Reading Instructional Specialists Initiative | \$1,834,538 | \$1,834,538 |
| | \$1,725,807 | |
| Early Reading Specialists Initiative | \$3,476,790 | \$3,476,790 |
| | \$3,411,540 | |
| Breakfast After the Bell Incentive | \$1,074,000 | \$1,074,000 |
| School Meals Expansion | \$4,100,000 | \$4,100,000 |
| Virginia Preschool Initiative - Per Pupil Amount | \$115,987,950 | \$116,283,670 |
| | \$96,249,422 | \$97,812,265 |
| Early Childhood Expansion | \$34,368,036 | \$45,116,920 |
| | \$21,928,290 | \$24,011,901 |
| Virginia Preschool Initiative - Provisional Teacher Licensure | \$306,100 | \$306,100 |
| Alleghany County - Covington City School Division Consolidation Incentive | \$600,000 | \$600,000 |
| Hold Harmless for Rebenchmarking Data Affected by COVID-19 | \$177,079,892 | \$177,441,317 |
| Supplemental General Fund Payment in Lieu of Sales Tax on Food and Personal Hygiene Products | \$104,100,000 | \$257,200,000 |
| School Construction Grants | \$400,000,000 | \$0 |
| School Construction Assistance Program | \$450,000,000 | \$0 |
| College Partnership Lab Schools | \$100,000,000 | \$0 |
| <i>Hold Harmless for Sum of Basic Aid and Sales Tax Payments</i> | \$16,829,270 | \$0 |
| <i>Flexible Funding Supplement</i> | \$0 | \$418,299,937 |
| Total | \$1,826,488,727 | \$1,366,432,177 |
| | | |
| | \$1,793,601,167 | \$1,615,980,388 |

Categorical Programs (17803)

| | | |
|-----------------------------------|-------------|-------------|
| Adult Education | \$1,051,800 | \$1,051,800 |
| Adult Literacy | \$2,480,000 | \$2,480,000 |
| American Indian Treaty Commitment | \$46,841 | \$50,211 |
| | \$45,311 | \$68,152 |
| School Lunch Program | \$5,801,932 | \$5,801,932 |
| Special Education - Homebound | \$3,113,592 | \$3,144,724 |
| | \$4,348,623 | \$5,287,721 |

ITEM 137.

| | Item Details(\$) | | Appropriations(\$) | |
|--|-------------------------|--------------------|---------------------------|--------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

| | | |
|---|---------------------|---------------------|
| Special Education - Jails | \$4,094,025 | \$4,250,522 |
| Special Education - State Operated Programs | \$38,917,404 | \$39,161,334 |
| Total | \$55,505,594 | \$55,940,523 |

Lottery Funded Programs (17805)

| | | |
|---|----------------------|----------------------|
| At-Risk Add-On (split funded) | \$158,134,094 | \$131,056,691 |
| | \$176,325,114 | \$334,719,534 |
| Foster Care | \$12,661,313 | \$12,878,410 |
| | \$11,151,563 | \$11,821,328 |
| Special Education - Regional Tuition | \$85,831,709 | \$90,831,709 |
| | \$80,464,820 | \$90,054,178 |
| Early Reading Intervention | \$51,193,084 | \$51,352,970 |
| | \$43,515,246 | \$36,898,919 |
| Mentor Teacher | \$1,000,000 | \$1,000,000 |
| K-3 Primary Class Size Reduction | \$141,268,750 | \$141,778,274 |
| | \$137,265,346 | \$137,314,033 |
| School Breakfast Program | \$9,637,895 | \$11,898,741 |
| | \$10,689,269 | \$7,994,035 |
| SOL Algebra Readiness | \$15,775,313 | \$15,781,896 |
| | \$15,370,526 | \$15,070,022 |
| Infrastructure and Operations Per Pupil Funds | \$276,361,274 | \$276,361,272 |
| | \$276,053,409 | \$276,361,196 |
| Regional Alternative Education | \$10,453,748 | \$11,097,555 |
| | \$10,348,856 | \$11,033,363 |
| Individualized Student Alternative Education Program (ISAEPA) | \$2,247,581 | \$2,247,581 |
| Career and Technical Education – Categorical | \$11,681,872 | \$11,681,872 |
| Project Graduation | \$1,387,240 | \$1,387,240 |
| Race to GED (NCLB/EFAL) | \$2,410,988 | \$2,410,988 |
| Path to Industry Certification (NCLB/EFAL) | \$1,831,464 | \$1,831,464 |
| Supplemental Basic Aid | \$1,045,390 | \$1,075,052 |
| | \$1,178,421 | \$1,092,523 |
| Supplemental Support for Accomack and Northampton | \$1,750,000 | \$0 |
| Total | \$784,671,715 | \$764,671,715 |

| | | |
|---------------------------|--------------|--------------|
| Technology – VPSA | \$56,348,000 | \$56,672,000 |
| | \$55,946,000 | \$55,894,000 |
| Security Equipment - VPSA | \$12,000,000 | \$12,000,000 |

Payments out of the above amounts shall be subject to the following conditions:

A. Definitions

1. "March 31 Average Daily Membership," or "March 31 ADM" - The responsible school division's average daily membership for grades K-12 including (1) handicapped students ages 5-21 and (2) students for whom English is a second language who entered school for the first time after reaching their twelfth birthday, and who have not reached twenty-two years of age on or before August 1 of the school year, for the first seven (7) months (or equivalent period) of the school year through March 31 in which state funds are distributed from this

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

appropriation. Preschool and postgraduate students shall not be included in March 31 ADM.

a. School divisions shall take a count of September 30 fall membership and report this information to the Department of Education no later than October 15 of each year.

b. Except as otherwise provided herein, by statute, or by precedent, all appropriations to the Department of Education shall be calculated using March 31 ADM unadjusted for half-day kindergarten programs, estimated at ~~1,211,947.40~~ 1,216,974.92 the first year and ~~1,216,691.50~~ 1,214,474.95 the second year. March 31 ADM for half-day kindergarten shall be adjusted at 85 percent.

c. Students who are either (i) enrolled in a nonpublic school or (ii) receiving home instruction pursuant to § [22.1-254.1](#) and who are enrolled in a public school on less than a full-time basis in any mathematics, science, English, history, social science, vocational education, health education or physical education, fine arts or foreign language course, or receiving special education services required by a student's individualized education plan, shall be counted in the funded fall membership and March 31 ADM of the responsible school division. Each course shall be counted as 0.25, up to a cap of 0.5 of a student.

d. Students enrolled in an Individualized Student Alternative Education Program (ISAE) pursuant to § [22.1-254](#) E shall be counted in the March 31 Average Daily Membership of the responsible school division. School divisions shall report these students separately in their March 31 reports of Average Daily Membership.

2. "Standards of Quality" - Operations standards for grades kindergarten through 12 as prescribed by the Board of Education subject to revision by the General Assembly.

3.a. "Basic Operation Cost" - The cost per pupil, including provision for the number of instructional personnel required by the Standards of Quality for each school division with a minimum ratio of 51 professional personnel for each 1,000 pupils or proportionate number thereof, in March 31 ADM for the same fiscal year for which the costs are computed, and including provision for driver, gifted, occupational-vocational, and special education, library materials and other teaching materials, teacher sick leave, general administration, division superintendents' salaries, free textbooks (including those for free and reduced price lunch pupils), operation and maintenance of school plant, transportation of pupils, instructional television, professional and staff improvement, remedial work, fixed charges and other costs in programs not funded by other state and/or federal aid.

4.a. "Composite Index of Local Ability-to-Pay" - An index figure computed for each locality. The composite index is the sum of 2/3 of the index of wealth per pupil in unadjusted March 31 ADM reported for the first seven (7) months of the 2019-2020 school year and 1/3 of the index of wealth per capita (population estimates for 2019 as determined by the Weldon Cooper Center for Public Service of the University of Virginia) multiplied by the local nominal share of the costs of the Standards of Quality of 0.45 in each year. The indices of wealth are determined by combining the following constituent index elements with the indicated weighting: (1) true values of real estate and public service corporations as reported by the State Department of Taxation for the calendar year 2019 - 50 percent; (2) adjusted gross income for the calendar year 2019 as reported by the State Department of Taxation - 40 percent; (3) the sales for the calendar year 2019 which are subject to the state general sales and use tax, as reported by the State Department of Taxation - 10 percent. Each constituent index element for a locality is its sum per March 31 ADM, or per capita, expressed as a percentage of the state average per March 31 ADM, or per capita, for the same element. A locality whose composite index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing all payments based on the composite index of local ability-to-pay. Each constituent index element for a locality used to determine the composite index of local ability-to-pay for the current biennium shall be the latest available data for the specified official base year provided to the Department of Education by the responsible source agencies no later than November 15, 2021.

b. For any locality whose total calendar year 2019 Virginia Adjusted Gross Income is comprised of at least 3 percent or more by nonresidents of Virginia, such nonresident income shall be excluded in computing the composite index of ability-to-pay. The

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| <p>Department of Education shall compute the composite index for such localities by using adjusted gross income data which exclude nonresident income, but shall not adjust the composite index of any other localities. The Department of Taxation shall furnish to the Department of Education such data as are necessary to implement this provision.</p> <p>c.1) Notwithstanding the funding provisions in § 22.1-25 D, Code of Virginia, additional state funding for future consolidations shall be as set forth in future Appropriation Acts.</p> <p>2) In the case of the consolidation of Bedford County and Bedford City school divisions, the fifteen year period for the application of a new composite shall apply beginning with the fiscal year that starts on July 1, 2013. The composite index established by the Board of Education shall equal the lowest composite index that was in effect prior to July 1, 2013, of any individual localities involved in such consolidation, and this index shall remain in effect for a period of fifteen years, unless a lower composite index is calculated for the combined division through the process for computing an index as set forth above.</p> <p>3) If the composite index of a consolidated school division is reduced during the course of the fifteen year period to a level that would entitle the school division to a lower interest rate for a Literary Fund loan than it received when the loan was originally released, the Board of Education shall reduce the interest rate of such loan for the remainder of the period of the loan. Such reduction shall be based on the interest rate that would apply at the time of such adjustment. This rate shall remain in effect for the duration of the loan and shall apply only to those years remaining to be paid.</p> <p>d. When it is determined that a substantial error exists in a constituent index element, the Department of Education will make adjustments in funding for the current school year only in the division where the error occurred. The composite index of any other locality shall not be changed as a result of the adjustment. No adjustment during the biennium will be made as a result of updating of data used in a constituent index element.</p> <p>e. In the event that any school division consolidates two or more small schools, the division shall continue to receive Standards of Quality funding and provide for the required local expenditure for a period of five years as if the schools had not been consolidated. Small schools are defined as any elementary, middle, or high school with enrollment below 200, 300 and 400 students, respectively.</p> <p>5. "Required Local Expenditure for the Standards of Quality" - The locality's share based on the composite index of local ability-to-pay of the cost required by all the Standards of Quality minus its estimated revenues from the state sales and use tax dedicated to public education, those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and the amounts distributed in Item 137.C.5.b.2 for fiscal year 2023 and fiscal year 2024 and appropriated in this Item, which are returned on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service, as specified in this Item, collected by the Department of Education and distributed to school divisions in the fiscal year in which the school year begins.</p> <p>6. "Required Local Match" - The locality's required share of program cost based on the composite index of local ability-to-pay for all Lottery and Incentive programs, where required, in which the school division has elected to participate in a fiscal year. Amounts distributed as the Supplemental General Fund Payment in Lieu of Sales Tax on Food and Personal Hygiene Products, in Item 137.C.5.b.2, require no local match.</p> <p>7. "Planning District Eight" - The nine localities which comprise Planning District Eight are Arlington County, Fairfax County, Loudoun County, Prince William County, Alexandria City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City.</p> <p>8. "State Share of the Standards of Quality" - The state share of the Standards of Quality (SOQ) shall be equal to the total funded SOQ cost for a school division less the school division's estimated revenues from the state sales and use tax dedicated to public education and the amounts distributed in Item 137.C.5.b.2 for fiscal year 2023 and fiscal year 2024 based on the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service, adjusted for the state's share of the composite index of local ability to pay.</p> | | | | |

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 9. Entitlements under this Item that use school-level or division-level Free Lunch eligibility percentages to determine the entitlement amounts are based on the most recent data available as of the biennial rebenchmarking calculations made for the current biennium. For schools that participate in the Community Eligibility Provision program, such entitlements are based on the most recent Free Lunch eligibility data available prior to that school's enrollment in the Community Eligibility Provision program. | | | | |
| 10. In the event that the general fund appropriations in this Item are not sufficient to meet the entitlements payable to school divisions pursuant to the provisions of this Item, the Department of Education is authorized to transfer any available general fund funds between these Items to address such insufficiencies. If the total general fund appropriations after such transfers remain insufficient to meet the entitlements of any program funded with general fund dollars, the Department of Education is authorized to prorate such shortfall proportionately across all of the school divisions participating in any program where such shortfall occurred. | | | | |
| 11. The Department of Education is directed to apply a cap on inflation rates in the same manner prescribed in § 51.1-166.B, Code of Virginia, when updating funding to school divisions during the biennial rebenchmarking process. | | | | |
| 12. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to combine the end-of-year Average Daily Membership (ADM) for those school divisions who have partnered together as a fiscal agent division and a contractual division for the purposes of calculating prevailing costs included in the Standards of Quality (SOQ). | | | | |
| 13. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to include zeroes in the linear weighted average calculation of support non-personal costs for the purpose of calculating prevailing costs included in the Standards of Quality (SOQ). | | | | |
| 14. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to eliminate the corresponding and appropriate object code(s) related to reported travel expenditures included the linear weighted average non-personal cost calculations for the purpose of calculating prevailing costs included in the Standards of Quality (SOQ). | | | | |
| 15. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to eliminate the corresponding and appropriate object code(s) related to reported leases and rental and facility expenditures included the linear weighted average non-personal cost calculations for the purpose of calculating prevailing costs included in the Standards of Quality (SOQ). | | | | |
| 16. Notwithstanding any other provision in statute or in this Item, the Department of Education is directed to fund transportation costs using a 15 year replacement schedule, which is the national standard guideline, for school bus replacement schedule for the purpose of calculating funded transportation costs included in the Standards of Quality (SOQ). | | | | |
| 17. To provide additional flexibility, notwithstanding the provisions of § 22.1-79.1, Code of Virginia, any school division that was granted a waiver regarding the opening date of the school year for the 2011-2012 school year under the good cause requirements shall continue to be granted a waiver for the 2022-2023 school year and the 2023-2024 school year. | | | | |

B. General Conditions

1. The Standards of Quality cost in this Item related to fringe benefits shall be limited for instructional staff members to the employer's cost for a number not exceeding the number of instructional positions required by the Standards of Quality for each school division and for their salaries at the statewide prevailing salary levels as printed below.

| Instructional Position | First Year Salary | Second Year Salary |
|------------------------|-------------------|--------------------|
| Elementary Teachers | \$53,996 | \$53,996 |

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|---------------------------------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| Elementary Assistant Principals | \$75,435 | | \$75,435 | |
| Elementary Principals | \$93,869 | | \$93,869 | |
| Secondary Teachers | \$56,977 | | \$56,977 | |
| Secondary Assistant Principals | \$81,093 | | \$81,093 | |
| Secondary Principals | \$102,844 | | \$102,844 | |
| Instructional Aides | \$21,304 | | \$21,304 | |

a.1) Payment by the state to a local school division shall be based on the state share of fringe benefit costs of 55 percent of the employer's cost distributed on the basis of the composite index.

2) A locality whose composite index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing fringe benefit funds under this provision.

3) The state payment to each school division for retirement, social security, and group life insurance costs for non-instructional personnel is included in and distributed through Basic Aid.

b. Payments to school divisions from this Item shall be calculated using March 31 Average Daily Membership adjusted for half-day kindergarten programs.

c. Payments for health insurance fringe benefits are included in and distributed through Basic Aid.

2. Each locality shall offer a school program for all its eligible pupils which is acceptable to the Department of Education as conforming to the Standards of Quality program requirements.

3. In the event the statewide number of pupils in March 31 ADM results in a state share of cost exceeding the general fund appropriation in this Item, the locality's state share of Basic Aid shall be reduced proportionately so that this general fund appropriation will not be exceeded. In addition, the required local share of Basic Aid shall also be reduced proportionately to the reduction in the state's share.

4. The Department of Education shall make equitable adjustments in the computation of indices of wealth and in other state-funded accounts for localities affected by annexation, unless a court of competent jurisdiction makes such adjustments. However, only the indices of wealth and other state-funded accounts of localities party to the annexation will be adjusted.

5. In the event that the actual revenues from the state sales and use tax dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in this Item (both of which are returned on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service) for sales in the fiscal year in which the school year begins are different from the number estimated as the basis for this appropriation, the estimated state sales and use tax revenues shall not be adjusted.

6. This appropriation shall be apportioned to the public schools with guidelines established by the Department of Education consistent with legislative intent as expressed in this act.

7.a. Appropriations of state funds in this Item include the number of positions required by the Standards of Quality. This Item includes a minimum of 51 professional instructional positions and aide positions (C 5); Education of the Gifted, 1.0 professional instructional position (C 6); Occupational-Vocational Education Payments and Special Education Payments; a minimum of 6.0 professional instructional positions and aide positions (C 7 and C 8) for each 1,000 pupils in March 31 ADM each year in support of the current Standards of Quality. Funding in support of one hour of additional instruction per day based on the percent of students eligible for the federal free lunch program with a pupil-teacher ratio range of 18:1 to 10:1, depending upon a school division's combined failure rate on the English and Math Standards of Learning, is included in Remedial Education Payments (C 9).

b. No actions provided in this section signify any intent of the General Assembly to mandate an increase in the number of instructional personnel per 1,000 students above the numbers explicitly stated in the preceding paragraph.

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|----------------------|-----------------------|----------------------|-----------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |

c. Appropriations in this Item include programs supported in part by transfers to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund pursuant to Part 3 of this Act. These transfers combined together with other appropriations from the general fund in this Item funds the state's share of the following revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the Acts of Assembly of 2004: five elementary resource teachers per 1,000 students; one support technology position per 1,000 students; one instructional technology position per 1,000 students; and a full daily planning period for teachers at the middle and high school levels in order to relieve the financial pressure these education programs place on local real estate taxes.

d. To provide flexibility, school divisions may use the state and local funds for instructional technology resource teachers required by the Standards of Quality to employ a data coordinator position, an instructional technology resource teacher position, or a data coordinator/instructional resource teacher blended position. The data coordinator position is intended to serve as a resource to principals and classroom teachers in the area of data analysis and interpretation for instructional and school improvement purposes, as well as for overall data management and administration of state assessments. School divisions using these SOQ funds in this manner shall only employ instructional personnel licensed by the Board of Education.

e. To provide flexibility in the provision of reading intervention services, school divisions may use the state Early Reading Intervention initiative funding provided from the Lottery Proceeds Fund and the required local matching funds to employ reading specialists to provide the required reading intervention services. School divisions using the Early Reading Intervention Initiative funds in this manner shall only employ instructional personnel licensed by the Board of Education.

f. To provide flexibility in the provision of mathematics intervention services, school divisions may use the state Standards of Learning Algebra Readiness initiative funding provided from the Lottery Proceeds Fund and the required local matching funds to employ mathematics teacher specialists to provide the required mathematics intervention services. School divisions using the Standards of Learning Algebra Readiness initiative funding in this manner shall only employ instructional personnel licensed by the Board of Education.

g. Notwithstanding the provisions of subsection H 1 of § [22.1-253.13:2](#) of the Code of Virginia, each local school board shall employ, at a minimum, one full-time principal in each elementary school.

h. Notwithstanding the provisions of subsection G of § [22.1-253.13:2](#) of the Code of Virginia, each local school board shall employ a reading specialist for each 550 students in kindergarten through grade three. To provide flexibility, school boards may employ other staff such as reading coaches or other instructional staff who are working towards obtaining the training and licensure requirements necessary to fulfill the staffing standards that become effective at the start of the 2024-2025 school year. School divisions are encouraged to deploy these positions to assist in reading instruction and intervention to students in kindergarten through sixth grade.

8.a.1) Pursuant to § [22.1-97](#), Code of Virginia, the Department of Education is required to make calculations at the start of the school year to ensure that school divisions have appropriated adequate funds to support their estimated required local expenditure for the corresponding state fiscal year. In an effort to reduce the administrative burden on school divisions resulting from state data collections, such as the one needed to make the aforementioned calculations, the requirements of § [22.1-97](#), Code of Virginia, pertaining to the adequacy of estimated required local expenditures, shall be satisfied by signed certification by each division superintendent at the beginning of each school year that sufficient local funds have been budgeted to meet all state required local effort and required local match amounts. This provision shall only apply to calculations required of the Department of Education related to estimated required local expenditures and shall not pertain to the calculations associated with actual required local expenditures after the close of the school year.

2) The Department of Education shall also make calculations after the close of the school

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| year to verify that the required local effort level, based on actual March 31 Average Daily Membership, was met. Pursuant to § 22.1-97, Code of Virginia, the Department of Education shall report annually, no later than the first day of the General Assembly session, to the House Committees on Education and Appropriations and the Senate Committees on Finance and Appropriations and Education and Health, the results of such calculations made after the close of the school year and the degree to which each school division has met, failed to meet, or surpassed its required local expenditure. The Department of Education shall specify the calculations to determine if a school division has expended its required local expenditure for the Standards of Quality. This calculation may include but is not limited to the following calculations: | | | | |
| b. The total expenditures for operation, defined as total expenditures less all capital outlays, expenditures for debt service, facilities, non-regular day school programs (such as adult education, preschool, and non-local education programs), and any transfers to regional programs will be calculated. | | | | |
| c. The following state funds will be deducted from the amount calculated in paragraph a. above: revenues from the state sales and use tax (returned on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service, as specified in this Item) for sales in the fiscal year in which the school year begins; total receipts from state funds (except state funds for non-regular day school programs and state funds used for capital or debt service purposes); and the state share of any balances carried forward from the previous fiscal year. Any qualifying state funds that remain unspent at the end of the fiscal year will be added to the amount calculated in paragraph a. above. | | | | |
| d. Federal funds, and any federal funds carried forward from the previous fiscal year, will also be deducted from the amount calculated in paragraph a. above. Any federal funds that remain unspent at the end of the fiscal year and any capital expenditures paid from federal funds will be added to the amount calculated in paragraph a. above. | | | | |
| e. Tuition receipts, receipts from payments from other cities or counties, and fund transfers will also be deducted from the amount calculated in paragraph a. then | | | | |
| f. The final amount calculated as described above must be equal to or greater than the required local expenditure defined in paragraph A. 5. | | | | |
| g. The Department of Education shall collect the data necessary to perform the calculations of required local expenditure as required by this section. | | | | |
| h. A locality whose expenditure in fact exceeds the required amount from local funds may not reduce its expenditures unless it first complies with all of the Standards of Quality. | | | | |
| 9.a. Any required local matching funds which a locality, as of the end of a school year, has not expended, pursuant to this Item, for the Standards of Quality shall be paid by the locality into the general fund of the state treasury. Such payments shall be made not later than the end of the school year following that in which the under expenditure occurs. | | | | |
| b. Whenever the Department of Education has recovered funds as defined in the preceding paragraph a., the Secretary of Education is authorized to repay to the locality affected by that action, seventy-five percent (75%) of those funds upon his determination that: | | | | |
| 1) The local school board agrees to include the funds in its June 30 ending balance for the year following that in which the under expenditure occurs; | | | | |
| 2) The local governing body agrees to reappropriate the funds as a supplemental appropriation to the approved budget for the second year following that in which the under expenditure occurs, in an appropriate category as requested by the local school board, for the direct benefit of the students; | | | | |
| 3) The local school board agrees to expend these funds, over and above the funds required to meet the required local expenditure for the second year following that in which the under expenditure occurs, for a special project, the details of which must be furnished to the Department of Education for review and approval; | | | | |
| 4) The local school board agrees to submit quarterly reports to the Department of Education | | | | |

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

on the use of funds provided through this project award; and

5) The local governing body and the local school board agree that the project award will be cancelled and the funds withdrawn if the above conditions have not been met as of June 30 of the second year following that in which the under expenditure occurs.

c. There is hereby appropriated, for the purposes of the foregoing repayment, a sum sufficient, not to exceed 75 percent of the funds deposited in the general fund pursuant to the preceding paragraph a.

10. The Department of Education shall specify the manner for collecting the required information and the method for determining if a school division has expended the local funds required to support the actual local match based on all Lottery and Incentive programs in which the school division has elected to participate. Unless specifically stated otherwise in this Item, school divisions electing to participate in any Lottery or Incentive program that requires a local funding match in order to receive state funding, shall certify to the Department of Education its intent to participate in each program by July 1 each fiscal year in a manner prescribed by the Department of Education. As part of this certification process, each division superintendent must also certify that adequate local funds have been appropriated, above the required local effort for the Standards of Quality, to support the projected required local match based on the Lottery and Incentive programs in which the school division has elected to participate. State funding for such program(s) shall not be made until such time that the school division can certify that sufficient local funding has been appropriated to meet required local match. The Department of Education shall make calculations after the close of the fiscal year to verify that the required local match was met based on the state funds that were received.

11. Any sum of local matching funds for Lottery and Incentive program which a locality has not expended as of the end of a fiscal year in support of the required local match pursuant to this Item shall be paid by the locality into the general fund of the state treasury unless the carryover of those unspent funds is specifically permitted by other provisions of this act. Such payments shall be made no later than the end of the school year following that in which the under expenditure occurred.

12. The Superintendent of Public Instruction shall provide a report annually, no later than the first day of the General Assembly session, on the status of teacher salaries, by local school division, to the Governor and the Chairs of the Senate Finance and Appropriations and House Appropriations Committees. In addition to information on average salaries by school division and statewide comparisons with other states, the report shall also include information on starting salaries by school division and average teacher salaries by school.

13. All state and local matching funds required by the programs in this Item shall be appropriated to the budget of the local school board.

14. By November 1 of each year, the Department of Planning and Budget, in cooperation with the Department of Education, shall prepare and submit a preliminary forecast of Standards of Quality expenditures, based upon the most current data available, to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. In odd-numbered years, the forecast for the current and subsequent two fiscal years shall be provided. In even-numbered years, the forecast for the current and subsequent fiscal year shall be provided. The forecast shall detail the projected March 31 Average Daily Membership and the resulting impact on the education budget.

15. School divisions may choose to use state payments provided for Standards of Quality Prevention, Intervention, and Remediation in both years as a block grant for remediation purposes, without restrictions or reporting requirements, other than reporting necessary as a basis for determining funding for the program.

16. Except as otherwise provided in this act, the Superintendent of Public Instruction shall provide guidelines for the distribution and expenditure of general fund appropriations and such additional federal, private and other funds as may be made available to aid in the establishment and maintenance of the public schools.

17. At the Department of Education's option, fees for audio-visual services may be

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

deducted from state Basic Aid payments for individual local school divisions.

18. For distributions not otherwise specified, the Department of Education, at its option, may use prior year data to calculate actual disbursements to individual localities.

19. Payments for accounts related to the Standards of Quality made to localities for public education from the general fund, as provided herein, shall be payable in twenty-four semi-monthly installments at the middle and end of each month.

20. Notwithstanding § 58.1-638 D., Code of Virginia, and other language in this Item, the Department of Education shall, for purposes of calculating the state and local shares of the Standards of Quality, apportion state sales and use tax dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/ Local Real Estate Property Tax Relief Fund in the first year based on the July 1, 2020, estimate of school age population provided by the Weldon Cooper Center for Public Service and, in the second year, based on the July 1, 2021, estimate of school age population provided by the Weldon Cooper Center for Public Service.

Notwithstanding § 58.1-638 D., Code of Virginia, and other language in this Item, the State Comptroller shall distribute the state sales and use tax revenues dedicated to public education and those sales tax revenues transferred to the general fund from the Public Education Standards of Quality/ Local Real Estate Property Tax Relief Fund in the first year based on the July 1, 2020, estimate of school age population provided by the Weldon Cooper Center for Public Service and, in the second year, based on the July 1, 2021, estimate of school age population provided by the Weldon Cooper Center for Public Service.

21. The school divisions within the Tobacco Region, as defined by the Tobacco Region Revitalization Commission, shall jointly explore ways to maximize their collective expenditure reimbursement totals for all eligible E-Rate funding.

22. This Item includes appropriations totaling an estimated \$784,671,715 the first year and \$764,671,715 \$944,668,276 the second year from the revenues deposited to the Lottery Proceeds Fund. These amounts are appropriated for distribution to counties, cities, and towns to support public education programs pursuant to Article X, Section 7-A Constitution of Virginia. Any county, city, or town which accepts a distribution from this fund shall provide its portion of the cost of maintaining an educational program meeting the Standards of Quality pursuant to Section 2 of Article VIII of the Constitution without the use of distributions from the fund.

23. For reporting purposes, the Department of Education shall include Lottery Proceeds Funds as state funds.

24.a. Any locality that has met its required local effort for the Standards of Quality accounts for FY 2023 and that has met its required local match for incentive or Lottery-funded programs in which the locality elected to participate in FY 2023 may carry over into FY 2024 any remaining state Direct Aid to Public Education fund balances available to help minimize any FY 2024 revenue adjustments that may occur in state funding to that locality. Localities electing to carry forward such unspent state funds must appropriate the funds to the school division for expenditure in FY 2024.

b. Any locality that has met its required local effort for the Standards of Quality accounts for FY 2024 and that has met its required local match for incentive or Lottery-funded programs in which the locality elected to participate in FY 2024 may carry over into FY 2025 any remaining state Direct Aid to Public Education fund balances available to help minimize any FY 2025 revenue adjustments that may occur in state funding to that locality. Localities electing to carry forward such unspent state funds must appropriate the funds to the school division for expenditure in FY 2025.

25. Localities are encouraged to allow school boards to carry over any unspent local allocations into the next fiscal year. Localities are also encouraged to provide increased flexibility to school boards by appropriating state and local funds for public education in a lump sum.

26. The Department of Education shall include in the annual School Performance Report Card for school divisions the percentage of each division's annual operating budget allocated to

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

instructional costs. For this report, the Department of Education shall establish a methodology for allocating each school division's expenditures to instructional and non-instructional costs in a manner that is consistent with the funding of the Standards of Quality as approved by the General Assembly.

27. It is the intent of the General Assembly that all school divisions annually provide their employees, upon request, with a user-friendly statement of total compensation, including contract duration if less than 12 months.

28. The Department of Education, in collaboration with the Virginia Community College System, will ensure that the same policies regarding the cost for dual enrollment courses held at a community college, are consistently applied to public school students and home-schooled students alike. These policies will clearly address the school division contributions and any student charges for dual enrollment courses, and will ensure that public school students and home-school students are treated in the same manner.

29. Each school division shall report each year to the Department of Education the individual uses for the prior year of the following funds prescribed by this item: (i) Prevention, Intervention, and Remediation, (ii) At-Risk Add-On, and (iii) Early Reading Intervention. The Department shall prescribe the format and timeline required for the reporting of such information, which shall include, permitted categories of spending, personnel, both state and local contributions, and to the extent possible, the individual schools which these funds were expended. The Department shall compile and submit this information to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than the first day of the General Assembly session.

30. Multidivision online providers, as defined in § [22.1-212.23](#), Code of Virginia, shall provide certain data as prescribed by the Department of Education related to students enrolled through a contract between such a provider and a school division, including such students who do not reside in the school division that is party to the contract. Such data shall include, but is not limited to, enrollment, which shall be disaggregated by serving school, demographics, attendance, achievement, and achievement gaps, and be transmitted in a format prescribed by the Department. The Department shall report such data annually through the School Quality Profiles in a manner that clearly disaggregates and communicates school quality information related to (i) the students that do not reside in the school division and are served through the contract, and (ii) all other students.

31. Each school division shall report to the Department of Education information about pass-through federal Elementary and Secondary School Emergency Relief funds provided through the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136), the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (P.L. 116-260) and the American Rescue Plan Act (P.L. 117-2). The Department shall prescribe the format and timeline required for the reporting of such information, which shall include obligated and unobligated amounts, planned uses and planned timing for the use of the remaining obligated and unobligated amounts. The Department shall compile and submit this information to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than September 1, 2023 and September 1, 2024.

C. Apportionment

1. Subject to the conditions stated in this paragraph and in paragraph B of this Item, each locality shall receive sums as listed above within this program for the basic operation cost and payments in addition to that cost. The apportionment herein directed shall be inclusive of, and without further payment by reason of, state funds for library and other teaching materials.

2. School Employee Retirement Contributions

a. This Item provides funds to each local school board for the state share of the employer's retirement cost incurred by it, on behalf of instructional and support personnel, for subsequent transfer to the retirement allowance account as provided by Title 51.1, Chapter 1, Code of Virginia.

b. Notwithstanding § [51.1-1401](#), Code of Virginia, the Commonwealth shall provide

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

payments for only the state share of the Standards of Quality fringe benefit cost of the retiree health care credit. This Item includes payments in both years based on the state share of fringe benefit costs of 55 percent of the employer's cost on funded Standards of Quality instructional and support positions, distributed based on the composite index of the local ability-to-pay.

3. School Employee Social Security Contributions

This Item provides funds to each local school board for the state share of the employer's Social Security cost incurred by it, on behalf of the instructional personnel for subsequent transfer to the Contribution Fund pursuant to Title 51.1, Chapter 7, Code of Virginia.

4. School Employee Insurance Contributions

This Item provides funds to each local school board for the state share of the employer's Group Life Insurance cost incurred by it on behalf of instructional personnel who participate in group insurance under the provisions of Title 51.1, Chapter 5, Code of Virginia.

5. Basic Aid Payments

a.1) A state share of the Basic Operation Cost, which cost per pupil in March 31 ADM is established individually for each local school division based on the number of instructional personnel required by the Standards of Quality and the statewide prevailing salary levels (adjusted in Planning District Eight for the cost of competing) as well as recognized support costs calculated on a prevailing basis for an estimated March 31 ADM.

2) This appropriation includes funding to recognize the common labor market in the Washington-Baltimore-Northern Virginia, DC-MD-VA-WV Combined Statistical Area. Standards of Quality salary payments for instructional and support positions in school divisions of the localities set out below have been adjusted for the equivalent portion of the Cost of Competing Adjustment (COCA) rates that are paid to local school divisions in Planning District Eight. For the counties of Stafford, Fauquier, Spotsylvania, Clarke, Warren, Frederick, and Culpeper and the Cities of Fredericksburg and Winchester, the SOQ payments for instructional and support positions have been increased by 25 percent each year of the COCA rates paid to school divisions in Planning District Eight.

The support COCA rate is 18.0 percent.

b. 1) The state share for a locality shall be equal to the Basic Operation Cost for that locality less the locality's estimated revenues from the state sales and use tax and the amounts distributed in Item 137.C.5.b.2 for fiscal year 2023 and fiscal year 2024 (returned on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service, as specified in this Item), in the fiscal year in which the school year begins and less the required local expenditure.

2) \$104,100,000 the first year and \$257,200,000 the second year from the general fund shall be distributed to localities on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service as specified in this item. These funds represent the reduction to divisions from the exemption of the state sales and use tax on food for human consumption and essential personal hygiene products.

c. For the purpose of this paragraph, the Department of Taxation's fiscal year sales and use tax estimates are as cited in this Item.

d. 1) In accordance with the provisions of § 37.2-713, Code of Virginia, the Department of Education shall deduct the locality's share for the education of handicapped pupils residing in institutions within the Department of Behavioral Health and Developmental Services from the locality's Basic Aid payments.

2) The amounts deducted from Basic Aid for the education of intellectually disabled persons shall be transferred to the Department of Behavioral Health and Developmental Services in support of the cost of educating such persons; the amount deducted from Basic Aid for the education of emotionally disturbed persons shall be used to cover extraordinary expenses incurred in the education of such persons. The Department of Education shall establish guidelines to implement these provisions and shall provide for the periodic transfer of sums due from each local school division to the Department of Behavioral Health and

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

Developmental Services and for Special Education categorical payments. The amount of the actual transfers will be based on data accumulated during the prior school year.

e. 1) The apportionment to localities of all driver education revenues received during the school year shall be made as an undesignated component of the state share of Basic Aid in accordance with the provisions of this Item. Only school divisions complying with the standardized program established by the Board of Education shall be entitled to participate in the distribution of state funds appropriated for driver education. The Department of Education will deduct a designated amount per pupil from a school division's Basic Aid payment when the school division is not in compliance with § 22.1-205 C, Code of Virginia. Such amount will be computed by dividing the current appropriation for the Driver Education Fund by actual March 31 ADM.

2) Local school boards may charge a per pupil fee for behind-the-wheel driver education provided, however, that the fee charged plus the per pupil basic aid reimbursement for driver education shall not exceed the actual average per pupil cost. Such fees shall not be cause for a pro rata reduction in Basic Aid payments to school divisions.

f. Textbooks

1) The appropriation in this Item includes \$89,797,176 \$90,140,608 the first year and \$90,101,186 \$89,909,826 the second year from the general fund as the state's share of the cost of textbooks based on a per pupil amount of \$132.38 the first year and \$132.38 the second year. A school division shall appropriate these funds for textbooks or any other public education instructional expenditure by the school division. The state's distributions for textbooks shall be based on adjusted March 31 ADM. These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

2) School divisions shall provide free textbooks to all students.

3) School divisions may use a portion of this funding to purchase Standards of Learning instructional materials. School divisions may also use these funds to purchase electronic textbooks or other electronic media resources integral to the curriculum and classroom instruction and the technical equipment required to read and access the electronic textbooks and electronic curriculum materials.

4) Any funds provided to school divisions for textbook costs that are unexpended as of June 30, 2023, or June 30, 2024, shall be carried on the books of the locality to be appropriated to the school division the following year to be used for same purpose. School divisions are permitted to carry forward any remaining balance of textbook funds until the funds are expensed for a qualifying purpose.

g. The one-cent state sales and use tax earmarked for education and the sales tax revenues transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in this Item which are distributed to localities on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service as specified in this Item shall be reflected in each locality's annual budget for educational purposes as a separate revenue source for the current fiscal year.

h. The appropriation for the Standards of Quality for Public Education (SOQ) includes amounts estimated at \$507,300,000 \$575,200,000 the first year and \$522,000,000 \$550,900,000 the second year from the amounts transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund pursuant to Part 3 of this act which are derived from the 0.375 cent increase in the state sales and use tax levied pursuant to § 58.1-638, Code of Virginia. These additional funds are provided to local school divisions and local governments in order to relieve the financial pressure education programs place on local real estate taxes.

i. From the total amounts in paragraph h. above, an amount estimated at \$338,200,000 \$383,400,000 the first year and \$348,000,000 \$367,300,000 the second year (approximately 1/4 cent of sales and use tax) is appropriated to support a portion of the cost of the state's share of the following revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the Acts of Assembly of 2004: five elementary resource teachers

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

per 1,000 students; one support and one instructional technology position per 1,000 students; a full daily planning period for teachers at the middle and high school levels in order to relieve the pressure on local real estate taxes and shall be taken into account by the governing body of the county, city, or town in setting real estate tax rates.

j. From the total amounts in paragraph h. above, an amount estimated at ~~\$169,100,000~~ \$191,700,000 the first year and ~~\$174,000,000~~ \$183,600,000 the second year (approximately 1/8 cent of sales and use tax) is appropriated in this Item to distribute the remainder of the revenues collected and deposited into the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund on the basis of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service as specified in this Item.

k. For the purposes of funding certain support positions in Basic Aid, a funding ratio methodology is used based upon 20 support positions per 1,000 ADM to funded SOQ instructional positions in the first year and ~~24~~ 24 support positions per 1,000 ADM to funded SOQ instructional positions in the second year. Such methodology shall not apply to the following SOQ support positions: division superintendent, school board members, pupil transportation positions, or specialized student support positions established in Chapter 454, 2021 Acts of Assembly, Special Session I.

6. Education of the Gifted Payments

a. An additional payment shall be disbursed by the Department of Education to local school divisions to support the state share of one full-time equivalent instructional position per 1,000 students in adjusted March 31 ADM.

b. Local school divisions are required to spend, as part of the required local expenditure for the Standards of Quality the established per pupil cost for gifted education (state and local share) on approved programs for the gifted.

7. Occupational-Vocational Education Payments

a. An additional payment shall be disbursed by the Department of Education to the local school divisions to support the state share of the number of Vocational Education instructors required by the Standards of Quality. These funds shall be disbursed on the same basis as the payment is calculated.

b. An amount estimated at \$131,951,563 the first year and \$132,238,627 the second year from the general fund included in Basic Aid Payments relates to vocational education programs in support of the Standards of Quality.

8. Special Education Payments

a. An additional payment shall be disbursed by the Department of Education to the local school divisions to support the state share of the number of Special Education instructors required by the Standards of Quality. These funds shall be disbursed on the same basis as the payment is calculated.

b. Out of the amounts for special education payments, general fund support is provided to fund the caseload standards for speech pathologists at 68 students for each year of the biennium.

9. Remedial Education Payments

a. An additional payment estimated at ~~\$125,697,172~~ \$126,074,273 the first year and ~~\$125,949,775~~ \$125,624,197 the second year from the general fund shall be disbursed by the Department of Education to support the Board of Education's Standards of Quality Prevention, Intervention, and Remediation program adopted in June 2003.

b. The payment shall be calculated based on one hour of additional instruction per day for identified students, using the three year average percent of students eligible for the federal Free Lunch program as a proxy for students needing such services. Fall membership shall be multiplied by the three year average division-level Free Lunch eligibility percentage to determine the estimated number of students eligible for services. Pupil-teacher ratios shall be

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

applied to the estimated number of eligible students to determine the number of instructional positions needed for each school division. The pupil-teacher ratio applied for each school division shall range from 10:1 for those divisions with the most severe combined three year average failure rates for English and math Standards of Learning test scores to 18:1 for those divisions with the lowest combined three year average failure rates for English and math Standards of Learning test scores.

c. Funding shall be matched by the local government based on the composite index of local ability-to-pay.

d. To provide flexibility in the instruction of English Language Learners who have limited English proficiency and who are at risk of not meeting state accountability standards, school divisions may use state and local funds from the SOQ Prevention, Intervention, and Remediation account to employ additional English Language Learner teachers to provide instruction to identified limited English proficiency students. Using these funds in this manner is intended to supplement the instructional services provided through the staffing standard of 20 instructional positions per 1,000 limited English proficiency students. School divisions using the SOQ Prevention, Intervention, and Remediation funds in this manner shall only employ instructional personnel licensed by the Board of Education.

e. An additional state payment estimated at ~~\$178,977,243~~ \$160,106,824 the first year and ~~\$209,141,908~~ \$11,938,336 the second year from the general fund and ~~\$158,134,094~~ \$176,325,114 the first year and ~~\$131,056,694~~ \$334,719,534 the second year from the Lottery Proceeds Fund shall be disbursed based on the estimated number of federal Free Lunch participants, in support of programs for students who are educationally at risk. The additional payment shall be based on the state share of:

1) A minimum 1.0 percent Add-On, as a percent of the per pupil basic aid cost, for each child who qualifies for the federal Free Lunch Program; and

2) An addition to the Add-On, based on the concentration of children qualifying for the federal Free Lunch Program. Based on its percentage of Free Lunch participants, each school division will receive a total between 1.0 and 36.0 percent in additional basic aid per Free Lunch participant. These funds shall be matched by the local government, based on the composite index of local ability-to-pay.

3a) Local school divisions are required to spend the established At-Risk Add-On payment (state and local share) on approved programs for students who are educationally at risk.

b) To receive these funds, each school division shall certify to the Department of Education that the state and local share of the At-Risk Add-On payment will be used to support approved programs for students who are educationally at risk. These programs may include: teacher recruitment programs and incentives, Dropout Prevention, community and school-based truancy officer programs, Advancement Via Individual Determination (AVID), Project Discovery, programs for students who speak English as a Second Language, hiring additional school guidance counselors, testing coordinators, and licensed behavior analysts, or programs related to increasing the success of disadvantaged students in completing a high school degree and providing opportunities to encourage further education and training.

4) If the Board of Education has required a local school board to submit a corrective action plan pursuant to § 22.1-253.13:3, Code of Virginia, either for the school division pursuant to a division level review, or for any schools within its division that have been designated as not meeting the standards as approved by the Board of Education, the Superintendent of Public Instruction shall determine and report to the Board of Education whether each such local school board has met its obligation to develop and submit such corrective action plan(s) and is making adequate and timely progress in implementing the plan(s). Additionally, if an academic or other review process undertaken pursuant to § 22.1-253.13:3, Code of Virginia, has identified actions for a local school board to implement, the Superintendent of Public Instruction shall determine and report to the Board of Education whether the local school board has implemented required actions. If the Superintendent certifies that a local school board has failed or refused to meet any of those obligations as referenced in a memorandum of understanding between the local school board and the Board of Education, the Board of Education shall withhold payment

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

of some or all At-Risk Add-On funds otherwise allocated to the affected division pursuant to this allocation for the pending fiscal year. In determining the amount of At-Risk Add-On funds to be withheld, the Board of Education shall take into consideration the extent to which such funds have already been expended or contractually obligated. The local school board shall be given an opportunity to correct its failure and, if successful in a timely manner, may have some or all of its At-Risk Add-On funds restored at the Board of Education's discretion.

f. Regional Alternative Education Programs

1) An additional state payment of ~~\$10,453,748~~ \$10,348,856 the first year and ~~\$11,097,555~~ \$11,033,363 the second year from the Lottery Proceeds Fund shall be disbursed for Regional Alternative Education programs. Such programs shall be for the purpose of educating certain expelled students and, as appropriate, students who have received suspensions from public schools and students returned to the community from the Department of Juvenile Justice.

2) Each regional program shall have a small student/staff ratio. Such staff shall include, but not be limited to education, mental health, health, and law enforcement professionals, who will collaborate to provide for the academic, psychological, and social needs of the students. Each program shall be designed to ensure that students make the transition back into the "mainstream" within their local school division.

3) a) Regional alternative education programs are funded through this Item based on the state's share of the incremental per pupil cost for providing such programs. This incremental per pupil payment shall be adjusted for the composite index of local ability-to-pay of the school division that counts such students attending such program in its March 31 Average Daily Membership. It is the intent of the General Assembly that this incremental per pupil amount be in addition to the basic aid per pupil funding provided to the affected school division for such students. Therefore, local school divisions are encouraged to provide the appropriate portion of the basic aid per pupil funding to the regional programs for students attending these programs, adjusted for costs incurred by the school division for transportation, administration, and any portion of the school day or school year that the student does not attend such program.

b) In the event a school division does not use all of the student slots it is allocated under this program, the unused slots may be reallocated or transferred to another school division.

1. A school division must request from the Department of Education the availability and possible use of any unused student slots. If any unused slots are available and if the requesting school division chooses to utilize any of the unused slots, the requesting school division shall only receive the state's share of tuition for the unused slot that was allocated in this Item for the originally designated school division.

2. However, no requesting school division shall receive more tuition funding from the state for any requested unused slot than what would have been the calculated amount for the requesting school division had the unused slot been allocated to the requesting school division in the original budget. Furthermore, the requesting school division shall pay for any remaining tuition payment necessary for using a previously unused slot.

3. The Department of Education shall provide assistance for the state share of the incremental cost of Regional Alternative Education program operations based on the composite index of local ability-to-pay.

4) Out of the appropriation included in paragraph C.37. of this item, ~~\$750,443~~ \$743,584 the first year and ~~\$1,648,377~~ \$1,813,413 the second year from the Lottery Proceeds Fund is provided for a compensation supplement payment equal to 5.0 percent of base pay on August 1, 2022, an additional 5.0 percent of base pay on July 1, 2023, and an additional 2.0 percent of base pay on January 1, 2024, for Regional Alternative Education Program instructional and support positions, as referenced in paragraph C.37. of this item.

5) In the second year, the Department of Education shall conduct a biennial application process to determine the slot allocation of the regional alternative education program for the subsequent biennium. Each school division, or the fiscal agent for each regional program, shall apply for the desired number of student slots from the statewide total number of slots funded in the state formula. The approved number of slots shall be set for both years of the

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

biennium. The Department of Education shall ~~utilize the existing reallocation process as prescribed in this item to allocate prorate~~ initial application requests if the initial application demand for slots exceeds the number of slots available. In each fiscal year, the Department of Education shall reallocate any unused student slots as prescribed in this item.

g. Remedial Summer School

- 1) This appropriation includes ~~\$22,725,378~~ \$31,865,163 the first year and ~~\$22,725,378~~ \$29,169,304 the second year from the general fund for the state's share of Remedial Summer School Programs. These funds are available to school divisions for the operation of programs designed to remediate students who are required to attend such programs during a summer school session or during an intersession in the case of year-round schools. These funds may be used in conjunction with other sources of state funding for remediation or intervention. School divisions shall have maximum flexibility with respect to the use of these funds and the types of remediation programs offered; however, in exercising this flexibility, students attending these programs shall not be charged tuition and no high school credit may be awarded to students who participate in this program.
- 2) For school divisions charging students tuition for summer high school credit courses, consideration shall be given to students from households with extenuating financial circumstances who are repeating a class in order to graduate.

10. K-3 Primary Class Size Reduction Payments

- a. An additional payment estimated at ~~\$141,268,750~~ \$137,265,346 the first year and ~~\$141,778,274~~ \$137,314,033 the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education as an incentive for reducing class sizes in the primary grades.
- b. The Department of Education shall calculate the payment based on the incremental cost of providing the lower class sizes based on the lower of the division average per pupil cost of all divisions or the actual division per pupil cost.
- c. Localities are required to provide a match for these funds based on the composite index of local ability-to-pay.
- d. By October 15 of each year school divisions must provide data to the Department of Education that each participating school has a September 30 pupil/teacher ratio in grades K through 3 that meet the following criteria:

| Qualifying School Percentage of Students Approved | Grades K-3 | Maximum Individual |
|---|--------------|--------------------|
| Eligible for Free Lunch, Three-Year Average | School Ratio | K-3 Class Size |
| 30% but less than 45% | 19 to 1 | 24 |
| 45% but less than 55% | 18 to 1 | 23 |
| 55% but less than 65% | 17 to 1 | 22 |
| 65% but less than 70% | 16 to 1 | 21 |
| 70% but less than 75% | 15 to 1 | 20 |
| 75% or more | 14 to 1 | 19 |

e. School divisions may elect to have eligible schools participate at a higher ratio, or only in a portion of grades kindergarten through three, with a commensurate reduction of state and required local funds, if local conditions do not permit participation at the established ratio and/or maximum individual class size. In the event that a school division requires additional actions to ensure participation at the established ratio and/or maximum individual class size, such actions must be completed by December 1 of the impacted school year. Special education teachers and instructional aides shall not be counted towards meeting these required pupil/teacher ratios in grades kindergarten through three.

f. The Superintendent of Public Instruction may grant waivers to school divisions for the class size requirement in eligible schools that have only one class in an affected grade

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

level in the school.

11. Literary Fund Subsidy Program Payments

a. The Department of Education and the Virginia Public School Authority (VPSA) shall provide a program of funding for school construction and renovation through the Literary Fund and through VPSA bond sales. Notwithstanding 8VAC-20-100, the program shall be used to provide funds, through Literary Fund loans and subsidies, and through VPSA bond sales, to fund a portion of the projects submitted by localities during the annual open enrollment process, or other critical projects that may receive priority as identified by the Board of Education. Interest rate subsidies will provide school divisions with the present value difference in debt service between a Literary Fund loan and a borrowing through the VPSA. To qualify for an interest rate subsidy, the school division's project must be eligible for a Literary Fund loan and shall be subject to the same restrictions. The VPSA shall work with the Department of Education in selecting those projects to be funded through the interest rate subsidy/bond financing program, so as to ensure the maximum leverage of Literary Fund moneys and a minimum impact on the VPSA Bond Pool.

b. Notwithstanding §§ 22.1-146.1 through 22.1-153, Code of Virginia, and 8VAC-20-100, the Board of Education shall: 1) issue loans from the designated and uncommitted balances of the Literary Fund to the school boards of local school divisions that apply for such loans, authorized by the governing body and the school board, for the purposes of a) erecting, altering, or enlarging school buildings in local school divisions, or b) refinancing or redemption of negotiable notes, bonds, and other evidences of indebtedness or obligations incurred by a locality on behalf of a school division which has an application for a Literary Fund loan for an approved school project pending before the Board of Education; 2) establish a maximum Literary Fund loan amount per project of \$25.0 million; 3) in consultation with the Department of the Treasury, establish loan interest rates that are benchmarked to a market index on an annual basis, not to exceed 2.0 percent for the tier of localities with a school division local composite index of ability-to-pay between 0.0 and 0.2999; 4) replace the existing First Priority and Second Priority waiting lists with an annual open enrollment process for loans, with priority based on the local composite index of ability-to-pay; and 5) offer a loan add-on not to exceed \$5.0 million per loan for projects that will result in school consolidation and the net reduction of at least one existing school. The Department of Education, in cooperation with the Department of the Treasury, shall provide an update on Literary Fund loan issuance to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1, 2023, and each year thereafter. This report shall include detail of: 1) loan applications received in the prior fiscal year by locality, project, and amount; 2) loans issued in the prior fiscal year by locality, project, and amount; 3) the schedule of loan interest rates and the basis for those rates; 4) loans issued for school consolidation projects and the projected impact of those school consolidations; and 5) the impact of loans issued to date on the Literary Fund cash balance, outstanding loan balance, and projected asset base.

c. The Board of Education may offer up to \$200,000,000 the first year and up to \$200,000,000 the second year from the Literary Fund in school construction loans, subject to the availability of funds. Amounts designated for school construction loans that are not obligated in the first year may be obligated in the second year. In addition, the Department of Education may offer Literary Fund loans from the uncommitted balances of the Literary Fund after meeting the obligations of the interest rate subsidy sales and the amounts set aside from the Literary Fund for Debt Service Payments for Education Technology and Security Equipment in this Item.

d. 1) In the event that on any scheduled payment date of bonds of the Virginia Public School Authority (VPSA) authorized under the provisions of a bond resolution adopted subsequent to June 30, 1997, issued subsequent to June 30, 1997, and not benefiting from the provisions of either § 22.1-168 (iii), (iv), and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the sum of (i) the payments on general obligation school bonds of cities, counties, and towns (localities) paid to the VPSA and (ii) the proceeds derived from the application of the provisions of § 15.2-2659, Code of Virginia, to such bonds of localities, is less than the debt service due on such bonds of the VPSA on such date, there is hereby appropriated to the VPSA, first, from available moneys of the Literary Fund and, second, from the general fund a sum equal to such deficiency.

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|----------------------|-----------------------|----------------------|-----------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |

2) The Commonwealth shall be subrogated to the VPSA to the extent of any such appropriation paid to the VPSA and shall be entitled to enforce the VPSA's remedies with respect to the defaulting locality and to full recovery of the amount of such deficiency, together with interest at the rate of the defaulting locality's bonds.

e. The chairman of the Board of Commissioners of the VPSA shall, on or before November 1 of each year, make and deliver to the Governor and the Secretary of Finance a certificate setting forth his estimate of total debt service during each fiscal year of the biennium on bonds of the VPSA issued and projected to be issued during such biennium pursuant to the bond resolution referred to in paragraph a above. The Governor's budget submission each year shall include provisions for the payment of debt service pursuant to paragraph 1) above.

12. Educational Technology Payments

a. Any unobligated amounts transferred to the educational technology fund shall be disbursed on a pro rata basis to localities. The additional funds shall be used for technology needs identified in the division's technology plan approved by the Department of Education.

b. The Department of Education shall authorize estimated amounts as indicated in Table 1 from the Literary Fund to provide debt service payments for the education technology grant program conducted through the Virginia Public School Authority in the referenced years.

Table 1

| Grant Year | FY 2023 | FY 2024 |
|------------|--------------|--------------|
| 2018 | \$12,474,000 | |
| 2019 | \$11,973,250 | \$11,975,250 |
| 2020 | \$11,391,000 | \$11,389,000 |
| 2021 | \$11,353,100 | \$11,351,600 |
| 2022 | \$12,466,548 | \$12,466,548 |
| | \$12,066,071 | \$12,064,250 |
| 2023 | | \$12,466,548 |
| | | \$12,043,445 |

c. It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for education technology grant programs. In developing the proposed 2024-2026, 2026-2028, and 2028-2030 biennial budgets for public education, the Department of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for these programs in fiscal years 2025, 2026, 2027, 2028, and 2029.

d. 1) An education technology grant program shall be conducted through the Virginia Public School Authority, through the issuance of equipment notes in an amount estimated at \$56,348,000 \$55,946,000 in fiscal year 2023 and \$56,672,000 \$55,894,000 in fiscal year 2024. Proceeds of the notes will be used to establish a computer-based instructional and testing system for the Standards of Learning (SOL) and to develop the capability for high speed Internet connectivity at high schools followed by middle schools followed by elementary schools. School divisions shall use these funds first to develop and maintain the capability to support the administration of online SOL testing for all students with the exception of students with a documented need for a paper SOL test.

2) Grant funds from the issuance of \$56,348,000 \$55,946,000 in fiscal year 2023 and \$56,672,000 \$55,894,000 in fiscal year 2024 in equipment notes are based on a grant of \$26,000 per school and \$50,000 per school division. For purposes of this grant program, eligible schools shall include schools that are subject to state accreditation and reporting membership in grades K through 12 as of September 30, 2022, for the fiscal year 2023 issuance, and September 30, 2023, for the fiscal year 2024 issuance, as well as regional vocational centers, special education centers, alternative education centers, regular school year Governor's Schools, CodeRVA Regional High School, and the School for the Deaf

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

and the Blind. Schools that serve only pre-kindergarten students shall not be eligible for this grant.

3. a.) Supplemental grants shall be allocated to eligible divisions to support schools that are not fully accredited in accordance with this paragraph. Schools that include a ninth grade that administer SOL tests in Spring 2022 and that are not fully accredited for the second consecutive year, based on school accreditation ratings in effect for fiscal year 2022 and fiscal year 2023 will qualify to participate in the Virginia e-Learning Backpack Initiative in fiscal year 2023 and receive: (1) a supplemental grant of \$400 per student reported in ninth grade fall membership in a qualifying school for the purchase of a laptop or tablet for that student and (2) a supplemental grant of \$2,400 per qualifying school to purchase two content creation packages for teachers. Schools eligible to receive this supplemental grant in fiscal year 2023 shall continue to receive the grant for the number of subsequent years equaling the number of grades 9 through 12 in the qualifying school up to a maximum of four years. Schools that administer SOL tests in Spring 2023 and that are not fully accredited for the second consecutive year based on school accreditation ratings in effect for fiscal year 2023 and fiscal year 2024 will qualify to participate in the initiative in fiscal year 2024. Schools eligible for the supplemental grants in previous fiscal years shall continue to be eligible for the remaining years of their grant award. Schools eligible to receive this supplemental grant in fiscal year 2024 shall continue to receive the grant for the number of subsequent years equaling the number of grades 9 through 12 in the qualifying school up to a maximum of four years. Grants awarded to qualifying schools that do not have grades 10, 11, or 12 may transition with the students to the primary receiving school for all years subsequent to grade 9. Schools are eligible to receive these grants for a period of up to four years and shall not be eligible to receive a separate award in the future once the original award period has concluded. Schools that are fully accredited or that are new schools with conditional accreditation in their first year shall not be eligible to receive this supplemental grant.

b.) Supplemental grants allocated to school divisions for participation in the Virginia e-Learning Backpack Initiative prior to fiscal year 2017 shall be used in eligible schools for (1) the purchase of a laptop or tablet for a student reported in ninth grade fall membership, and (2) the purchase of two content creation packages for teachers per grant. The amounts for such grants shall remain unchanged.

4) Required local match:

a) Localities are required to provide a match for these funds equal to 20 percent of the grant amount, including the supplemental grants provided pursuant to paragraph g. 5). At least 25 percent of the local match, including the match for supplemental grants, shall be used for teacher training in the use of instructional technology, with the remainder spent on other required uses. The Superintendent of Public Instruction is authorized to reduce the required local match for school divisions with a composite index of local ability-to-pay below 0.2000. The Virginia School for the Deaf and the Blind is exempt from the match requirement.

b) School divisions that administer 100 percent of SOL tests online in all elementary, middle, and high schools may use up to 75 percent of their required local match to purchase targeted technology-based interventions. Such interventions may include the necessary technology and software to support online learning, technology-based content systems, content management systems, technology equipment systems, information and data management systems, and other appropriate technologies that support the individual needs of learners. School divisions that receive supplemental grants pursuant to paragraph g.5) above shall use the funds in qualifying schools to purchase laptops and tablets for ninth grade students reported in fall membership and content creation packages for teachers.

5) The goal of the education technology grant program is to improve the instructional, remedial, and testing capabilities of the Standards of Learning for local school divisions and to increase the number of schools achieving full accreditation.

6) Funds shall be used in the following manner:

a) Each division shall use funds to reach a goal, in each high school, of: (1) a 5-to-1 student to computer ratio; (2) an Internet-ready local area network (LAN) capability; and (3) high speed access to the Internet. School connectivity (computers, LANs and network access) shall include sufficient download/upload capability to ensure that each student will have adequate

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

access to Internet-based instructional, remedial and assessment programs.

b) When each high school in a division meets the goals established in paragraph a) above, the remaining funds shall be used to develop similar capability in first the middle schools and then the elementary schools.

c) For purposes of establishing or enhancing a computer-based instructional program supporting the Standards of Learning pursuant to paragraph g. 1) above, these grant funds may be used to purchase handheld multifunctional computing devices that support a broad range of applications and that are controlled by operating systems providing full multimedia support and mobile Internet connectivity. School divisions that elect to use these grant funds to purchase such qualifying handheld devices must continue to meet the on-line testing requirements stated in paragraph g. 1) above.

d) School divisions shall be eligible to receive supplemental grants pursuant to paragraph g.5) above. These supplemental grants shall be used in qualifying schools for the purchase of laptops and tablets for ninth grade students reported in fall membership and content creation packages for teachers. Participating school divisions will be required to select a core set of electronic textbooks, applications and online services for productivity, learning management, collaboration, practice, and assessment to be included on all devices. In addition, participating school divisions will assume recurring costs for electronic textbook purchases and maintenance.

e) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school divisions became one school division, whether by consolidation of only the school divisions or by consolidation of the local governments, such resulting division shall be provided funding through this program on the basis of having the same number of school divisions as existed prior to September 30, 2000.

7) Local school divisions shall maximize the use of available federal funds, including E-Rate Funds, and to the extent possible, use such funds to supplement the program and meet the goals of this program.

e. The Department of Education shall maintain criteria to determine if high schools, middle schools, or elementary schools have the capacity to meet the goals of this initiative. The Department of Education shall be responsible for the project management of this program.

f. 1) In the event that, on any scheduled payment date of bonds or notes of the Virginia Public School Authority (VPSA) issued for the purpose described in § 22.1-166.2, Code of Virginia, and not benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the available moneys in the Literary Fund are less than the amounts authorized for debt service due on such bonds or notes of the VPSA on such date, there is hereby appropriated to the VPSA from the general fund a sum equal to such deficiency.

2) The Chairman of the Board of Commissioners of the VPSA shall, on or before November 1 of each year, make and deliver to the Governor and the Secretary of Finance a certificate setting forth his estimate of total debt service during each fiscal year of the biennium on bonds and notes of the VPSA issued and projected to be issued during such biennium pursuant to the resolution referred to in paragraph 1) above. The Governor's budget submission each year shall include provisions for the payment of debt service pursuant to paragraph 1) above.

g. Unobligated proceeds of the notes, including investment income derived from the proceeds of the notes may be used to pay interest on, or to decrease principal of the notes or to fund a portion of such other educational technology grants as authorized by the General Assembly.

h. 1) For the purposes of § 56-232, Code of Virginia, "Contracts of Telephone Companies with State Government" and for the purposes of § 56-234 "Contracts for Service Rendered by a Telephone Company for the State Government" shall be deemed to include communications lines into public schools which are used for educational technology. The rate structure for such lines shall be negotiated by the Superintendent of Public Instruction

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

and the Chief Information Officer of the Virginia Information Technologies Agency. Further, the Superintendent and Director are authorized to encourage the development of "by-pass" infrastructure in localities where it fails to obtain competitive prices or prices consistent with the best rates obtained in other parts of the state.

2) The State Corporation Commission, in its consideration of the discount for services provided to elementary schools, secondary schools, and libraries and the universal service funding mechanisms as provided under § 254 of the Telecommunications Act of 1996, is hereby encouraged to make the discounts for intrastate services provided to elementary schools, secondary schools, and libraries for educational purposes as large as is prudently possible and to fund such discounts through the universal fund as provided in § 254 of the Telecommunications Act of 1996. The commission shall proceed as expeditiously as possible in implementing these discounts and the funding mechanism for intrastate services, consistent with the rules of the Federal Communications Commission aimed at the preservation and advancement of universal service.

13. Security Equipment Payments

1) A security equipment grant program shall be conducted through the Virginia Public School Authority, through the issuance of equipment notes in an amount estimated at up to \$12,000,000 in fiscal year 2023 and \$12,000,000 in fiscal year 2024 in conjunction with the Virginia Public School Authority technology notes program authorized in C.12. of this Item. Proceeds of the notes will be used to help offset the related costs associated with the purchase of appropriate security equipment that will improve and help ensure the safety of students attending public schools in Virginia.

2) The Department of Education shall authorize estimated amounts as indicated in Table 1 from the Literary Fund to provide debt service payments for the security equipment grant programs conducted through the Virginia Public School Authority in the referenced years.

Table 1

| Grant Year | FY 2023 | FY 2024 |
|------------|-------------|-------------|
| 2018 | \$1,275,750 | |
| 2019 | \$1,262,250 | \$1,260,000 |
| 2020 | \$2,430,750 | \$2,425,750 |
| 2021 | \$2,431,400 | \$2,430,400 |
| 2022 | \$2,667,345 | \$2,667,345 |
| | \$2,580,671 | \$2,582,500 |
| 2023 | | \$2,667,345 |
| | | \$2,582,678 |

3) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to pay debt service on the Virginia Public School Authority bonds or notes authorized for this program. In developing the proposed 2024-2026, 2026-2028, and 2028-2030 biennial budgets for public education, the Department of Education shall include a recommendation to the Governor to authorize sufficient Literary Fund revenues to make debt service payments for these programs in fiscal years 2025, 2026, 2027, 2028, and 2029.

4) In the event that, on any scheduled payment date of bonds or notes of the Virginia Public School Authority issued for the purpose described in § 22.1-166.2, Code of Virginia, and not benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the available moneys in the Literary Fund are less than the amounts authorized for debt service due on such bonds or notes on such date, there is hereby appropriated to the Virginia Public School Authority from the general fund a sum equal to such deficiency.

5) The Chairman of the Board of Commissioners of the Virginia Public School Authority shall, on or before November 1 of each year, deliver to the Governor and the Secretary of Finance a certificate setting forth his estimate of total debt service during each fiscal year of the biennium on bonds and notes issued and projected to be issued during such biennium. The Governor's budget submission each year shall include provisions for the payment of debt service pursuant to paragraph 1) above.

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

6) Grant award funds from the issuance of up to \$12,000,000 in fiscal year 2023 and \$12,000,000 in fiscal year 2024 in equipment notes shall be distributed to eligible school divisions. The grant awards will be based on a competitive grant basis of up to \$250,000 per school division. School divisions will be permitted to apply annually for grant funding. For purposes of this program, eligible schools shall include schools that are subject to state accreditation and reporting membership in grades K through 12 as of September 30, 2022, for the fiscal year 2023 issuance, and September 30, 2023, for the fiscal year 2024 issuance, as well as regional vocational centers, special education centers, alternative education centers, regular school year Governor's Schools, and the Virginia School for the Deaf and the Blind.

7) School divisions would submit their application to Department of Education by August 1 of each year based on the criteria developed by the Department of Education in collaboration with the Department of Criminal Justice Services who will provide requested technical support. Furthermore, the Department of Education will have the authority to make such grant awards to such school divisions.

8) It is also the intent of the General Assembly that, beginning with fiscal year 2020, the total amount of the grant awards shall not exceed \$60,000,000 over any ongoing revolving five year period.

9) Required local match:

a) Localities are required to provide a match for these funds equal to 25 percent of the grant amount. The Superintendent of Public Instruction is authorized to reduce the required local match for school divisions with a composite index of local ability-to-pay below 0.2000. The Virginia School for the Deaf and the Blind is exempt from the match requirement.

b) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school divisions became one school division, whether by consolidation of only the school divisions or by consolidation of the local governments, such resulting division shall be provided funding through this program on the basis of having the same number of school divisions as existed prior to September 30, 2000.

c) Local school divisions shall maximize the use of available federal funds, including E-Rate Funds, and to the extent possible, use such funds to supplement the program and meet the goals of this program.

14. Virginia Preschool Initiative Payments

a.1) It is the intent of the General Assembly that a payment estimated at \$115,987,950 \$96,249,422 the first year and \$116,283,670 \$97,812,265 the second year from the general fund shall be disbursed by the Department of Education to schools and community-based organizations to provide quality preschool programs for at-risk four-year-olds who are residents of Virginia and unserved by Head Start program funding and for at-risk five-year-olds who are not eligible to attend kindergarten, or who did not have access to a sufficient preschool experience and whose families request preschool as the most appropriate placement. Final Virginia Preschool Initiative placement decisions for eligible children shall be based on family and program leader input.

2) These state funds and required local matching funds shall be used to provide programs for at-risk four-year-old children, which include quality preschool education, health services, social services, parental involvement and transportation. It shall be the policy of the Commonwealth that state funds and required local matching funds for the Virginia Preschool Initiative not be used for capital outlay, not be used to supplant any Head Start federal funds provided for local early education programs, and not be used until the local Head Start grantee certifies that all local Head Start slots are filled. Programs must provide full-day or half-day and, at least, school-year services.

3) The Department of Education shall establish academic standards that are in accordance with appropriate preparation for students to be ready to successfully enter kindergarten. These standards shall be established in such a manner as to be measurable for student achievement and success. Students shall be required to be evaluated in the fall and in the

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

spring by each participating school division and the school divisions must certify that the Virginia Preschool Initiative program follows the established standards in order to receive the funding for quality preschool education and criteria for the service components. Such standards shall align with the Virginia Standards of Learning for Kindergarten.

4) a) Grants shall be distributed based on an allocation formula providing the state share of a \$8,359 per pupil grant in the first year and a \$8,359 per pupil grant in the second year for 100 percent of the unserved at-risk four-year-olds in each locality for a full-day program. Grants to half-day programs shall be funded based on the state share of \$4,180 in the first year and \$4,180 in the second year per unserved at-risk four-year-old in each locality.

For Planning District Eight localities, grants shall be distributed based on an allocation formula providing the state share of a \$8,989 per pupil grant in the first year and a \$8,989 per pupil grant in the second year for 100 percent of the unserved at-risk four-year-olds in each locality for a full-day program; grants to half-day programs for these localities shall be funded based on the state share of \$4,495 in the first year and \$4,495 in the second year per unserved at-risk four-year-old in each locality.

For the counties of Stafford, Fauquier, Spotsylvania, Clarke, Warren, Frederick, and Culpeper and the Cities of Fredericksburg and Winchester, grants shall be distributed based on an allocation formula providing the state share of a \$8,516 per pupil grant in the first year and a \$8,516 per pupil grant in the second year for 100 percent of the unserved at-risk four-year-olds in each locality for a full-day program; grants to half-day programs for these localities shall be funded based on the state share of \$4,258 in the first year and \$4,258 in the second year per unserved at-risk four-year-old in each locality.

The number of unserved at-risk four-year-olds in each locality shall be based on the projected number of kindergarten students, updated once each biennium for the Governor's introduced biennial budget. The Department of Education shall biennially rebenchmark the Virginia Preschool Initiative per pupil amounts using a formula similar to the current formula supporting public K-12 education in Virginia.

For slots filled as of September 30 each year, grants shall be based on the state share of 100 percent of the per pupil amount for a full-day or half-day program. For slots filled between October 1 and December 31 each year, grants shall be based on the state share of the per pupil amount for a full-day or half-day program prorated for the portion of the school year each child is served. Following the Department of Education's fall student record collection each year, the Department shall project the number of additional slots that may be filled between October 1 and December 31 each year. The Department of Education is authorized to prorate state funding for slots filled between October 1 and December 31 each year if demand exceeds available appropriation.

b) Out of this appropriation, \$12,729,291+\$8,609,919 the first year and \$20,029,791+\$10,961,745 the second year from the general fund is provided to serve at-risk three-year-olds who are residents of Virginia and unserved by Head Start funding using criteria determined by the Department of Education and subject to available appropriation. Localities may apply to participate by May 15 each year and shall be selected on a competitive basis. Localities shall be required to: (i) demonstrate broad stakeholder support, (ii) track outcomes for participating children, (iii) demonstrate how they will maximize federal and state funds to preserve existing birth to five slots, including certifying that all local Head Start slots are filled, (iv) support inclusive practices of children with identified special needs, and (v) collaborate among the school division, local department of social services, programs accepting child care subsidy payments, and providers for Head Start, private child care, and early childhood special education and early intervention programs. Localities that meet the following characteristics shall be prioritized for participation: (i) communities with limited child care options; (ii) programs serving children in private, mixed-delivery settings; or (iii) communities that demonstrate full support of public and private providers. Grants shall be distributed based on an allocation formula providing the state share of the per pupil amounts in paragraph C.14.a.4)a).

c) Full-day programs shall operate for a minimum of five and one-half instructional hours, excluding breaks for meals, and half-day programs shall operate for a minimum of three hours of classroom instructional time per day, excluding breaks for lunch. Virginia Preschool Initiative programs may include unstructured recreational time that is intended to develop

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

teamwork, social skills, and overall physical fitness in any calculation of total instructional time, provided that such unstructured recreational time does not exceed 15 percent of total instructional time or teaching hours. No additional state funding is provided for programs operating greater than three hours per day but less than five and one-half hours per day. In determining the state and local shares of funding, the composite index of local ability-to-pay is capped at 0.5000.

d) For new programs in the first year of implementation only, programs operating less than a full school year shall receive state funds on a fractional basis determined by the pro-rata portion of a school year program provided. In determining the prorated state funds to be received, a school year shall be 180 days or 990 teaching hours.

e) To ensure children with special needs have equitable opportunity to enter kindergarten ready, all Virginia Preschool Initiative programs are expected to be inclusive of children with disabilities. Specifically, programs shall meet or exceed a target inclusion rate, such that 10 percent of all children participating in the Virginia Preschool Initiative are children with disabilities, defined as those with an Individualized Education Plan, and are served in inclusive classrooms that include children who do not have an Individualized Education Plan. A program that is unable to meet this target shall provide reasons a 10 percent inclusion rate was not achieved in the given school year in its annual comprehensive report.

b.1) Any locality that desires to participate in this grant program must submit a proposal through its chief administrator (county administrator or city manager) by May 15 of each year. The chief administrator, in conjunction with the school superintendent, shall identify a lead agency for this program within the locality. The lead agency shall be responsible for developing a local plan for the delivery of quality preschool services to at-risk children, which demonstrates the coordination of resources and the combination of funding streams in an effort to serve the greatest number of at-risk four-year-old children and, if applicable, to serve at-risk three-year-old children.

2) The proposal must demonstrate coordination with all parties necessary for the successful delivery of comprehensive services, including the schools, child care providers, local social services agency, Head Start, local health department, and other groups identified by the lead agency. The proposal must identify which entities were consulted and how the locality will ensure that federal funds are preserved and maximized including demonstrating compliance with Title I of the federal Elementary and Secondary Education Act to ensure that a Local Educational Agency receiving Title I funding coordinates with Head Start programs and other early learning programs receiving federal funds by developing Memorandums of Understanding with such agencies to coordinate services. The proposal must also demonstrate a plan for supporting inclusive practices for children with identified special needs.

3) A local match, based on the composite index of local ability-to-pay, shall be required. For purposes of meeting the local match, localities may use local expenditures for existing qualifying programs, however, at least fifty percent of the local match will be cash and no more than fifty percent will be in-kind. In-kind contributions are defined as cash outlays that are made by the locality that benefit the program but are not directly charged to the program. The value of fixed assets cannot be considered as an in-kind contribution. Philanthropic or other private funds may be contributed to the locality to be appropriated in their local budget and then utilized as local match. Localities shall also continue to pursue and coordinate other funding sources, including child care subsidies. Funds received through this program must be used to supplement, not supplant, any funds currently provided for programs within the locality. However, in the event a locality is unable to continue the previous level of support to programs for at-risk four-year-olds from Title I of the federal Elementary and Secondary Education Act (ESEA), the state and local funds provided in this grants program may be used to continue services to these Title I students. Such inability may occur due to adjustments to the allocation formula in the reauthorization of ESEA as the Every Student Succeeds Act of 2015, or due to a percentage reduction in a locality's Title I allocation in a particular year. Any locality so affected shall provide written evidence to the Superintendent of Public Instruction and request his approval to continue the services to Title I students.

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| c. Local plans must provide clear methods of service coordination for the purpose of reducing the per child cost for the service, increasing the number of at-risk children served and/or extending services for the entire year. Examples of these include: | | | | |
| 1) "Wraparound Services" - methods for combining funds such as child care subsidy dollars administered by local social service agencies with dollars for quality preschool education programs. | | | | |
| 2) "Wrap-out Services" - methods for using grant funds to purchase quality preschool services to at-risk four-year-old children through an existing child care setting by purchasing comprehensive services within a setting which currently provides quality preschool education. | | | | |
| 3) "Expansion of Service" - methods for using grant funds to purchase slots within existing programs, such as Head Start, which provides comprehensive services to at-risk three- and four-year-old children. | | | | |
| d. Local plans must indicate the number of at-risk four-year-old children to be served, and the eligibility criteria for participation in this program shall be consistent with the economic and educational risk factors stated in the current program guidelines that are specific to: (i) family income at or below 200 percent of federal poverty guidelines, (ii) homelessness, (iii) student's parents or guardians are school dropouts, or (iv) children with disabilities or delays who are eligible for special education services under the Individuals with Disabilities Education Act, regardless of household income. Up to 15 percent of a division's slots may be filled based on locally established eligibility criteria so as to meet the unique needs of at-risk children in the community. If applicable, local plans must also indicate the number of at-risk three-year-old children to be served using the same eligibility criteria listed above. Localities that can demonstrate that more than 15 percent of slots are needed to meet the needs of at-risk children in their community may apply for a waiver from the Superintendent of Public Instruction to use a larger percentage of their slots. Localities must demonstrate that increasing eligibility will enable the maximization of federal funds and will not have a negative impact on access for other individuals currently being served. | | | | |
| e.1) The Department of Education shall provide technical assistance for the administration of this grant program to provide assistance to localities in developing a comprehensive, coordinated, quality preschool program that prepares all participants for kindergarten. | | | | |
| 2) The Department shall provide interested localities with information on models for service delivery, methods of coordinating funding streams, such as funds to match federal IV-A child care dollars, to maximize funding without supplanting existing sources of funding for the provision of services to at-risk three- and four-year-old children. A priority for technical assistance in the design of programs shall be given to localities where the majority of the at-risk three- and four-year-old population is currently unserved. | | | | |
| f. Out of this appropriation, \$3,587,390 \$2,946,003 the first year and \$3,587,390 \$2,580,489 the second year from the general fund is provided to support Virginia Preschool Initiative slots to serve children on wait lists. In each year, unused grants distributed as provided in paragraph C.14.a.4) of this Item shall be redistributed based on guidelines established by the Department of Education subject to the appropriation available for this purpose. Such guidelines shall provide the criteria used to redistribute grants and provide for the notification of grants redistribution to programs no later than July 1 of each year. The Department shall conduct this process annually, and the redistribution shall not affect the allocation formula for the subsequent year. | | | | |
| g.1) Out of this appropriation, \$4,886,000 \$2,678,500 the first year and \$8,334,384 \$2,760,000 the second year from the general fund is provided to support an add-on grant per child for approximately 2,000 children to incentivize mixed-delivery of services through private providers. These add-on grants are intended to provide funds to minimize the difference between the amount of the per-pupil grant allocation and the per-pupil cost to serve a child in a community-based or private provider setting. Recipients of the add-on grants will be encouraged to support classrooms that support inclusive practices of children with special needs. Localities shall indicate in their plans submitted pursuant to C.14.b.1) of this Item how many of their Virginia Preschool Initiative slots will be provided in community-based or private provider settings to receive the add-on grant. <i>Community-based providers that are recipients of Virginia Preschool Initiative grants shall be exempted from all regulatory and</i> | | | | |

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

statutory provisions related to teacher licensure requirements and qualifications when paid by public funds within the confines of the Virginia Preschool Initiative community-add-on partnerships and provided that the provider meets the expectations of the statewide measurement and improvement system.

2) In the first year, the amount of these add-on grants for community-based or private providers shall vary by region and provide a grant of: (i) \$3,500 per child for divisions in Planning District Eight, (ii) \$2,500 per child for divisions in Planning District 15, Planning District 23, and for the counties of Stafford, Fauquier, Spotsylvania, Clarke, Warren, Frederick, and Culpeper and the Cities of Fredericksburg and Winchester, and (iii) \$1,500 per child in any other division. In the second year, these add-on grants shall be informed by the Department of Education's methodology to estimate the actual cost of providing high-quality early childhood education services in community-based settings. In the Department's report on this methodology to the Governor and Chairs of the House Appropriations and Senate Finance and Appropriations Committees, required by Item 129.O, the Department shall include recommendations for the amount of these add-on grants in the second year. This reporting requirement is not intended as a mandate to increase the individual amounts of these add-on grants or to increase the state appropriation supporting these add-on grants. The Department of Education is authorized to prorate payments for these add-on grants so as not to exceed the available appropriation.

3) The Department of Education shall develop a plan to determine the magnitude of the gap between regional prevailing child care market rates and the Virginia Preschool Initiative per pupil amount. The Department shall establish a schedule designating the amount of the add-on grants for each school division for fiscal year 2023. The amount of the add-on grant plus the Virginia Preschool Initiative per pupil amount shall not exceed prevailing child care market rates in a particular region.

h. Out of this appropriation, ~~\$7,711,560~~ \$7,658,585 the first year and ~~\$7,711,560~~ \$7,709,667 the second year from the general fund is provided to support increased Virginia Preschool Initiative teacher to student ratios and class sizes, as follows:

1) Any classroom that exceeds benchmarks set by the Board of Education shall be staffed as follows: (i) one teacher shall be provided for any class of ten students or less; (ii) if the enrollment in any class exceeds ten students but does not exceed 20, a full-time teacher's aide shall be assigned to the class; and (iii) the maximum class size shall be 20 students.

2) All other classrooms shall be staffed as follows: (i) one teacher shall be employed for any class of nine students or less; (ii) if the enrollment in any class exceeds nine students but does not exceed 18, a full-time teacher's aide shall be assigned to the class; and (iii) the maximum class size shall be 18 students.

i. Out of this appropriation, \$306,100 the first year and \$306,100 the second year from the general fund is allocated for the Department of Education to provide grants of no more than \$30,000 each for local school divisions that have applied for such funds for the sole purpose of providing financial incentives to provisionally licensed teachers teaching students enrolled in the Virginia Preschool Initiative or other publicly-funded preschool programs operated by the school division and who are actively engaged in coursework and professional development, toward achieving the required degree and license that satisfy the licensure requirements reflected in § 22.1-299, Code of Virginia. School divisions must submit applications to the Department of Education by December 1 of each year. Priority for awarding grants shall be given to hard-to-staff schools and schools with the highest number of provisionally licensed teachers teaching students enrolled in the Virginia Preschool Initiative or other publicly-funded preschool programs operated by the school division. The Department of Education shall develop the application process to be provided to school divisions that have provisionally licensed preschool teachers employed and are teaching students enrolled in the Virginia Preschool Initiative or other publicly-funded preschool programs operated by the school division.

j. 1.) The Department of Education shall collect information from local Virginia Preschool Initiative programs and from pilot providers participating in the Virginia Early Childhood Foundation's pilot Mixed-Delivery Preschool Initiative established in Item 136 as needed to compile a comprehensive report on the usage of state funds detailing, but not limited to

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

the number of calculated slots and funding allocated to each local program or pilot provider, and the number of such slots that have been filled.

2.) Such comprehensive report shall be aggregated in a manner to identify: (i) funding and the number of slots used to serve a student in a public school and non-public school setting, (ii) the number of three-year olds served, (iii) waitlist slots requested, offered, and provided, (iv) the number of students served whose families are at or below 130 percent poverty, above 130 percent but at or below 200 percent of poverty, above 200 percent but at or below 350 percent of poverty, and above 350 percent of poverty.

3.) Such comprehensive report shall describe the Virginia Preschool Initiative programs' progress towards the target inclusion rate, such that 10 percent of all children enrolled in each program are children with disabilities, defined as those with an Individualized Education Plan. Virginia Preschool Initiative programs shall report the share of children with Individualized Education Plans in inclusive classrooms annually starting with the 2020-2021 school year. If the program's current inclusion rate falls below 10 percent, the program shall provide reasons a 10 percent inclusion rate was not achieved in the given school year and what actions the program could implement to increase its rate of inclusion in the next year.

4.) The Department shall submit such comprehensive report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than December 31 each year.

5.) The Department shall develop a plan for comprehensive public reporting on early childhood expenditures, outcomes, and program quality to replace this reporting requirement. Such plan and subsequent reports shall consider the components included in this reporting requirement, and include all publicly-funded providers as defined in Chapter 860 and Chapter 861, 2020 Acts of Assembly. The plan shall identify any fiscal, legislative, or regulatory barriers to implementing such public reporting, and shall consider integration with the Department's School Quality Profiles. The Department of Education shall submit an update on implementation of the plan to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 1 each year. Once fully implemented, the Department of Education shall update and submit the report by December 1 of each year.

k. Out of this appropriation, ~~\$5,453,795~~ \$35,283 the first year and ~~\$5,453,795~~ the second year from the general fund is provided as flexible funding available to supplement any of the other initiatives provided in section C.14 of this item. Additionally, within the fiscal year, any funds appropriated for Virginia Preschool Initiative Payments that are not awarded may be used as flexible funding to supplement any of the other initiatives provided in paragraph C.14 of this Item. The Department of Education shall prioritize serving at-risk four-year-old children when executing the flexibility provisions in this paragraph.

15. Early Reading Intervention Payments

a. An additional payment of ~~\$51,193,084~~ \$43,515,246 the first year and ~~\$51,352,970~~ \$36,898,919 the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to local school divisions for the purposes of providing early reading intervention services to students in grades kindergarten through 3 who demonstrate deficiencies based on their individual performance on diagnostic tests which have been approved by the Department of Education. The Department of Education shall review the tests of any local school board that requests authority to use a test other than the state-provided test to ensure that such local test uses criteria for the early diagnosis of reading deficiencies that are similar to those criteria used in the state-provided test. The Department of Education shall make the state-provided diagnostic test used in this program available to local school divisions. School divisions shall report the results of the diagnostic tests to the Department of Education on an annual basis at a time to be determined by the Superintendent of Public Instruction.

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

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

administered in the most recent year that data is available in that school division.

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

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

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

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

16. Standards of Learning Algebra Readiness Payments

a. An additional payment of ~~\$15,775,313~~ \$15,370,526 the first year and ~~\$15,781,896~~ \$15,070,022 the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to local school divisions for the purposes of providing math intervention services to students in grades 6, 7, 8 and 9 who are at-risk of failing the Algebra I end-of-course test, as demonstrated by their individual performance on diagnostic tests which have been approved by the Department of Education. These amounts reflect \$200,000 the first year and \$200,000 the second year apportioned to each school division to account for the cost of the diagnostic test. The Department of Education shall review the tests to ensure that such local test uses state-provided criteria for diagnosis of math deficiencies which are similar to those criteria used in the state-provided test. The Department of Education shall make the state-provided diagnostic test used in this program available to local school divisions. School divisions shall report the results of the diagnostic tests to the Department of Education on an annual basis at a time to be determined by the Superintendent of Public Instruction.

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

c. These payments are available to any school division that certifies to the Department of Education that an intervention program will be offered to such students and that each student who receives an intervention will be assessed again at the end of that school year. Localities receiving these payments are required to match these funds based on the composite index of local ability-to-pay.

17. English as a Second Language Payments

A payment of ~~\$98,474,887~~ \$100,535,325 the first year and ~~\$106,864,471~~ \$107,489,148 the second year from the general fund shall be disbursed by the Department of Education to local school divisions to support the state share of 20 professional instructional positions per 1,000 students for whom English is a second language. Local school

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

divisions shall provide a local match based on the composite index of local ability-to-pay.

18. Special Education Instruction Payments

a. The Department of Education shall establish rates for all elements of Special Education Instruction Payments.

b. Out of the appropriations in this Item, the Department of Education shall make available, subject to implementation by the Superintendent of Public Instruction, an amount estimated at \$85,831,709 \$80,464,820 the first year and \$90,831,709 \$90,054,178 the second year from the Lottery Proceeds Fund for the purpose of the state's share of the tuition rates for approved public Special Education Regional Tuition school programs. Notwithstanding any contrary provision of law, the state's share of the tuition rates shall be based on the composite index of local ability-to-pay.

c. Out of the amounts for Financial Assistance for Categorical Programs, \$38,917,404 the first year and \$39,161,334 the second year from the general fund is appropriated to permit the Department of Education to enter into agreements with selected local school boards for the provision of educational services to children residing in certain hospitals, clinics, and detention homes by employees of the local school boards. The portion of these funds provided for educational services to children residing in local or regional detention homes shall only be determined on the basis of children detained in such facilities through a court order issued by a court of the Commonwealth. The selection and employment of instructional and administrative personnel under such agreements will be the responsibility of the local school board in accordance with procedures as prescribed by the local school board. State payments for the first year to the local school boards operating these programs will be based on certified expenditures from the fourth quarter of FY 2022 and the first three quarters of FY 2023. State payments for the second year to the local school boards operating these programs will be based on certified expenditures from the fourth quarter of FY 2023 and the first three quarters of FY 2024.

19. Vocational Education Instruction Payments

a. It is the intention of the General Assembly that the Department of Education explore initiatives that will encourage greater cooperation between jurisdictions and the Virginia Community College System in meeting the needs of public school systems.

b. This appropriation includes \$1,800,000 the first year and \$1,800,000 the second year from the Lottery Proceeds Fund for secondary vocational-technical equipment. A base allocation of \$2,000 each year shall be available for all divisions, with the remainder of the funding distributed on the basis of student enrollment in secondary vocational-technical courses. State funds received for secondary vocational-technical equipment must be used to supplement, not supplant, any funds currently provided for secondary vocational-technical equipment within the locality. Local school divisions are not required to provide a local match in order to receive these state funds.

c.1) This appropriation includes an additional \$2,000,000 the first year and \$2,000,000 the second year from the Lottery Proceeds Fund to update vocational-technical equipment to industry standards providing students with classroom experience that translates to the workforce.

2) Of this amount, \$1,400,000 the first year and \$1,400,000 the second year is provided for vocational-technical equipment in high-demand, high-skill, and fast-growth industry sectors as identified by the Virginia Board of Workforce Development and based on data from the Bureau of Labor Statistics and the Virginia Employment Commission.

3) Of this amount, \$600,000 the first year and \$600,000 the second year will be awarded based on competitive innovative program grants for high-demand and fast-growth industry sectors with priority given to state-identified challenged schools, the Governor's Science Technology, Engineering, and Mathematics (STEM) academies, and the Governor's Health Science Academies.

d. This appropriation includes \$1,831,464 the first year and \$1,831,464 the second year from the Lottery Proceeds Fund to support the Path to Industry Certification program. Of this amount, \$500,000 the first year and \$500,000 the second year shall support credentialing

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

testing materials for students and professional development for instructors in science, technology, engineering, and mathematics-health sciences (STEM-H) career and technical education programs.

20. Adult Education Payments

State funds shall be used to reimburse general adult education programs on a fixed cost per pupil or cost per class basis. No state funds shall be used to support vocational noncredit courses.

21. General Education Payments

a. This appropriation includes \$2,410,988 the first year and \$2,410,988 the second year from the Lottery Proceeds Fund to support Race to GED. Out of this appropriation, \$465,375 the first year and \$465,375 the second year shall be used for PluggedIn VA.

b. This appropriation includes \$1,387,240 the first year and \$1,387,240 the second year from the Lottery Proceeds Fund to support Project Graduation and any associated administrative and contractual service expenditures related to this initiative.

22. Individual Student Alternative Education Program (ISAEP) Payments

Out of this appropriation, \$2,247,581 the first year and \$2,247,581 in the second year from the Lottery Proceeds Fund shall be provided for the secondary schools' Individual Student Alternative Education Program (ISAEP), pursuant to Chapter 488 and Chapter 552 of the 1999 Session of the General Assembly.

23. Foster Children Education Payments

a. An additional state payment is provided from the Lottery Proceeds Fund for the prior year's local operations costs, as determined by the Department of Education, for each pupil not a resident of the school division providing his education (a) who has been placed in foster care or other custodial care within the geographical boundaries of such school division by a Virginia agency, whether state or local, which is authorized under the laws of this Commonwealth to place children; (b) who has been placed in an orphanage or children's home which exercises legal guardianship rights; (c) who is a resident of Virginia and has been placed, not solely for school purposes, in a child-caring institution or group home; or (d) who is a student that was formerly in foster care upon reaching 18 years of age but who has not yet reached 22 years of age. For pupils included in subsection (d), the school division shall keep an accurate record of the number of days in which such child was enrolled in its public schools and shall be included in the division's certification provided to the Board of Education by July 1 each school year per § 22.1-101.1 C, Code of Virginia.

b. This appropriation provides \$12,661,313 \$11,151,563 the first year and \$12,878,410 \$11,821,328 the second year from the Lottery Proceeds Fund to support children attending public school who have been placed in foster care or other such custodial care across jurisdictional lines, as provided by subsections A and B of § 22.1-101.1, Code of Virginia. To the extent these funds are not adequate to cover the full costs specified therein, the Department is authorized to expend unobligated balances in this Item for this support.

24. Sales Tax Payments

a. This is a sum-sufficient appropriation for distribution to counties, cities and towns a portion of net revenue from the state sales and use tax, in support of the Standards of Quality (Title 22.1, Chapter 13.2, Code of Virginia) (See the Attorney General's opinion of August 3, 1982).

b. Certification of payments and distribution of this appropriation shall be made by the State Comptroller.

c. The distribution of state sales tax funds shall be made in equal bimonthly payments at the middle and end of each month.

25. Adult Literacy Payments

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| a. Appropriations in this Item include \$125,000 the first year and \$125,000 the second year from the general fund for the ongoing literacy programs conducted by Mountain Empire Community College. | | | | |
| b. Out of this appropriation, the Department of Education shall provide \$100,000 the first year and \$100,000 the second year from the general fund for the Virginia Literacy Foundation grants to support programs for adult literacy including those delivered by community-based organizations and school divisions providing services for adults with 0-9th grade reading skills. | | | | |
| 26. Governor's School Payments | | | | |
| a. Out of the amounts for Governor's School Payments, the Department of Education shall provide assistance for the state share of the incremental cost of regular school year Governor's Schools based on each participating locality's composite index of local ability-to-pay. Participating school divisions must certify that no tuition is assessed to students for participation in this program. | | | | |
| b.1) Out of the amounts for Governor's School Payments, the Department of Education shall provide assistance for the state share of the incremental cost of summer residential Governor's Schools and Foreign Language Academies to be based on the greater of the state's share of the composite index of local ability-to-pay or 50 percent. Participating school divisions must certify that no tuition is assessed to students for participation in this program if they are enrolled in a public school. | | | | |
| 2) Out of the amounts for Governor's School Payments, \$41,000 the first year and \$41,000 the second year is provided to support the Hanover Regional Summer Governor's School for Career and Technical Advancement, which was established pursuant to Chapter 425, 2014 Acts of Assembly, and Chapter 665, 2015 Acts of Assembly. | | | | |
| c. For the Summer Governor's Schools and Foreign Language Academies programs, the Superintendent of Public Instruction is authorized to adjust the tuition rates, types of programs offered, length of programs, and the number of students enrolled in order to maintain costs within the available state and local funds for these programs. | | | | |
| d. It shall be the policy of the Commonwealth that state general fund appropriations not be used for capital outlay, structural improvements, renovations, or fixed equipment costs associated with initiation of existing or proposed Governor's schools. State general fund appropriations may be used for the purchase of instructional equipment for such schools, subject to certification by the Superintendent of Public Instruction that at least an equal amount of funds has been committed by participating school divisions to such purchases. | | | | |
| e. The Board of Education shall not take any action that would increase the state's share of costs associated with the Governor's Schools as set forth in this Item. This provision shall not prohibit the Department of Education from submitting requests for the increased costs of existing programs resulting from updates to student enrollment for school divisions currently participating in existing programs or for school divisions that begin participation in existing programs. | | | | |
| f.1) Regular school year Governor's Schools are funded through this Item based on the state's share of the incremental per pupil cost for providing such programs for each student attending a Governor's School up to a cap of 1,800 students per Governor's School in the first year and a cap of 1,800 students per Governor's School in the second year. This incremental per pupil payment shall be adjusted for the composite index of the school division that counts such students attending an academic year Governor's School in their March 31 Average Daily Membership. It is the intent of the General Assembly that this incremental per pupil amount be in addition to the basic aid per pupil funding provided to the affected school division for such students. Therefore, local school divisions are encouraged to provide the appropriate portion of the basic aid per pupil funding to the Governor's Schools for students attending these programs, adjusted for costs incurred by the school division for transportation, administration, and any portion of the day that the student does not attend a Governor's School. | | | | |
| 2) Students attending a revolving Academic Year Governor's School program for only one | | | | |

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

semester shall be counted as 0.50 of a full-time equivalent student and will be funded for only fifty percent of the full-year funded per pupil amount. Funding for students attending a revolving Academic Year program will be adjusted based upon actual September 30th and January 30th enrollment each fiscal year. For purposes of this Item, revolving programs shall mean Academic Year Governor's School programs that admit students on a semester basis.

3) Students attending a continuous, non-revolving Academic Year Governor's School program shall be counted as a full-time equivalent student and will be funded for the full-year funded per pupil amount. Funding for students attending a continuous, non-revolving Academic Year Governor's School program will be adjusted based upon actual September 30th student enrollment each fiscal year. For purposes of this Item, continuous, non-revolving programs shall mean Academic Year Governor's School programs that only admit students at the beginning of the school year. Fairfax County Public Schools shall not reduce local per pupil funding for the Thomas Jefferson Governor's School below the amounts appropriated for the 2003-2004 school year.

g. All regional Governor's Schools are encouraged to provide full-day grades 9 through 12 programs.

h. Out of the appropriation included in paragraph C.37. of this item, ~~\$1,052,140~~ \$1,040,545 the first year and ~~\$2,402,751~~ \$2,726,546 the second year from the general fund is provided in the Academic Year Governor's School funding allocation to increase the per pupil amount as an add-on for a compensation supplement equal to 5.0 percent of base pay on August 1, 2022, an additional 5.0 percent of base pay on July 1, 2023, and an additional 2.0 percent of base pay on January 1, 2024, for Academic Year Governor's School instructional and support positions.

i. Each Academic Year Governor's School shall set diversity goals for its student body and faculty, develop a plan to meet said goals in collaboration with community partners at public meetings, and such goals and plan shall be published on the school's website. Each school shall submit a report to the Governor by October 1 of each year on its goals and status of implementing its plan, and such report shall be published on the school's website. The report shall include, but not be limited to the following: utilization of universal screenings in feeder divisions; admission processes in place or under consideration that promote access for historically underserved students; and outreach and communication efforts deployed to recruit historically underserved students. The report shall include the racial/ethnic make-up and socioeconomic diversity of its students, faculty, and applicants.

27. School Nutrition Payments

It is provided that, subject to implementation by the Superintendent of Public Instruction, no disbursement shall be made out of the appropriation for school nutrition to any locality in which the schools permit the sale of competitive foods in food service facilities or areas during the time of service of food funded pursuant to this Item.

28. School Breakfast Payments

a. Out of this appropriation, ~~\$9,637,895~~ \$10,689,269 the first year and ~~\$11,898,741~~ \$7,994,035 the second year from the Lottery Proceeds Fund is included to continue a state funded incentive program to maximize federal school nutrition revenues and increase student participation in the school breakfast program. These funds are available to any school division as a reimbursement for breakfast meals served that are in excess of the baseline established by the Department of Education. The per meal reimbursement shall be \$0.22; however, the department is authorized, but not required to reduce this amount proportionately in the event that the actual number of meals to be reimbursed exceeds the number on which this appropriation is based so that this appropriation is not exceeded.

b. In order to receive these funds, school divisions must certify that these funds will be used to supplement existing funds provided by the local governing body and that local funds derived from sources that are not generated by the school nutrition programs have not been reduced or eliminated. The funds shall be used to improve student participation in the school breakfast program. These efforts may include, but are not limited to,

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

reducing the per meal price paid by students, reducing competitive food sales in order to improve the quality of nutritional offerings in schools, increasing access to the school breakfast program, or providing programs to increase parent and student knowledge of good nutritional practices. In no event shall these funds be used to reduce local tax revenues below the level appropriated to school nutrition programs in the prior year. Further, these funds must be provided to the school nutrition programs and may not be used for any other school purpose.

c.1) Out of this appropriation, \$1,074,000 the first year and \$1,074,000 the second year from the general fund is provided to fund an After-the-Bell Model breakfast program available on a voluntary basis to elementary, middle, and high schools where student eligibility for free or reduced lunch exceeds 45.0 percent for the participating eligible school, and to provide additional reimbursement for eligible meals served in the current traditional school breakfast program at all grade levels in any participating school. The Department of Education is directed to ensure that only eligible schools receive reimbursement funding for participating in the After-the-Bell school breakfast model. The schools participating in the program shall evaluate the educational impact of the models implemented that provide school breakfasts to students after the first bell of the school day, based on the guidelines developed by the Department of Education and submit the required report to the Department of Education no later than August 31 each year.

2) The Department of Education shall communicate, through Superintendent's Memo, to school divisions the types of breakfast serving models and the criteria that will meet the requirements for this State reimbursement, which may include, but are not limited to, breakfast in the classroom, grab and go breakfast, or a breakfast after first period. School divisions may determine the breakfast serving model that best applies to its students, so long as it occurs after the instructional day has begun. The Department of Education shall monthly transfer to each school division a reimbursement rate of \$0.05 per breakfast meal that meets either of the established criteria in elementary schools and a reimbursement rate of \$0.10 per breakfast meal that meets either of the established criteria in middle or high schools.

3) No later than July 1 each year, the Department of Education shall provide for a breakfast program application process for school divisions with eligible schools, including guidelines regarding specified required data to be compiled from the prior school year or years and for the upcoming school year program. The number of approved applications shall be based on the estimated number of sites that can be accommodated within the approved funding level. The Department of Education shall set criteria for establishing priority should the number of applications from eligible schools exceed the approved funding level. The reporting requirements must include: chronic absenteeism rates, student attendance and tardy arrivals, office discipline referrals, student achievement measures, teachers' and administrators' responses to the impact of the program on student hunger, student attentiveness, and overall classroom learning environment before and after implementation, and the financial impact on the division's school food program. Funded schools that do not provide data by August 31 are subject to exclusion from funding in the following year. The Department of Education shall collect and compile the results of the breakfast program and shall submit the report to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than November 1 following each school year.

29. Clinical Faculty and Mentor Teacher Program Payments

This appropriation includes \$1,000,000 the first year and \$1,000,000 the second year from the Lottery Proceeds Fund to be paid to local school divisions for statewide Mentor Teacher Programs to assist pre-service teachers and beginning teachers to make a successful transition into full-time teaching. This appropriation also includes \$318,750 the first year and \$318,750 the second year from the general fund for Clinical Faculty programs to assist pre-service teachers and beginning teachers to make a successful transition into full-time teaching. Such programs shall include elements which are consistent with the following:

- a. An application process for localities and school/higher education partnerships that wish to participate in the programs;
- b. For Clinical Faculty programs only, provisions for a local funding or institutional commitment of 50 percent, to match state grants of 50 percent;

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

- c. Program plans which include a description of the criteria for selection of clinical faculty and mentor teachers, training, support, and compensation for clinical faculty and mentor teachers, collaboration between the school division and institutions of higher education, the clinical faculty and mentor teacher assignment process, and a process for evaluation of the programs;
- d. The Department of Education shall allow flexibility to local school divisions and higher education institutions regarding compensation for clinical faculty and mentor teachers consistent with these elements of the programs; and
- e. It is the intent of the General Assembly that no preference between pre-service or beginning teacher programs be construed by the language in this Item. School divisions operating beginning teacher mentor programs shall receive equal consideration for funding.

30. Career Switcher/Alternative Licensure Payments

Appropriations in this Item include \$279,983 the first year and \$279,983 the second year from the general fund to provide grants to school divisions that employ mentor teachers for new teachers entering the profession through the alternative route to licensure as prescribed by the Board of Education.

31. Virginia Workplace Readiness Skills Assessment

Appropriations in this Item include \$308,655 the first year and \$308,655 the second year from the general fund to provide support grants to school divisions for standard diploma graduates. To provide flexibility, school divisions may use the state grants for the actual assessment or for other industry certification preparation and testing.

32. Early Reading Specialists Initiative

- a. An additional payment of ~~\$3,476,790~~ \$3,411,540 the first year and \$3,476,790 the second year from the general fund shall be disbursed by the Department of Education to qualifying local school divisions for the purpose of providing a reading specialist for schools with a third grade that rank lowest statewide on the reading Standards of Learning (SOL) assessments. Funding for a reading specialist during the 2022-2024 biennium shall be based on the results of the Spring 2021 reading SOL assessments. Such schools shall be eligible to receive the state share of funding for both years of the biennium. Following certification from a school division that it will not participate in the program, the Department is authorized to identify additional eligible schools based upon the list of schools that rank lowest on the Spring 2021 SOL reading assessment.

- b. These payments shall be based on the state's share of the cost of providing one reading specialist per qualifying school.

- c. These payments are available to any school division with a qualifying school that certifies to the Department of Education that the division has hired a reading specialist or reading coach to provide direct services to children reading below grade level in the school to improve reading achievement for the purpose of creating additional instructional time for reading specialists or reading coaches to work with students reading below grade level to improve reading achievement. Additionally, school divisions shall certify that the reading specialists or reading coaches hired pursuant to this program are in addition to the reading specialist positions funded through Basic Aid and required pursuant to B.7.h. of this Item to serve students at the qualifying school.

- d. These payments also are available to any school division with a qualifying school that certifies to the Department of Education that the division is supporting tuition for collegiate programs and instruction for currently employed instructional school personnel to earn the credentials necessary to meet licensure requirements to be endorsed as a reading specialist. Additionally, school divisions shall certify that the currently employed instructional school personnel whose tuition is supported pursuant to this program are in addition to the reading specialist positions funded through Basic Aid and required pursuant to B.7.h. of this Item to serve students at the qualifying school.

- e. School divisions receiving these payments are required to match these funds based on

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

the composite index of local ability-to-pay.

f. Within the fiscal year, any funds not awarded from this program may be awarded to eligible schools under the Math/Reading Instructional Specialist Initiative.

33. Math/Reading Instructional Specialist Initiative

a. Included in this appropriation is ~~\$1,834,538~~ \$1,725,807 the first year and \$1,834,538 the second year from the general fund in additional payments for reading or math instructional specialists at underperforming schools. From this amount, the state share of one reading or math specialist shall be provided to local school divisions with schools which rank lowest statewide on the Spring Standards of Learning (SOL) math or reading assessment. Funding for one math or reading specialist during the 2022-2024 biennium shall be based on the results of the Spring 2021 SOL assessments. Such schools shall be eligible to receive the state share of funding for both years of the biennium. If, following certification from a school division that it will not participate in the program, the Department is authorized to identify additional eligible schools based upon the list of schools that rank lowest on the Spring 2021 SOL math or reading assessment.

b. These payments are available to any school division with a qualifying school that certifies to the Department of Education that the division has (1) hired a math or reading instructional specialist, or (2) is supporting tuition for collegiate programs and instruction for currently employed instructional school personnel to earn the credentials necessary to meet licensure requirements to be endorsed as a math specialist or a reading specialist. Localities receiving these payments are required to match these funds based on the composite index of local ability-to-pay.

c. School divisions that elect to use funding to support tuition for collegiate programs and instruction for currently employed instructional school personnel pursuant to paragraph b. shall provide documentation of these costs to the Department of Education prior to receiving state funds. The Department of Education shall provide state funding for the lesser of the actual cost or the state share of a math or reading specialist position per eligible school for funds used in such a manner.

d. The Department of Education is authorized to utilize available funding appropriated to the Early Reading Specialist Initiative contained in this Item to pay for instructional specialists at additional eligible schools, or to support tuition for collegiate programs and instruction for currently employed instructional school personnel at additional eligible schools to earn the credentials necessary to meet licensure requirements to be endorsed as an instructional specialist.

e. Within the fiscal year, any funds not awarded from this program may be awarded to eligible schools under the Early Reading Specialists Initiative.

f. The Department of Education may award prorated state funds for specialist positions filled after the beginning of the school year.

34. Broadband Connectivity Capabilities

By November 1 each year, school divisions shall report to the Department of Education the status of broadband connectivity capability of schools in the division on a form to be provided by the Department. Such report shall include school-level information on the method of Internet service delivery, the level of bandwidth capacity and the degree such capacity is sufficient for delivery of school-wide digital resources and instruction, degree of internet connectivity via Wi-Fi, cost information related to Internet connectivity, data security, and such other pertinent information as determined by the Department of Education. The Department shall provide a summary of the division responses in a report to be made available on its agency Web site.

35. Infrastructure and Operations Per Pupil Funds

a. Out of this appropriation, an amount estimated at ~~\$276,361,274~~ \$276,053,409 the first year and ~~\$276,361,272~~ \$276,361,196 the second year from the Lottery Proceeds Fund shall be disbursed by the Department of Education to local school divisions to support the state share of an estimated ~~\$407.41~~ \$405.25 per pupil the first year and ~~\$406.04~~ \$406.90 per pupil the

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

second year in adjusted March 31 average daily membership. These per pupil amounts are subject to change for the purpose of payment to school divisions based on the actual March 31 ADM collected each year. These funds shall be matched by the local government, based on the composite index of local ability-to-pay. Further, in order to receive this funding, the locality in which the school division is located shall appropriate these funds solely for educational purposes and shall not use such funds to reduce total local operating expenditures for public education below the amount expended by the locality for such purposes in the year upon which the 2020-2022 biennial Standards of Quality expenditure data were based; provided however that no locality shall be required to maintain a per-pupil expenditure which is greater than the per pupil amount expended by the locality for such purposes in the year upon which the 2020-2022 biennial Standards of Quality expenditure data were based. The Department of Education is authorized each year to temporarily suspend Infrastructure and Operations Per Pupil Allocation payments made to school divisions from Lottery funds to ensure that any shortfall in Lottery revenue can be accounted for in the remaining Infrastructure and Operations Per Pupil Allocation payments to be made for the year.

b. From the amounts listed above, funds are provided to ensure that small school divisions receive an Infrastructure and Operations payment of at least \$200,000 each year. Divisions receiving additional funds for a payment of at least \$200,000 shall only be required to provide the local match on the per pupil amount distributed in paragraph C.35.a.

c. Of the amounts listed above, no more than 60 percent shall be used for recurring costs and at least 40 percent shall be spent on nonrecurring expenditures by the relevant school divisions. Nonrecurring costs shall include school construction, additions, infrastructure, site acquisition, renovations, school buses, technology, and other expenditures related to modernizing classroom equipment, and debt service payments on school projects completed or initiated during the last 10 years. The Department of Education shall consider such nonrecurring expenses by school divisions from local funds to be credited toward their required local match under this program.

d. Any funds provided to school divisions that are unexpended as of June 30, 2023, and June 30, 2024, shall not revert to the Commonwealth but shall be carried on the books of the locality in local escrow accounts pursuant to § 22.1-175.5, to be appropriated to the school division for use for the same purpose.

36. Special Education Endorsement Program

a. Notwithstanding § 22.1-290.02, Code of Virginia, out of this appropriation, \$437,186 the first year and \$437,186 the second year from the general fund is provided for traineeships and program operation grants that shall be awarded to public Virginia institutions of higher education to prepare persons who are employed in the public schools of Virginia, state operated programs, or regional special education centers as special educators with a provisional license and enrolled either part-time or full-time in programs for the education of children with disabilities. Applicants shall be graduates of a regionally accredited college or university.

b. The award of such grants shall be made by the Department of Education, and the number of awards during any one year shall depend upon the amounts appropriated by the General Assembly for this purpose. The amount awarded for each traineeship shall be \$600 for a minimum of three semester hours of course work in areas required for the special education endorsement to be taken by the applicant during a single semester or summer session. Only one traineeship shall be awarded to a single applicant in a single semester or summer session.

37. Compensation Supplement

a. Out of this appropriation, \$231,754,237 \$232,252,444 the first year and \$525,462,688 \$591,835,633 the second year from the general fund is provided for the state share of the following salary increases and related fringe benefit costs:

1) For the first year, a 5.0 percent salary increase effective August 1, 2022, for funded SOQ instructional and support positions. Sufficient funds are appropriated in this act to finance, on a statewide basis, the state share of up to a 5.0 percent salary increase effective

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

August 1, 2022, to school divisions that certify to the Department of Education that an equivalent increase will be provided to instructional and support personnel the first year. The state share of funding provided to a school division in support of this compensation supplement shall be prorated for school divisions that provide less than an average 5.0 percent salary increase the first year; however, to access these funds, a school division must provide at least an average 2.5 percent salary increase the first year.

2) For the second year, an additional 5.0 percent salary increase effective July 1, 2023, for funded SOQ instructional and support positions. Sufficient funds are appropriated in this act to finance, on a statewide basis, the state share of up to an additional 5.0 percent salary increase effective July 1, 2023, to school divisions that certify to the Department of Education that an equivalent increase will be provided to instructional and support personnel the second year. The state share of funding provided to a school division in support of this compensation supplement shall be prorated for school divisions that provide less than an additional average 5.0 percent salary increase the second year; however, to access these funds, a school division must provide at least an average 2.5 percent salary increase the first year and at least an additional average 2.5 percent salary increase the second year.

3) For the second year, an additional 2.0 percent salary increase effective January 1, 2024, for funded SOQ instructional and support positions. Sufficient funds are appropriated in this act to finance, on a statewide basis, the state share of a 2.0 percent salary increase effective January 1, 2024. To access the funds for the 2.0 percent increase effective January 1, 2024, school divisions (1) must have provided at least an average 2.5 percent increase in the first year and an average 2.5 increase in the second year as provided in paragraph C.37.a.1) and 2) of this item and (2) shall certify to the Department of Education that an equivalent increase will be provided to instructional and support personnel effective no later than January 1, 2024. School divisions that previously provided a total average increase in excess of the 5.0 percent increases provided in the first year or the second year to instructional and support personnel may count average increases given in excess of those 5.0 percent increases toward this certification.

3)4) Payments in the second year to any school division shall be based on providing the funds needed to continue the first year increase actually provided by the division plus the increase provided by the division in the second year.

b. Out of this appropriation, ~~\$1,052,140~~ \$1,040,545 the first year and ~~\$2,402,754~~ \$2,726,546 the second year from the general fund is provided for the state share of the salary increases stated in paragraph a. above for Academic Year Governor's Schools, and ~~\$750,443~~ \$743,584 the first year and ~~\$1,648,377~~ \$1,813,413 the second year from the Lottery Proceeds fund is provided for the state share of these salary increases for Regional Alternative Education Programs.

c. It is the intent that the average instructional and support position salaries are increased in local school divisions throughout the state by at least 5.0 percent the first year, at least an additional 5.0 the second year, and at least an additional 2.0 the second year, resulting in a combined increase of at least ~~10.25~~ 12 percent during the biennium.

d. The state funds that the school division is eligible to receive shall be matched by the local government based on the composite index of local ability-to-pay. This local match shall be calculated for funded SOQ instructional and support positions using an effective date of August 1, 2022, the first year and July 1, 2023, the second year for funding provided pursuant to paragraph C.37.a.2) and January 1, 2024, the second year for funding provided pursuant to paragraph C.37.a.3). Local school divisions shall certify to the Department of Education that funds used as the local match are derived solely from local revenue sources.

e. This funding is not intended as a mandate to increase salaries.

38. School Meals Expansion

Out of this appropriation, \$4,100,000 the first year and \$4,100,000 the second year from the general fund is provided for local school divisions to reduce or eliminate the cost of school breakfast and school lunch for students who are eligible for reduced price meals under the federal National School Lunch Program and School Breakfast Program. The Department of Education is authorized to reduce this amount proportionately so as not to exceed this

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

appropriation.

39. Alleghany County - Covington City School Division Consolidation Incentive

Out of this appropriation, \$600,000 the first year and \$600,000 the second year from the general fund is provided as an incentive for the consolidation of the Alleghany County and Covington City school divisions. These incentive payments represent the third and fourth installments of five \$600,000 payments as recommended for this consolidation incentive through the methodology contained in the Study on School Division Joint Contracting Incentives (Report Document 548, 2016). In fiscal year 2025, \$600,000 shall be provided as the incentive payment, with no adjustments.

40. Hold Harmless for Rebenchmarking Data Affected by COVID-19

Out of this appropriation, \$177,079,892 the first year and \$177,441,317 the second year from the general fund is provided to support an additional payment based on the state's share of Standards of Quality Basic Aid and Special Education payments to school divisions in the 2022-2024 biennium in response to unanticipated reductions in the base year rebenchmarking data for special education, pupil transportation, and non-personal support costs. This additional payment is based on child count and local expenditure projections for the base year rebenchmarking data that was affected by the mandatory school closings and virtual school settings that resulted from the COVID-19 pandemic. The projected data supporting this additional payment shall remain constant for the 2022-2024 biennium, and no subsequent technical updates shall be made to the data during the biennium that affect the appropriated amounts. These funds are provided to local school divisions pursuant to the Standards of Quality and shall be matched by the local government based on the composite index of local ability-to-pay. The Department of Education shall account for these funds in its calculations for required local effort, pursuant to paragraph B.8. of this Item and § 22.1-97, Code of Virginia. Local school divisions shall use these funds to support expenses allowable under Standards of Quality Basic Aid and Special Education.

41. School Construction Grants Program

a. Out of this appropriation, \$400,000,000 the first year from the general fund is provided for grants to school divisions for nonrecurring expenditures by the relevant school division. Nonrecurring costs shall include school construction, additions, infrastructure, site acquisition, renovations, technology and other expenditures related to modernizing classroom equipment, school safety equipment or school safety renovations, and debt service payments on school projects completed or initiated during the last ten years. These funds shall not be used for the repair or replacement of parking lots or the replacement or modernization of school facilities that are predominantly used for extracurricular athletics activities.

b. For any school construction projects funded with these grant proceeds, school divisions are encouraged to utilize best practices for construction and renovation, which may include value engineering, Leadership in Energy and Environmental Design (LEED) standards, or other relevant standards that would improve the health, safety, and quality of educational facilities.

c. Any funds provided to school divisions for school construction that are unexpended as of June 30, 2023, and June 30, 2024, shall not revert to the Commonwealth but shall be carried on the books of the locality in local escrow accounts pursuant to § 22.1-175.5, to be appropriated to the school division for use for the same purposes listed in Item 137 C.41.a.

42. Supplemental Support for Accomack and Northampton

An additional state payment of \$1,750,000 the first year *and \$1,750,000 the second year* from the Lottery Proceeds Fund shall be disbursed to provide one-time support to Accomack and Northampton school divisions for teacher recruitment and retention efforts, including adjustments to salary scales to minimize the misalignment to salary scales of adjacent counties.

43. School Construction Assistance Program.

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|--|-----------------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| a. Out of this appropriation, \$400,000,000 the first year from the general fund and \$50,000,000 the first year from the Literary Fund shall be transferred into the School Construction Fund for the Board of Education to award grants on a competitive basis from the Fund to local school boards that demonstrate poor building conditions, commitment, and need in order for such local school boards to fund the construction, expansion, or modernization of public school buildings. Any unobligated balance for this program on June 30, 2023, shall be reappropriated for expenditure in the second year for the same purpose. | | | | |
| b. The Board of Education shall develop guidelines for the administration of this program, which shall provide at a minimum that: | | | | |
| 1. Grants shall be provided only for projects that conform to the Department of Education's "Guidelines for School Facilities in Virginia's Public Schools," as amended. | | | | |
| 2. Grant awards shall be based on project costs, including planning, design, site acquisition and construction, the school division's local composite index, and the fiscal stress category as designated by the Virginia Commission on Local Government in its most recent "Report on Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities" for the locality that contains the school division, as follows: | | | | |
| School Division | Grant Award Amount | | | |
| School divisions with a local composite index value below .3000, or contained in a locality designated with high fiscal stress | 30 percent of project costs | | | |
| School divisions with a local composite index value at or above .3000 and below .4000, or contained in a locality designated with above average fiscal stress | 20 percent of project costs | | | |
| All other school divisions | 10 percent of project costs | | | |
| 3. A minimum qualifying score shall be met for a project to qualify for a grant award based on Board-developed scoring criteria. The Board shall set such minimum score at a level to ensure funds are reserved for critical school construction projects. Such scoring criteria shall provide appropriate weight to the following categories for the award of grants: | | | | |
| a.) Commitment, which may be demonstrated by factors such as: (i) an agreement by the local governing body to maintain or increase the percentage of local revenues dedicated to public education throughout the duration of the financing proposed for the project and (ii) the extent of project design and site acquisition for such project that has been completed prior to application of anticipated grant funds. | | | | |
| b.) Need, which may consider factors such as: (i) the percentage of students in the local school division eligible to receive free price meals; (ii) the percentage of residents of the locality in which the local school division is located with incomes at or below the federal poverty guidelines established by the U.S. Department of Health and Human Services; (iii) the local composite index of local ability-to-pay for the local school division; (iv) debt capacity of the locality in which the school division is located; and (v) the most recent fiscal stress score of the locality that includes the local school division as designated by the Virginia Commission on Local Government. | | | | |
| c.) Poor school building conditions, which may consider factors such as: (i) the condition of the facilities proposed to be replaced or upgraded using these funds, including the current level of compliance of the existing facility with the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.) and the facilities potential threat to the health or safety of building occupants; (ii) the school division maintenance reserve tool established pursuant to Chapter 650 of the 2022 General Assembly; and (iii) the overall condition of other facilities within the school division. | | | | |
| 4. If qualifying grant award requests exceed the amount of funds available, grants shall be awarded based on ranked project scores, and shall not be prorated. | | | | |

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 5. The release of funds to grant awardees shall be reasonably aligned with the timing of incurred expenses. | | | | |
| 6. A specific project shall only receive one grant award. The total project cost eligible to receive a grant shall be up to \$100,000,000. Grant awards shall not be amended for any additional reasonable project costs after the Board awards a grant to a division. | | | | |
| c. For the purpose of this program, "project costs" shall include reasonable project construction costs as defined by the Board, including planning, design, site acquisition and construction, and not to include financing costs, outdoor facilities predominantly used for extracurricular athletic activities, loose equipment, and furniture. | | | | |
| d. The Board of Education shall submit an executive summary of the program, including details on projects funded each year and any necessary legislative or budget recommendations to improve the program, no later than December 1 of each year to the Chairs of the House Education Committee, Senate Education and Health Committee, House Appropriations Committee, and Senate Finance and Appropriations Committee. | | | | |
| 44. College Partnership Laboratory Schools Fund | | | | |
| a. Out of this appropriation, \$100,000,000 the first year from the general fund shall be deposited to the College Partnership Laboratory Schools Fund established pursuant to § 22.1-349.2 , Code of Virginia. | | | | |
| b. The Board of Education is authorized to award up to \$5,000,000 from the College Partnership Laboratory Schools Fund for planning grants to entities pursuing the creation of new college partnership laboratory schools. | | | | |
| c. The Board of Education is authorized to award up to \$20,000,000 from the College Partnership Laboratory Schools Fund to approved college partnership laboratory schools to assist with initial startup costs. | | | | |
| d. The Board of Education is authorized to distribute remaining amounts from the College Partnership Laboratory Schools Fund to support per-pupil costs for approved college partnership laboratory schools. | | | | |
| e. Prior to the disbursement of funds from the College Partnership Laboratory Schools Fund, the Board of Education shall establish guidelines for the distribution and award of these funds and submit such guidelines to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 1, 2022. Such guidelines shall consider and be consistent with the distribution of state funds for Standards of Quality, Categorical, Incentive and Lottery program per-pupil costs. | | | | |
| f. (1) Notwithstanding the provisions of subsection A of § 22.1-349.1 , Code of Virginia, for the purpose of this Item, a "college partnership laboratory school" means a public, nonsectarian, nonreligious school in the Commonwealth established by a baccalaureate public institution of higher education. | | | | |
| <i>(2) Institutions not eligible for funding under paragraph C.44.f.(1) of this Item may partner with a public baccalaureate institution of higher education in Virginia to operate a college partnership laboratory school if they wish to access funding from the College Partnership Laboratory School Fund. The public baccalaureate institution must have an approved college partnership laboratory school application to serve as the fiscal agent and partner by June 30, 2024. The Department of Education shall require resubmission of contracts to meet the fiscal agent and partnership requirements of this paragraph. The Department shall report to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees of any submissions and prior contracts.</i> | | | | |
| <i>g. College partnership laboratory schools shall (i) reach financial sustainability by the end of their initial approval period as defined in § 22.1-349.8 of the Code of Virginia such that no additional state funding other than state funds received by a school division in support of Direct Aid for Public Education is required to support ongoing operations after the first contract renewal, and (ii) submit supporting information to the Board of Education demonstrating progress toward financial sustainability. The Board of Education shall report annually by November 1 to the Governor and Chairs of the House</i> | | | | |

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

Appropriations and Senate Finance and Appropriations Committees on progress of college laboratory schools in meeting this financial sustainability requirement.

h. All funds that have not been obligated for approved college partnership laboratory schools as of June 30, 2024 shall revert to the general fund.

45. ARPA Pandemic Bonus Payment

a. Item 486 includes \$130,122,981 the first year from distributions of the federal State and Local Recovery Fund (SLRF) pursuant to the American Rescue Plan Act of 2021 (ARPA), as a provision of government services, for a one-time pandemic bonus payment of \$1,000 on December 1, 2022, per funded SOQ instructional position and support positions and per Academic Year Governor's School and Regional Alternative Education Program instructional and support positions. Funded SOQ instructional positions shall include all teacher, guidance counselor, librarian, instructional aide, principal, and assistant principal positions funded through the SOQ staffing standards for each school division in the first year.

b. Sufficient funding is provided for the entire cost of an average \$1,000 bonus per funded SOQ instructional and support position in this act. Sufficient funding is provided for the entire cost of an average \$1,000 bonus per Academic Year Governor's School and Regional Alternative Education Program instructional and support position based on fiscal year 2021 full-time equivalent position counts, as reported to the Department of Education. School divisions shall have discretion to determine the amount of bonuses per employee to maximize the use of these funds to promote retention among instructional and support positions in this act. The funds for which a division is eligible to receive shall require no match by the local government. Localities are encouraged to use additional available funds to provide pandemic bonuses to other eligible instructional and support positions.

46. Hold Harmless for Sum of Basic Aid and Sales Tax Payments

Out of this appropriation, \$16,829,270 the first year from the general fund is provided to ensure that the sum of basic aid and sales tax payments a school division receives in fiscal year 2023 is at least the sum of basic aid and sales tax payments that was communicated to school divisions in Superintendents Memo #133-22.

47. Flexible Funding Supplement

a. Out of this appropriation, \$418,299,937 the second year from the general fund is provided to support flexible funding for the implementation of the Virginia Literacy Act, learning loss recovery, and additional operating and infrastructure support. Funding shall be disbursed to support the state share of \$1,086.44 per pupil the second year based on the estimated number of Federal Free Lunch participants and the state share of \$203.63 per pupil the second year based on the unadjusted daily membership. Each school division shall receive at least \$150,000 from this appropriation. State payments shall be based upon the projections of March 31, 2024, average daily membership used to calculate these payments in Chapter 1, 2023 Acts of Assembly, Special Session I.

b. Funds shall not require a local match. Any funds provided to school divisions from this appropriation that are unexpended as of June 30, 2024, shall be carried on the books of the locality to be appropriated to the school division in the following year if the division certifies to provide the local match for the At-Risk Add-On Program for the 2024-2026 biennium. School divisions are permitted to use any remaining fund balance until the funds are expensed for the qualifying purpose.

c. School divisions shall report on the uses of these funds and the use of school division pass-through federal Elementary and Secondary School Education Relief funds used since 2020. Such reporting shall specify amounts obligated and expensed based on reporting categories as prescribed by the Department of Education. School divisions also shall report how funds address performance gains or losses related to reading and mathematics and support preparation and implementation of the Virginia Literacy Act. The Department of Education shall compile this information and submit it to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committee no later than October 1, 2024, 2025, and 2026.

d. The locality in which the school division is located shall appropriate these funds solely for

| ITEM 137. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|------------------------------------|--------------------|--------------------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| <i>educational purposes and shall not use such funds to reduce total local operating expenditures for public education below the amount expended by the locality for such purposes in the year upon which the 2020-2022 biennial Standards of Quality expenditure data were based; provided however that no locality shall be required to maintain a per-pupil expenditure which is greater than the per pupil amount expended by the locality for such purposes in the year upon which the 2020-2022 biennial Standards of Quality expenditure data were based.</i> | | | | |
| 138. Not set out. | | | | |
| 138.10 Not set out. | | | | |
| Total for Direct Aid to Public Education..... | | | \$11,104,322,613 | \$11,196,021,820 \$10,998,566,475 |
| Fund Sources: General..... | \$9,143,956,725 | \$9,214,996,464 \$8,928,053,096 | | |
| Special..... | \$1,005,000 | \$1,020,000 | | |
| Commonwealth Transportation..... | \$1,359,300 | \$1,495,230 | | |
| Trust and Agency..... | \$834,671,715 | \$855,180,253 \$944,668,276 | | |
| Federal Trust..... | \$1,123,329,873 | \$1,123,329,873 | | |
| Grand Total for Department of Education, Central Office Operations..... | | | \$11,522,279,629 | \$11,621,953,394 \$11,424,498,049 |
| General Fund Positions..... | 167.17 | 181.17 | | |
| Nongeneral Fund Positions..... | 335.83 | 335.83 | | |
| Position Level..... | 503.00 | 517.00 | | |
| Fund Sources: General..... | \$9,224,140,100 | \$9,296,632,220 \$9,009,688,852 | | |
| Special..... | \$6,811,735 | \$6,826,735 | | |
| Commonwealth Transportation..... | \$1,643,154 | \$1,779,084 | | |
| Trust and Agency..... | \$862,658,940 | \$889,689,655 \$979,177,678 | | |
| Federal Trust..... | \$1,427,025,700 | \$1,427,025,700 | | |
| 139. Not set out. | | | | |
| 140. Not set out. | | | | |
| 141. Not set out. | | | | |
| 142. Not set out. | | | | |
| 143. Not set out. | | | | |
| 144. Not set out. | | | | |
| 145. Not set out. | | | | |
| 146. Not set out. | | | | |
| 147. Not set out. | | | | |
| 148. Not set out. | | | | |
| 149. Not set out. | | | | |

| ITEM 150. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--------------|------------------|-------------|--------------------|-------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| 150. | Not set out. | | | | |
| 151. | Not set out. | | | | |
| 152. | Not set out. | | | | |
| 153. | Not set out. | | | | |
| 154. | Not set out. | | | | |
| 155. | Not set out. | | | | |
| 156. | Not set out. | | | | |
| 157. | Not set out. | | | | |
| 158. | Not set out. | | | | |
| 159. | Not set out. | | | | |
| 160. | Not set out. | | | | |
| 161. | Not set out. | | | | |
| 162. | Not set out. | | | | |
| 163. | Not set out. | | | | |
| 164. | Not set out. | | | | |
| 165. | Not set out. | | | | |
| 166. | Not set out. | | | | |
| 167. | Not set out. | | | | |
| 168. | Not set out. | | | | |
| 169. | Not set out. | | | | |
| 170. | Not set out. | | | | |
| 171. | Not set out. | | | | |
| 172. | Not set out. | | | | |
| 173. | Not set out. | | | | |
| 174. | Not set out. | | | | |
| 175. | Not set out. | | | | |
| 176. | Not set out. | | | | |
| 177. | Not set out. | | | | |

| ITEM 178. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--------------|------------------|-------------|--------------------|-------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| 178. | Not set out. | | | | |
| 179. | Not set out. | | | | |
| 180. | Not set out. | | | | |
| 181. | Not set out. | | | | |
| 182. | Not set out. | | | | |
| 183. | Not set out. | | | | |
| 184. | Not set out. | | | | |
| 185. | Not set out. | | | | |
| 186. | Not set out. | | | | |
| 187. | Not set out. | | | | |
| 188. | Not set out. | | | | |
| 189. | Not set out. | | | | |
| 190. | Not set out. | | | | |
| 191. | Not set out. | | | | |
| 192. | Not set out. | | | | |
| 193. | Not set out. | | | | |
| 194. | Not set out. | | | | |
| 195. | Not set out. | | | | |
| 196. | Not set out. | | | | |
| 197. | Not set out. | | | | |
| 198. | Not set out. | | | | |
| 199. | Not set out. | | | | |
| 200. | Not set out. | | | | |
| 201. | Not set out. | | | | |
| 202. | Not set out. | | | | |
| 203. | Not set out. | | | | |
| 204. | Not set out. | | | | |
| 205. | Not set out. | | | | |

| ITEM 205. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--------------|------------------|-------------|--------------------|-------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| 206. | Not set out. | | | | |
| 207. | Not set out. | | | | |
| 208. | Not set out. | | | | |
| 209. | Not set out. | | | | |
| 210. | Not set out. | | | | |
| 211. | Not set out. | | | | |
| 212. | Not set out. | | | | |
| 213. | Not set out. | | | | |
| 214. | Not set out. | | | | |
| 215. | Not set out. | | | | |
| 216. | Not set out. | | | | |
| 217. | Not set out. | | | | |
| 218. | Not set out. | | | | |
| 219. | Not set out. | | | | |
| 220. | Not set out. | | | | |
| 221. | Not set out. | | | | |
| 222. | Not set out. | | | | |
| 223. | Not set out. | | | | |
| 224. | Not set out. | | | | |
| 225. | Not set out. | | | | |
| 226. | Not set out. | | | | |
| 227. | Not set out. | | | | |
| 228. | Not set out. | | | | |

§ 1-12. VIRGINIA STATE UNIVERSITY (212)

- 229. Not set out.
- 230. Not set out.
- 231. Not set out.

| ITEM 232. | Item Details(\$) | | Appropriations(\$) | |
|-------------------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 232. Not set out. | | | | |

Cooperative Extension and Agricultural Research Services (234)

| | | | | |
|---|-------------|-------------|--------------|--------------|
| 233. Educational and General Programs (10000)..... | | | \$14,390,198 | \$14,390,198 |
| Higher Education Research (100102)..... | \$6,601,489 | \$6,601,489 | | |
| Higher Education Public Services (100103)..... | \$7,044,370 | \$7,044,370 | \$8,830,659 | |
| Higher Education Institutional Support (100106).... | \$77,738 | \$77,738 | | |
| Operation and Maintenance Of Plant (100107)..... | \$666,601 | \$666,601 | | |
| Fund Sources: General..... | \$7,310,969 | \$7,310,969 | \$9,097,258 | |
| Higher Education Operating..... | \$7,079,229 | \$7,079,229 | | |

Authority: Title 23.1, Chapter 27, § [23.1-2704](#), Title 23, Chapter 13, Code of Virginia.

A. Out of this appropriation, \$392,107 the first year and \$392,107 the second year from the general fund is designated for support of research and extension activities aimed at the production of hybrid striped bass in Virginia farm ponds. No expenditures will be made from these funds for other purposes without the prior written permission of the Secretary of Education.

B. The Extension Division budgets shall include and separately account for local payments. Virginia State University, in conjunction with Virginia Polytechnic Institute and State University, shall report, by fund source, actual expenditures for each program area and total actual expenditures for the Extension Division, annually, by September 1, to the Department of Planning and Budget and the House Appropriations and Senate Finance and Appropriations Committees. The report shall include all expenditures from local support funds.

C. Out of this appropriation, \$394,000 the first year and \$394,000 the second year from the general fund is designated for the Small-Farmer Outreach Training and Technical Assistance Program to provide outreach and business management education to small farmers.

D. All appropriation not otherwise obligated in this Item may be used for any Extension related activities or operational expenses.

| | | | | |
|---|--|--|--------------|--------------|
| Total for Cooperative Extension and Agricultural Research Services..... | | | \$14,390,198 | \$14,390,198 |
| | | | \$16,176,487 | |

| | | | | |
|--|---------------|---------------|---------------|---------------|
| General Fund Positions..... | 45.75 | 45.75 | | |
| Nongeneral Fund Positions..... | 67.00 | 67.00 | | |
| Position Level..... | 112.75 | 112.75 | | |
| Fund Sources: General..... | \$7,310,969 | \$7,310,969 | \$9,097,258 | |
| Higher Education Operating..... | \$7,079,229 | \$7,079,229 | | |
| Grand Total for Virginia State University..... | | | \$226,006,935 | \$230,680,757 |
| | | | | \$232,467,046 |
| General Fund Positions..... | 430.22 | 437.22 | | |
| Nongeneral Fund Positions..... | 556.89 | 556.89 | | |
| Position Level..... | 987.11 | 994.11 | | |
| Fund Sources: General..... | \$87,711,684 | \$92,385,506 | \$94,171,795 | |
| Higher Education Operating..... | \$127,962,706 | \$127,962,706 | | |
| Debt Service..... | \$10,332,545 | \$10,332,545 | | |

234. Not set out.

| ITEM 235. | | Item Details(\$) | | Appropriations(\$) | |
|------------------------------------|--------------|------------------|-------------|--------------------|------------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| 235. | Not set out. | | | | |
| 236. | Not set out. | | | | |
| 237. | Not set out. | | | | |
| 238. | Not set out. | | | | |
| 239. | Not set out. | | | | |
| 240. | Not set out. | | | | |
| 241. | Not set out. | | | | |
| 242. | Not set out. | | | | |
| 243. | Not set out. | | | | |
| 244. | Not set out. | | | | |
| 245. | Not set out. | | | | |
| 246. | Not set out. | | | | |
| 247. | Not set out. | | | | |
| 248. | Not set out. | | | | |
| 249. | Not set out. | | | | |
| 250. | Not set out. | | | | |
| 251. | Not set out. | | | | |
| 252. | Not set out. | | | | |
| 253. | Not set out. | | | | |
| 254. | Not set out. | | | | |
| 255. | Not set out. | | | | |
| 255.5 | Not set out. | | | | |
| 256. | Not set out. | | | | |
| TOTAL FOR OFFICE OF EDUCATION..... | | | | \$25,017,458,739 | \$25,544,561,801 |
| | | | | | \$25,348,892,745 |
| General Fund Positions..... | | 19,180.05 | | 19,206.05 | |
| Nongeneral Fund Positions..... | | 42,987.70 | | 43,029.70 | |
| Position Level..... | | 62,167.75 | | 62,235.75 | |
| Fund Sources: General..... | | \$12,184,375,139 | | \$12,574,568,809 | |
| | | | | | \$12,289,411,730 |
| Special..... | | \$48,882,675 | | \$48,897,675 | |
| Higher Education Operating..... | | \$10,090,357,864 | | \$10,200,085,611 | |

| ITEM 256. | Item Details(\$) | | Appropriations(\$) | |
|----------------------------------|------------------|--------------------------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| Commonwealth Transportation..... | \$1,643,154 | \$1,779,084 | | |
| Enterprise..... | \$7,479,910 | \$7,479,910 | | |
| Trust and Agency..... | \$862,848,940 | \$889,879,655 \$979,367,678 | | |
| Debt Service..... | \$363,620,626 | \$363,620,626 | | |
| Dedicated Special Revenue..... | \$18,969,569 | \$18,969,569 | | |
| Federal Trust..... | \$1,439,280,862 | \$1,439,280,862 | | |

| ITEM 257. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

OFFICE OF FINANCE

- 257. Not set out.
- 258. Not set out.
- 259. Not set out.
- 260. Not set out.
- 261. Not set out.
- 262. Not set out.
- 263. Not set out.
- 264. Not set out.
- 265. Not set out.
- 266. Not set out.
- 267. Not set out.
- 267.1 Not set out.
- 268. Not set out.
- 269. Not set out.
- 270. Not set out.
- 271. Not set out.
- 272. Not set out.

§ 1-13. DEPARTMENT OF TAXATION (161)

| | | | | |
|---|--------------|------------------------------|--------------|------------------------------|
| 273. Not set out. | | | | |
| 274. Revenue Administration Services (73200)..... | | | \$64,669,857 | \$64,590,357 \$65,136,897 |
| Tax Return Processing (73214)..... | \$7,515,923 | \$6,811,423 \$6,820,173 | | |
| Customer Services (73217)..... | \$12,953,352 | \$12,953,352 | | |
| Compliance Audit (73218)..... | \$24,057,973 | \$24,057,973 | | |
| Compliance Collections (73219)..... | \$17,045,510 | \$17,045,510 | | |
| Legal and Technical Services (73222)..... | \$3,097,099 | \$3,722,099 \$4,259,889 | | |
| Fund Sources: General..... | \$53,797,517 | \$53,718,017 \$54,264,557 | | |
| Special..... | \$10,125,994 | \$10,125,994 | | |
| Dedicated Special Revenue..... | \$746,346 | \$746,346 | | |

Authority: Title 3.2; Title 58.1, Code of Virginia.

| ITEM 274. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

A. Pursuant to § [58.1-1803](#), Code of Virginia, the Tax Commissioner is hereby authorized to contract with private collection agencies for the collection of delinquent accounts. The State Comptroller is hereby authorized to deposit collections from such agencies into the Contract Collector Fund (§ [58.1-1803](#), Code of Virginia). Revenue in the Contract Collector Fund may be used to pay private collection agencies/attorneys and perform oversight of their operations, upgrade audit and collection systems and data interfaces, and retain experts to perform analysis of receivables and collection techniques. Any balance in the fund remaining after such payment shall be deposited into the appropriate general, nongeneral, or local fund no later than June 30 of each year.

B.1. The Department of Taxation is authorized to retain, as special revenue, its reasonable share of any court fines and fees to reimburse the department for any ongoing operational collection expenses.

2. Any form of state debt assigned to the Department of Taxation for collection may be collected by the department in the same manner and means as state taxes may be collected pursuant to Title 58.1, Chapter 18, Code of Virginia.

C. The Department of Taxation is hereby appropriated revenues from the Communications Sales and Use Tax Trust Fund to recover the direct cost of administration incurred by the department in implementing and collecting this tax as provided by § [58.1-662](#), Code of Virginia.

D. The Tax Commissioner shall have the authority to waive penalties and grant extensions of time to file a return or pay a tax, or both, to any class of taxpayers when the Tax Commissioner in his discretion finds that the normal due date has, or would, cause undue hardship to taxpayers who were, or would be, unable to use electronic means to file a return or pay a tax because of a power or systems failure that causes the department's electronic filing or payment systems to be nonfunctional for all or a portion of a day on or about the due date for a return or payment.

E. The Department of Taxation is hereby appropriated Land Conservation Incentive Act fees imposed under § [58.1-513](#) C. 2., Code of Virginia, on the transferring of the value of the donated interest. The Code of Virginia specifies such fees will be used by the Departments of Taxation and Conservation and Recreation to recover the direct cost of administration incurred in implementing the Virginia Land Conservation Act.

F. In the event that the United States Congress adopts legislation allowing local governments, with the assistance of the Commonwealth, to collect delinquent local taxes using offsets from federal income taxes, the Department of Accounts shall provide a treasury loan to the Department of Taxation to finance the costs of modifying the agency's computer systems to implement this federal debt setoff program. This treasury loan shall be repaid from the proceeds collected from the offsets of federal income taxes collected on behalf of localities by the Department of Taxation.

G. 1. All revenue received by the Commonwealth pursuant to the provisions of § [58.1-645](#) et seq., Code of Virginia, shall be paid into the state treasury and deposited to the Virginia Communications Sales and Use Tax Fund and shall be distributed pursuant to § [58.1-662](#), Code of Virginia, and Items 266 and 286 of this act. For the purposes of the Comptroller's preliminary and final annual reports required by § [2.2-813](#), Code of Virginia, however, all deposits to and disbursements from the Fund shall be accounted for as part of the general fund of the state treasury.

2. It is the intent of the General Assembly that all such revenues be distributed to counties, cities, and towns, the Department for the Deaf and Hard-of-Hearing, and for the costs of administering the Virginia Communications Sales and Use Tax.

H. Notwithstanding the provisions of § [58.1-478](#), Code of Virginia, effective July 1, 2011, every employer whose average monthly liability can reasonably be expected to be \$1,000 or more and the aggregate amount required to be withheld by any employer exceeds \$500 shall file the annual report required by § [58.1-478](#), Code of Virginia, and all forms required by § [58.1-472](#), Code of Virginia, using an electronic medium using a format prescribed by the Tax Commissioner. Waivers shall be granted only if the Tax Commissioner finds that this requirement creates an unreasonable burden on the

| ITEM 274. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

employer. All requests for waiver shall be submitted to the Tax Commissioner in writing.

I. Notwithstanding the provisions of § [58.1-214](#), Code of Virginia, the department shall not be required to mail its forms and instructions unless requested by a taxpayer or his representative.

J.1. Notwithstanding the provisions of § [58.1-609.12](#), Code of Virginia, no report on the fiscal, economic and policy impact of the miscellaneous Retail Sales and Use Tax exemptions under § [58.1-609.10](#), Code of Virginia, shall be required after the completion of the final report in the first five-year cycle of the study, due December 1, 2011. The Department of Taxation shall satisfy the requirement of § [58.1-609.12](#) that it study and report on the annual fiscal impact of the Retail Sales and Use Tax exemptions for nonprofit entities provided for in § [58.1-609.11](#), Code of Virginia, by publishing such fiscal impact on its website.

2. Notwithstanding the provisions of § [58.1-202](#), Code of Virginia, no report detailing the total amount of corporate income tax relief provided in Virginia shall be required after the completion of such report due on October 1, 2013. The Department of Taxation shall satisfy the requirement of § [58.1-202](#) that it issue an annual report detailing the total amount of corporate income tax relief provided in Virginia by publishing its Annual Report on its website.

K. 1. Notwithstanding any provision of the Code of Virginia or this act to the contrary,

a. Effective January 1, 2013, all corporations are required to file estimated tax payments and their annual income tax return and final payment using an electronic medium in a format prescribed by the Tax Commissioner .

b. Effective July 1, 2013, every employer shall file the annual report required by § [58.1-478](#) and all forms required by § [58.1-472](#), Code of Virginia, using an electronic medium in a format prescribed by the Tax Commissioner.

c. Effective July 1, 2014, every employer shall file the annual report required by § [58.1-478](#) , not later than January 31 of the calendar year succeeding the calendar year in which wages were withheld from employees.

d. Effective January 1, 2015, for taxable years beginning on and after January 1, 2014, every pass-through entity shall file the annual return required by § [58.1-392](#), Code of Virginia, and make related payments using an electronic medium in a format prescribed by the Tax Commissioner.

e. i. Effective until January 1, 2020, all estates and trusts are required to file estimated tax payments pursuant to § [58.1-490](#) et seq., Code of Virginia, and their annual income tax return pursuant to § [58.1-381](#), Code of Virginia, and final payment using an electronic medium in a format prescribed by the Tax Commissioner.

ii. Effective January 1, 2020, annual income tax returns of estates and trusts required pursuant to § [58.1-381](#), Code of Virginia, that are prepared by an income tax return preparer, as defined in § [58.1-302](#), Code of Virginia, must be filed using an electronic medium in a format prescribed by the Tax Commissioner.

f. Taxpayers subject to the taxes imposed pursuant to § [58.1-320](#) and required to pay estimated tax pursuant to § [58.1-490](#) et seq., shall be required to file and remit using an electronic medium in a format prescribed by the Tax Commissioner all installment payments of estimated tax and all payments made with regard to a return or an extension of time to file if (i) any one such payment exceeds or is required to exceed \$1,500, or if (ii) the taxpayer's total tax liability exceeds or can be reasonably expected to exceed \$6,000 in any taxable year beginning on or after January 1, 2022. This requirement shall apply to any payments made on and after July 1, 2022. The Department of Taxation shall provide reasonable advanced notice to taxpayers affected by this requirement.

2.a. The Tax Commissioner shall have the authority to waive the requirement to file or pay by electronic means. Waivers shall be granted only if the Tax Commissioner finds that this requirement creates an unreasonable burden on the person required to use an electronic medium. All requests for waiver shall be submitted to the Tax Commissioner in writing.

| ITEM 274. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

b. The Tax Commissioner shall have the authority to waive the requirement to file or pay by January 31. Waivers shall be granted only if the Tax Commissioner finds that this requirement creates an unreasonable burden on the person required to file or pay by January 31. All requests for waiver shall be submitted to the Tax Commissioner in writing.

L.1. Notwithstanding any other provision of law, Retail Sales and Use Tax returns and payments shall be made using an electronic medium prescribed by the Tax Commissioner beginning with the June 2012 return, due July 2012, for monthly filers and, for less frequent filers, with the first return they are required to file after July 1, 2013.

2. Notwithstanding any other provision of law, Out-of-State Dealer's Use Tax and Business Consumer's Use Tax returns and payments shall be made using an electronic medium prescribed by the Tax Commissioner beginning with the July 2017 return, due August 2017, for monthly filers and, for less frequent filers, with the first return they are required to file after August 1, 2017.

3. The Tax Commissioner shall have the authority to waive the requirement to file by electronic means upon a determination that the requirement would cause an undue hardship. All requests for waiver shall be transmitted to the Tax Commissioner in writing.

M. The Department of Taxation is hereby appropriated revenues from the Virginia Motor Vehicle Rental Tax to recover the direct cost of administration incurred by the department in implementing and collecting this tax as provided by § [58.1-1741](#), Code of Virginia.

N. Notwithstanding the provisions of § [58.1-490](#) et seq., Code of Virginia,

1. Effective for taxable years beginning on or after January 1, 2015, a taxpayer shall be permitted to file a declaration of estimated tax with the Department of Taxation instead of with the commissioner of the revenue and notwithstanding the provisions of § [58.1-306](#), Code of Virginia, the department may so advise taxpayers.

2. Effective January 1, 2015, every treasurer who receives an estimated income tax return, declaration or voucher pursuant to § [58.1-495](#) of the Code of Virginia shall transmit such return, declaration or voucher to the Department of Taxation using an electronic medium in a format prescribed by the Tax Commissioner.

O. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the Department of Taxation is authorized to provide Form 1099 in an electronic format to taxpayers. The Tax Commissioner shall ensure that taxpayers may elect to receive the electronic version of the form.

P. The Department of Taxation is hereby appropriated revenues from the E-911 Wireless Tax to recover the direct cost of administration incurred by the department in implementing and collecting this tax as provided by § [56-484.17:1](#), Code of Virginia.

Q. The Department of Taxation is hereby appropriated revenues from the assessment for expenses pursuant to §§ [38.2-400](#) and [38.2-403](#), Code of Virginia, to recover any costs related to the Insurance Premiums License Tax that are incurred by the Department of Taxation, as provided in § [58.1-2533](#), Code of Virginia.

R. The Department of Taxation is authorized to recover the administrative costs associated with debt collection initiatives under the U.S. Treasury Offset Program authorized by § [2.2-4809](#), not to exceed twenty percent of revenues generated pursuant to such debt collection initiatives. Such sums are in addition to any fees charged by outside collections contractors and/or enhanced collection revenues returned to the Commonwealth.

S.1. Notwithstanding any other provision of the Code of Virginia or this act to the contrary, effective July 1, 2015, the Department of Taxation is hereby authorized to charge a fee of \$5.00 per copy of a tax return requested by a taxpayer or a representative thereof.

2. The Tax Commissioner shall have the authority to waive such fee. Waivers shall be granted only if the Tax Commissioner finds that this requirement creates an unreasonable burden on the person requesting such copies. All requests for waiver shall be submitted to

| ITEM 274. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

the Tax Commissioner in writing.

T. Notwithstanding any other provision of the Code of Virginia or this act to the contrary, effective January 1, 2016, the Department of Taxation shall not provide to the local commissioners of the revenue or any other local officials copies of federal tax forms or schedules, including but not limited to, federal Schedules C (1040), C-EZ (1040), D (1040), E (1040), or F (1040), or federal Forms 4562 or 2106, or copies of Virginia Schedule 500FED, unless such schedules or forms are attached to a Virginia income tax return and submitted to the department in an electronic format by the taxpayer.

U.1. Notwithstanding any other provision of law, Vending Machine Dealer's Sales Tax, Motor Vehicle Rental Tax and Fee, Communications Taxes, and Tobacco Products Tax returns shall be filed using an electronic medium prescribed by the Tax Commissioner beginning with the July 2016 return, due August 2016, for monthly filers and, for less frequent filers, with the first return they are required to file after July 1, 2016.

2. Notwithstanding any other provision of law, Litter Tax returns shall be filed and any payments shall be made using an electronic medium prescribed by the Tax Commissioner beginning with the first return required to be filed after January 1, 2018.

3. The Tax Commissioner shall have the authority to waive the requirement to file by electronic means upon a determination that the requirement would cause an undue hardship. All requests for waiver shall be transmitted to the Tax Commissioner in writing.

V.1. Notwithstanding any other provision of law, effective July 1, 2017, the Department of Taxation shall charge a fee of \$275 for each request, except those requested by the local assessing officer, for a letter ruling to be issued pursuant to § 58.1-203, Code of Virginia, or for an advisory opinion issued pursuant to §§ 58.1-3701 or 58.1-3983.1, Code of Virginia; \$50 for each request for an offer in compromise with respect to doubtful collectability authorized by § 58.1-105, Code of Virginia; and \$100 for each request for permission to change a corporation's filing method pursuant to § 58.1-442, Code of Virginia.

2. The Tax Commissioner shall have the authority to waive such fees. Waivers shall be granted only if the Tax Commissioner finds that such fee creates an unreasonable burden on the person making such request. All requests for waiver shall be submitted to the Tax Commissioner in writing.

3. Revenues received from the above fees shall be deposited into the general fund in the state treasury.

W. Notwithstanding the provisions of § 38.2-5601, Code of Virginia, the Department of Taxation shall not be required to update the Virginia Medical Savings Account Plan report after the completion of such report due on December 31, 2016.

X.1. Notwithstanding any other provision of law, any employer or payroll service provider that owns or licenses computerized data relating to income tax withheld pursuant to Article 16 (§ 58.1-460 et seq.) of Chapter 3 of Title 58.1 shall notify the Office of the Attorney General without unreasonable delay after the discovery or notification of unauthorized access and acquisition of unencrypted and unredacted computerized data containing a taxpayer identification number in combination with the income tax withheld for that taxpayer that compromises the confidentiality of such data and that creates a reasonable belief that an unencrypted and unredacted version of such information was accessed and acquired by an unauthorized person, and causes, or the employer or payroll provider reasonably believes has caused or will cause, identity theft or other fraud. With respect to employers, this requirement applies only to information regarding the employer's employees, and does not apply to information regarding the employer's customers or other non-employees.

Such employer or payroll service provider shall provide the Office of the Attorney General with the name and federal employer identification number of the employer as defined in § 58.1-460 that may be affected by the compromise in confidentiality. Upon receipt of such notice, the Office of the Attorney General shall notify the Department of Taxation of the compromise in confidentiality. The notification required under this provision that does not otherwise require notification under subsections A through L of § 18.2-186.6, Code of Virginia, shall not be subject to any other notification, requirement, exemption, or penalty

| ITEM 274. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

contained in that section.

2. Notwithstanding any other provision of law, any income tax return preparer, as defined in § 58.1-302, who prepares any Virginia individual income tax return during a calendar year for which he has the primary responsibility for the overall substantive accuracy of the preparation thereof shall notify the Department of Taxation without unreasonable delay after the discovery or notification of unauthorized access and acquisition of unencrypted and unredacted return information that compromises the confidentiality of such information and that creates a reasonable belief that an unencrypted and unredacted version of such information was accessed and acquired by an unauthorized person, and causes, or such preparer reasonably believes has caused or will cause, identity theft or other fraud.

Such income tax return preparer shall provide the Department of Taxation with the name and taxpayer identifying number of any taxpayer that may be affected by the compromise in confidentiality, as well as the name of the income tax return preparer, his preparer tax identification number, and such other information as the Department may prescribe.

Y.1. Every payment settlement entity required to file information returns under § 6050W of the Internal Revenue Code shall, within thirty days of the relevant federal deadline for filing such returns, submit to the Department of Taxation electronically either (i) a duplicate of all such information returns or (ii) a duplicate of such information returns related to participating payees with a Virginia state address or Virginia state taxpayers.

2. All third-party settlement organizations, as defined in § 6050W of the Internal Revenue Code, shall report to the Department of Taxation electronically, and to any participating payee, within 30 days of the relevant federal deadline for reporting such information, all information specified by § 6050W of the Internal Revenue Code with respect to reportable payment transactions made on or after January 1, 2020 to such participating payee. For purposes of determining whether a third-party settlement organization is subject to this requirement, the de minimis limitations of § 6041(a) of the Internal Revenue Code shall apply mutatis mutandis in lieu of the de minimis limitations of § 6050W of the Internal Revenue Code. This requirement shall apply only with respect to participating payees with a Virginia mailing address.

3. The Tax Commissioner shall have the authority to waive the requirement to submit this information upon a determination that the requirement would cause an unreasonable burden. In addition, the Tax Commissioner shall have the authority to waive the requirement to submit this information electronically upon a determination that the requirement would cause an unreasonable burden. All requests for waiver shall be transmitted to the Tax Commissioner in writing.

Z. The Department of Taxation is hereby appropriated revenues from the Disposable Plastic Bag Tax to recover any administrative costs for collecting the tax incurred by the Department of Taxation as provided by § 58.1-3835 (C), Code of Virginia.

AA. The Department of Taxation is hereby appropriated revenues from the tobacco products tax imposed under § 58.1-1021.02 of the Code of Virginia to recover any administrative costs for implementing the tax on heated tobacco products incurred by the Department of Taxation as provided by Item 3-5.21(D) of this Act.

BB.1. Notwithstanding § 58.1-1803 A, or any other provision of law, the Department of Taxation may appoint a collector in any county or city, including the treasurer thereof, to collect delinquent state taxes at any time, even if such delinquent state taxes were not assessed at least 90 days previously therein.

2. Notwithstanding § 58.1-1803 B, or any other provision of law, the Department of Taxation may appoint collectors or contract with collection agencies to collect delinquent state taxes at any time, even if such delinquent state taxes were not assessed at least 90 days previously therein.

275. Not set out.

276. Not set out.

| ITEM 276. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---------------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|
| | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| | Total for Department of Taxation..... | | | \$122,746,262 | \$122,527,495 \$123,074,035 |
| | General Fund Positions..... | 907.00 | 907.00 911.00 | | |
| | Nongeneral Fund Positions..... | 56.00 | 56.00 | | |
| | Position Level..... | 963.00 | 963.00 967.00 | | |
| | Fund Sources: General..... | \$110,235,175 | \$110,016,408 \$110,562,948 | | |
| | Special..... | \$11,764,741 | \$11,764,741 | | |
| | Dedicated Special Revenue..... | \$746,346 | \$746,346 | | |
| 277. | Not set out. | | | | |
| 278. | Not set out. | | | | |
| 279. | Not set out. | | | | |

§ 1-14. TREASURY BOARD (155)

| | | | | |
|------|--|---------------|--------------------------------|------------------------------------|
| 280. | Bond and Loan Retirement and Redemption (74300). | | \$991,805,056 | \$1,031,659,380 \$1,009,928,311 |
| | Debt Service Payments on General Obligation Bonds (74301)..... | \$56,028,916 | \$51,320,292 | |
| | Debt Service Payments on Public Building Authority Bonds (74303)..... | \$370,973,321 | \$377,655,887 \$358,558,912 | |
| | Debt Service Payments on College Building Authority Bonds (74304)..... | \$564,802,819 | \$602,683,201 \$600,049,107 | |
| | Fund Sources: General..... | \$954,233,341 | \$994,591,558 \$973,117,692 | |
| | Higher Education Operating..... | \$31,526,576 | \$31,526,576 | |
| | Dedicated Special Revenue..... | \$645,000 | \$645,000 | |
| | Federal Trust..... | \$5,400,139 | \$4,896,246 \$4,639,043 | |

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

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

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

| Series | | FY 2023 | | FY 2024 |
|-----------------------------------|---------------------|---------------|---------------------|---------------|
| | General Fund | Federal Funds | General Fund | Federal Funds |
| 2012 Refunding | \$17,767,000 | \$0 | \$14,463,750 | \$0 |
| 2013 Refunding | \$19,501,000 | \$0 | \$18,774,000 | \$0 |
| 2015B Refunding | \$12,230,750 | \$0 | \$11,786,000 | \$0 |
| 2016B Refunding | \$5,161,450 | \$0 | \$5,000,450 | \$0 |
| 2019C Refunding | \$1,268,716 | \$0 | \$1,196,092 | \$0 |
| Projected debt service & expenses | \$100,000 | \$0 | \$100,000 | \$0 |
| Total Service Area | \$56,028,916 | \$0 | \$51,320,292 | \$0 |

| ITEM 280. | Item Details(\$) | | Appropriations(\$) | |
|-----------|----------------------|-----------------------|----------------------|-----------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |

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

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

| Series | FY 2023 | | FY 2024 | |
|-------------------------------------|----------------------|--------------------|--|--|
| | General Fund | Nongeneral Fund | General Fund | Nongeneral Fund |
| 2010B | \$23,922,713 | \$2,696,461 | \$19,842,211 \$21,971,373 | \$2,459,268 \$2,343,731 |
| 2012A Refunding | \$16,553,925 | \$0 | \$10,520,650 | \$0 |
| 2013A | \$8,823,400 | \$0 | \$8,825,750 \$8,748,200 | \$0 |
| 2013B Refunding | \$17,247,625 | \$0 | \$12,228,250 | \$0 |
| 2014A | \$8,481,150 | \$645,000 | \$8,480,275 \$8,415,675 | \$645,000 |
| 2014B | \$2,013,408 | \$0 | \$2,012,761 | \$0 |
| 2014C Refunding | \$17,370,525 | \$0 | \$22,389,650 \$22,366,550 | \$0 |
| 2015A | \$17,342,870 | \$0 | \$17,343,745 \$17,297,345 | \$0 |
| 2015B Refunding | \$11,268,775 | \$0 | \$11,264,525 \$11,259,575 | \$0 |
| 2016A | \$14,387,675 | \$0 | \$14,384,800 \$14,376,850 | \$0 |
| 2016B Refunding | \$17,811,525 | \$0 | \$32,051,025 \$31,952,825 | \$0 |
| 2016C | \$11,655,625 | \$0 | \$11,656,125 | \$0 |
| 2016D | \$906,532 | \$0 | \$904,132 | \$0 |
| 2017A Refunding | \$19,100,475 | \$0 | \$6,088,100 \$5,899,700 | \$0 |
| 2018A | \$11,748,844 | \$0 | \$11,747,344 \$11,743,744 | \$0 |
| 2018B | \$1,233,290 | \$0 | \$1,230,990 | \$0 |
| 2019A | \$13,437,750 | \$0 | \$13,437,625 \$13,434,025 | \$0 |
| 2019B | \$10,155,400 | \$0 | \$10,157,150 | \$0 |
| 2019C | \$5,326,052 | \$0 | \$5,197,302 | \$0 |
| 2020A | \$15,723,325 | \$0 | \$15,723,825 \$15,719,425 | \$0 |
| 2020B Refunding | \$26,566,625 | \$0 | \$33,499,500 \$33,375,250 | \$0 |
| 2020C | \$6,621,668 | \$0 | \$6,618,510 | \$0 |
| 2021A | \$38,485,750 | \$0 | \$38,486,250 | \$0 |
| 2021B Refunding | \$1,183,232 | \$0 | \$1,185,309 | \$0 |
| 2022A | \$0 | \$0 | \$33,094,425 | \$0 |
| 2022B | \$0 | \$0 | \$5,467,790 | \$0 |
| Projected debt service and expenses | \$19,263,701 | \$0 | \$59,275,815 \$250,000 | \$0 |
| Total Service Area | \$336,631,860 | \$3,341,461 | \$374,551,619 \$355,570,181 | \$3,104,268 \$2,988,731 |

b. Out of this appropriation and in conjunction with any proposed disposition or transfer of the Eastern Shore Farmers Market, including the Market Office Building at 18491 Garey

ITEM 280.

| Item Details(\$) | | Appropriations(\$) | |
|-------------------------|--------------------|---------------------------|--------------------|
| First Year | Second Year | First Year | Second Year |
| FY2023 | FY2024 | FY2023 | FY2024 |

Road and the Produce Warehouse at 18513 Garey Road, Melfa, Virginia 23410, and the Seafood Market Building located at 18555 Garey Road, Melfa, Virginia 23410, by the Virginia Department of Agriculture and Consumer Services as set forth in § 3-1.01 II, up to \$6,000,000 the first year and \$0 the second year from the general fund is provided for remediation available under federal law in order to maintain tax-advantaged status on bonds that financed the construction, improvement and equipping of such facilities.

2.a. Funding is included in this Item for the Commonwealth's reimbursement of a portion of the approved capital costs as determined by the State Board of Local and Regional Jails and other interest costs as provided in §§ [53.1-80](#) through [53.1-82.2](#) of the Code of Virginia, for the following:

| Project | Commonwealth Share of Approved Capital Costs |
|--|---|
| Prince William - Manassas Regional Jail | \$21,032,421 |
| Middle River Regional Jail - Expansion and Renovation | \$24,125,430 |
| Henry County Jail | \$18,759,878 |
| Prince William - Manassas Regional Jail Expansion | \$678,387 |
| Riverside Regional Jail | \$807,447 |
| Fairfax County Adult Detention Center - Security and Mechanical Upgrades | \$14,479,670 |
| Total Approved Capital Costs | \$79,883,233 |
| | \$55,757,803 |

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

c. This paragraph shall constitute the authority for the Virginia Public Building Authority to issue bonds for the foregoing projects pursuant to § [2.2-2261](#) of the Code of Virginia.

d. Authority for the Virginia Public Building Authority to fund the Middle River Regional Jail - Expansion and Renovation project as authorized in Item 288 D.2. of Chapter 552, 2021 Acts of Assembly, Special Session I, is hereby rescinded.

D.1. Out of the amounts for Debt Service Payments on Virginia College Building Authority Bonds shall be paid to the Virginia College Building Authority the following amounts for use by the Authority for payments on obligations issued for financing authorized projects under the 21st Century College Program:

| Series | FY 2023 | FY 2024 |
|-----------------|----------------|----------------|
| 2009E Refunding | \$26,968,250 | \$18,611,250 |
| 2010B | \$26,774,791 | \$26,507,791 |
| 2012B | \$399,100 | \$399,100 |
| 2013 A | \$13,340,250 | \$0 |
| 2014A | \$15,938,850 | \$15,935,600 |
| | | \$13,489,800 |
| 2014B Refunding | \$195,400 | \$195,400 |
| 2015A | \$24,058,450 | \$13,643,950 |
| | | \$9,755,550 |
| 2015B Refunding | \$27,425,391 | \$27,424,266 |
| 2015D | \$16,311,785 | \$26,726,035 |
| | | \$26,257,435 |
| 2016A | \$19,476,100 | \$19,475,850 |
| | | \$16,797,150 |
| 2016B Refunding | \$1,972,000 | \$1,972,000 |

| ITEM 280. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|----------------------|--------------------|----------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 2016C | | \$4,428,901 | | \$4,430,471 |
| 2017B Refunding | | \$22,352,250 | | \$23,841,000 |
| 2017C | | \$31,464,000 | | \$31,465,750 |
| 2017D | | \$11,318,456 | | \$11,317,964 |
| 2017E Refunding | | \$54,799,500 | | \$67,187,000 |
| 2019A | | \$31,124,100 | | \$31,124,850 |
| 2019B | | \$9,982,750 | | \$9,986,250 |
| 2019C Refunding | | \$29,062,500 | | \$29,064,000 |
| 2020A & B | | \$22,690,545 | | \$22,689,935 |
| | | | | \$20,156,200 |
| 2020B Refunding | | \$7,867,830 | | \$7,868,280 |
| | | | | \$6,441,196 |
| 2021A | | \$32,911,050 | | \$32,914,050 |
| 2022A | | \$0 | | \$24,259,663 |
| 2022B <i>Refunding</i> | | \$0 | | \$18,547,409 |
| 2023A | | \$0 | | \$41,846,555 |
| 2023B | | \$0 | | \$11,156,299 |
| Projected 21st Century debt service & expenses | | \$44,114,110 | | \$87,830,508 |
| | | | | \$250,000 |
| Subtotal 21st Century | | \$474,976,358 | | \$510,611,299 |
| | | | | \$506,884,200 |

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

| Series | FY 2023 | FY 2024 |
|-----------------------------------|----------------------|----------------------|
| 2016A | \$11,067,000 | \$0 |
| 2017A | \$14,939,000 | \$14,941,500 |
| 2018A | \$12,866,750 | \$12,866,000 |
| 2019A | \$12,568,750 | \$12,571,750 |
| 2020A | \$12,061,250 | \$12,063,750 |
| 2021A | \$12,516,000 | \$12,514,000 |
| 2022A | \$0 | \$13,807,250 |
| 2023A | \$0 | \$14,400,657 |
| Projected debt service & expenses | \$13,807,710 | \$27,114,901 |
| | | \$0 |
| Subtotal Equipment | \$89,826,460 | \$92,071,901 |
| | | \$93,164,907 |
| Total Service Area | \$564,802,818 | \$602,683,200 |
| | | \$600,049,107 |

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

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

| Institution | FY 2023 | FY 2024 |
|--|-------------|-------------|
| George Mason University | \$2,804,490 | \$2,804,490 |
| Old Dominion University | \$1,108,899 | \$1,108,899 |
| University of Virginia | \$5,006,754 | \$5,006,754 |
| Virginia Polytechnic Institute and State | \$5,192,295 | \$5,192,295 |

ITEM 280.

| | Item Details(\$) | | Appropriations(\$) | |
|--|------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| University | | | | |
| Virginia Commonwealth University | \$2,359,266 | | \$2,359,266 | |
| College of William and Mary | \$1,639,845 | | \$1,639,845 | |
| Christopher Newport University | \$131,508 | | \$131,508 | |
| University of Virginia's College at Wise | \$48,330 | | \$48,330 | |
| James Madison University | \$2,843,787 | | \$2,843,787 | |
| Norfolk State University | \$420,789 | | \$420,789 | |
| Longwood University | \$106,149 | | \$106,149 | |
| University of Mary Washington | \$234,834 | | \$234,834 | |
| Radford University | \$300,486 | | \$300,486 | |
| Virginia Military Institute | \$400,470 | | \$400,470 | |
| Virginia State University | \$773,577 | | \$773,577 | |
| Richard Bland College | \$10,830 | | \$10,830 | |
| Virginia Community College System | \$3,301,665 | | \$3,301,665 | |
| TOTAL | \$26,683,974 | | | \$26,683,974 |

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

| Institution | General Fund | Nongeneral Fund | General Fund | Nongeneral Fund |
|---|---------------------|------------------------|------------------------------|------------------------|
| College of William & Mary | \$3,521,190 | \$259,307 | \$3,991,903 \$2,988,012 | \$259,307 |
| University of Virginia | \$14,736,611 | \$1,088,024 | \$16,021,183 \$13,584,069 | \$1,088,024 |
| Virginia Polytechnic Institute and State University | \$16,492,798 | \$992,321 | \$16,776,273 \$13,419,326 | \$992,321 |
| Virginia Military Institute | \$879,579 | \$88,844 | \$894,058 \$1,150,897 | \$88,844 |
| Virginia State University | \$1,357,553 | \$108,886 | \$1,379,234 \$1,743,312 | \$108,886 |
| Norfolk State University | \$1,518,993 | \$108,554 | \$1,672,023 \$1,558,769 | \$108,554 |
| Longwood University | \$740,819 | \$54,746 | \$756,993 \$965,613 | \$54,746 |
| University of Mary Washington | \$1,514,252 | \$97,063 | \$1,744,813 \$851,721 | \$97,063 |
| James Madison University | \$2,449,435 | \$254,504 | \$2,779,889 \$2,999,901 | \$254,504 |
| Radford University | \$986,8077 | \$135,235 | \$992,742 \$2,266,497 | \$135,235 |
| Old Dominion University | \$3,739,565 | \$374,473 | \$3,296,742 \$6,515,318 | \$374,473 |
| Virginia Commonwealth University | \$9,556,313 | \$401,647 | \$9,437,485 \$8,901,628 | \$401,647 |
| Richard Bland College | \$172,947 | \$2,027 | \$185,534 \$208,011 | \$2,027 |
| Christopher Newport University | \$860,248 | \$17,899 | \$818,586 \$979,941 | \$17,899 |
| University of Virginia's College at Wise | \$248,072 | \$19,750 | \$263,446 \$325,599 | \$19,750 |

| ITEM 280. | Item Details(\$) | | Appropriations(\$) | |
|--|----------------------|-----------------------|--------------------------------------|-----------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| George Mason University | \$4,632,155 | \$205,665 | \$4,638,315 \$5,126,621 | \$205,665 |
| Virginia Community College System | \$19,875,309 | \$633,657 | \$19,776,368 \$22,855,399 | \$633,657 |
| Virginia Institute of Marine Science | \$588,799 | \$0 | \$597,435 \$470,316 | \$0 |
| Roanoke Higher Education Authority | \$84,809 | \$0 | \$86,063 \$100,821 | \$0 |
| Southwest Virginia Higher Education Center | \$87,527 | \$0 | \$88,821 \$104,053 | \$0 |
| Institute for Advanced Learning and Research | \$299,553 | \$0 | \$303,982 \$356,110 | \$0 |
| Southern Virginia Higher Education Center | \$104,658 | \$0 | \$107,326 \$124,418 | \$0 |
| New College Institute | \$35,745 | \$0 | \$38,640 \$44,792 | \$0 |
| Eastern Virginia Medical School | \$500,126 | \$0 | \$581,448 \$681,159 | \$0 |
| TOTAL | \$84,983,859 | \$4,842,602 | \$87,229,300 \$88,322,305 | \$4,842,602 |

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

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

G. Notwithstanding the provisions of 2.2-1156, Code of Virginia, if tax-exempt bonds were used by the Commonwealth or its authorities, boards, or institutions to finance the acquisition, construction, improvement or equipping of real property, proceeds from the subsequent sale or disposition of such property and any improvements may first be applied toward remediation options available under federal law in order to maintain the tax-exempt status of such bonds.

H. Included in the appropriation for this item is an amount not to exceed \$25,000,000 in the first year from the general fund for defeasance of all outstanding bonds of the Central Virginia Training Center.

281. Not set out.

| | | |
|---------------------------------|---------------|------------------------------------|
| Total for Treasury Board..... | \$991,805,056 | \$1,031,659,380 \$1,009,928,311 |
| Fund Sources: General..... | \$954,233,341 | \$994,591,558 \$973,117,692 |
| Higher Education Operating..... | \$31,526,576 | \$31,526,576 |
| Dedicated Special Revenue..... | \$645,000 | \$645,000 |
| Federal Trust..... | \$5,400,139 | \$4,896,246 \$4,639,043 |

282. Not set out.

ITEM 282.

| | Item Details(\$) | | Appropriations(\$) | |
|----------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| TOTAL FOR OFFICE OF FINANCE..... | | | \$4,212,409,064 | \$3,567,445,007 |
| General Fund Positions..... | 1,125.70 | 1,125.70 | | |
| Nongeneral Fund Positions..... | 223.30 | 223.30 | | |
| Position Level..... | 1,349.00 | 1,349.00 | | |
| Fund Sources: General..... | \$3,461,885,230 | \$2,813,813,529 | | |
| Special..... | \$13,331,211 | \$13,331,211 | | |
| Higher Education Operating..... | \$31,526,576 | \$31,526,576 | | |
| Commonwealth Transportation..... | \$185,187 | \$185,187 | | |
| Internal Service..... | \$53,183,632 | \$56,770,082 | | |
| Trust and Agency..... | \$135,242,354 | \$135,267,441 | | |
| Dedicated Special Revenue..... | \$511,654,735 | \$511,654,735 | | |
| Federal Trust..... | \$5,400,139 | \$4,896,246 | | |
| | | \$2,792,886,203 | | |
| | | \$4,639,043 | | |

| ITEM 283. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

OFFICE OF HEALTH AND HUMAN RESOURCES

§ 1-15. SECRETARY OF HEALTH AND HUMAN RESOURCES (188)

283. Not set out.

Children's Services Act (200)

| | | | |
|--|---------------|---------------|---------------|
| 284. Protective Services (45300)..... | | \$385,591,773 | \$385,591,773 |
| Financial Assistance for Child and Youth Services (45303)..... | \$385,591,773 | \$385,591,773 | \$421,946,337 |
| Fund Sources: General..... | \$327,959,444 | \$327,959,444 | \$364,314,008 |
| Federal Trust..... | \$57,632,329 | \$57,632,329 | |

Authority: Title 2.2, Chapter 52, Code of Virginia.

A. The Department of Education shall serve as fiscal agent to administer funds cited in paragraphs B and C.

B.1.a. Out of this appropriation, \$269,287,579 the first year and \$269,287,579 the second year from the general fund and \$57,632,329 the first year and \$57,632,329 the second year from nongeneral funds shall be used for the state pool of funds pursuant to § [2.2-5211](#), Code of Virginia. This appropriation shall consist of a Medicaid pool allocation, and a non-Medicaid pool allocation.

b. The Medicaid state pool allocation shall consist of \$31,214,350 the first year and \$31,214,350 the second year from the general fund and \$48,212,331 the first year and \$48,212,331 the second year from nongeneral funds. The Office of Children's Services will transfer these funds to the Department of Medical Assistance Services as they are needed to pay Medicaid provider claims.

c. The non-Medicaid state pool allocation shall consist of \$238,073,229 the first year and \$238,073,229 the second year from the general fund and \$8,419,998 the first year and \$8,419,998 the second year from nongeneral funds. The nongeneral funds shall be transferred from the Department of Social Services.

d. The Office of Children's Services, with the concurrence of the Department of Planning and Budget, shall have the authority to transfer the general fund allocation between the Medicaid and non-Medicaid state pools in the event that a shortage should exist in either of the funding pools.

e. The Office of Children's Services, per the policy of the State Executive Council, shall deny state pool funding to any locality not in compliance with federal and state requirements pertaining to the provision of special education and foster care services funded in accordance with § [2.2-5211](#), Code of Virginia.

2.a. Out of this appropriation, \$55,666,865 the first year and \$55,666,865 \$92,321,429 the second year from the general fund and \$1,000,000 the first year and \$1,000,000 the second year from nongeneral funds shall be set aside to pay for the state share of supplemental requests from localities that have exceeded their state allocation for mandated services. The nongeneral funds shall be transferred from the Department of Social Services.

b. In each year, the director of the Office of Children's Services may approve and obligate supplemental funding requests in excess of the amount in 2a above, for mandated pool fund expenditures up to 10 percent of the total general fund appropriation authority in B1a in this Item.

c. The State Executive Council shall maintain local government performance measures to

| ITEM 284. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

include, but not be limited to, use of federal funds for state and local support of the Children's Services Act.

d. Pursuant to § [2.2-5200](#), Code of Virginia, Community Policy and Management Teams shall seek to ensure that services and funding are consistent with the Commonwealth's policies of preserving families and providing appropriate services in the least restrictive environment, while protecting the welfare of children and maintaining the safety of the public. Each locality shall submit to the Office of Children's Services information on utilization of residential facilities for treatment of children and length of stay in such facilities. By December 15 of each year, the Office of Children's Services shall report to the Governor and Chairmen of the House Appropriations and Senate Finance and Appropriations Committees on utilization rates and average lengths of stays statewide and for each locality.

3. Each locality receiving funds for activities under the Children's Services Act (CSA) shall have a utilization management process, including a uniform assessment, approved by the State Executive Council, covering all CSA services. Utilizing a secure electronic site, each locality shall also provide information as required by the Office of Children's Services to include, but not be limited to case specific information, expenditures, number of youth served in specific CSA activities, length of stay for residents in core licensed residential facilities, and proportion of youth placed in treatment settings suggested by the uniform assessment instrument. The State Executive Council, utilizing this information, shall track and report on child specific outcomes for youth whose services are funded under the Children's Services Act. Only non-identifying demographic, service, cost and outcome information shall be released publicly. Localities requesting funding from the set aside in paragraph 2.a. and 2.b. must demonstrate compliance with all CSA provisions to receive pool funding.

4. The Secretary of Health and Human Resources, in consultation with the Secretary of Education and the Secretary of Public Safety and Homeland Security, shall direct the actions for the Departments of Social Services, Education, and Juvenile Justice, Medical Assistance Services, Health, and Behavioral Health and Developmental Services, to implement, as part of ongoing information systems development and refinement, changes necessary for state and local agencies to fulfill CSA reporting needs.

5. The State Executive Council shall provide localities with technical assistance on ways to control costs and on opportunities for alternative funding sources beyond funds available through the state pool.

6. Out of this appropriation, \$100,000 the first year and \$100,000 the second year from the general fund is provided for a combination of regional and statewide meetings for technical assistance to local community policy and management teams, family assessment and planning teams, and local fiscal agents. Training shall include, but not be limited to, cost containment measures, building community-based services, including creation of partnerships with private providers and non-profit groups, utilization management, use of alternate revenue sources, and administrative and fiscal issues. A state-supported institution of higher education, in cooperation with the Virginia Association of Counties, the Virginia Municipal League, and the State Executive Council, may assist in the provisions of this paragraph. A training plan shall be presented to and approved by the State Executive Council before the beginning of each fiscal year. A training calendar and timely notice of programs shall be provided to Community Policy and Management Teams and family assessment and planning team members statewide as well as to local fiscal agents and chief administrative officers of cities and counties. A report on all regional and statewide training sessions conducted during the fiscal year, including (i) a description of each program and trainers, (ii) the dates of the training and the number of attendees for each program, (iii) a summary of evaluations of these programs by attendees, and (iv) the funds expended, shall be made to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees and to the members of the State Executive Council by December 1 of each year. Any funds unexpended for this purpose in the first year shall be reappropriated for the same use in the second year.

7. Out of this appropriation, \$70,000 the first year and \$70,000 the second year from the general fund is provided for the Office of Children's Services to contract for the support of uniform CSA reporting requirements.

8. The State Executive Council shall require a uniform assessment instrument.

| ITEM 284. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 9. The Office of Children's Services, in conjunction with the Department of Social Services, shall determine a mechanism for reporting Temporary Assistance for Needy Families Maintenance of Effort eligible costs incurred by the Commonwealth and local governments for the Children's Services Act. | | | | |
| 10. For purposes of defining cases involving only the payment of foster care maintenance, pursuant to § 2.2-5209 , Code of Virginia, the definition of foster care maintenance used by the Virginia Department of Social Services for federal Title IV-E shall be used. | | | | |
| C. The funding formula to carry out the provisions of the Children's Services Act is as follows: | | | | |
| 1. Allocations. The allocations for the Medicaid and non-Medicaid pools shall be the amounts specified in paragraphs B.1.b. and B.1.c. in this Item. These funds shall be distributed to each locality in each year of the biennium based on the greater of that locality's percentage of actual 1997 Children's Services Act pool fund program expenditures to total 1997 pool fund program expenditures or the latest available three-year average of actual pool fund program expenditures as reported to the state fiscal agent. | | | | |
| 2. Local Match. All localities are required to appropriate a local match for the base year funding consisting of the actual aggregate local match rate based on actual total 1997 program expenditures for the Children's Services Act. This local match rate shall also apply to all reimbursements from the state pool of funds in this Item and carryforward expenditures submitted prior to September 30 each year for the preceding fiscal year, including administrative reimbursements under paragraph C.4. in this Item. | | | | |
| 3.a. Notwithstanding the provisions of C.2. of this Item, beginning July 1, 2008, the local match rate for community based services for each locality shall be reduced by 50 percent. | | | | |
| b. Localities shall review their caseloads for those individuals who can be served appropriately by community-based services and transition those cases to the community for services. Beginning July 1, 2009, the local match rate for non-Medicaid residential services for each locality shall be 25 percent above the fiscal year 2007 base. Beginning July 1, 2011, the local match rate for Medicaid residential services for each locality shall be 25 percent above the fiscal year 2007 base. | | | | |
| c. By December 1 of each year, The State Executive Council (SEC) shall provide an update to the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees on the outcomes of this initiative. | | | | |
| d. At the direction of the State Executive Council, local Community Policy and Management Teams (CPMTs) and Community Services Boards (CSBs) shall work collaboratively in their service areas to develop a local plan for intensive care coordination (ICC) services that best meets the needs of the children and families. If there is more than one CPMT in the CSB's service area, the CPMTs and the CSB may work together as a region to develop a plan for ICC services. Local CPMTs and CSBs shall also work together to determine the most appropriate and cost-effective provider of ICC services for children in their community who are placed in, or at-risk of being placed in, residential care through the Children's Services Act, in accordance with guidelines developed by the State Executive Council. The State Executive Council and Office of Children's Services shall establish guidelines for reasonable rates for ICC services and provide training and technical assistance to CPMTs and fiscal agents regarding these services. | | | | |
| e. The local match rate for all non-Medicaid services provided in the public schools after June 30, 2011 shall equal the fiscal year 2007 base. | | | | |
| 4. Local Administrative Costs. Out of this appropriation, an amount equal to two percent of the fiscal year 1997 pool fund allocations, not to exceed \$2,560,000 the first year and \$2,560,000 the second year from the general fund, shall be allocated among all localities for administrative costs. Every locality shall be required to appropriate a local match based on the local match contribution in paragraph C.2. of this Item. Inclusive of the state allocation and local matching funds, every locality shall receive the larger of \$12,500 or an amount equal to two percent of the total pool allocation. Localities are encouraged to use administrative funding to hire a full-time or part-time local coordinator for the | | | | |

| ITEM 284. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | Children's Services Act program. Localities may pool this administrative funding to hire regional coordinators. | | | |
| 5. | Definition. For purposes of the funding formula in the Children's Services Act, "locality" means city or county. | | | |
| D. | Community Policy and Management Teams shall use Medicaid-funded services whenever they are available for the appropriate treatment of children and youth receiving services under the Children's Services Act. Effective July 1, 2009, pool funds shall not be spent for any service that can be funded through Medicaid for Medicaid-eligible children and youth except when Medicaid-funded services are unavailable or inappropriate for meeting the needs of a child. | | | |
| E. | Pursuant to subdivision 3 of § 2.2-5206 , Code of Virginia, Community Policy and Management Teams shall enter into agreements with the parents or legal guardians of children receiving services under the Children's Services Act. The Office of Children's Services shall be a party to any such agreement. | | | |
| F. | The Office of Children's Services, in cooperation with the Department of Medical Assistance Services, shall provide technical assistance and training to assist residential and treatment foster care providers who provide Medicaid-reimbursable services through the Children's Services Act to become Medicaid-certified providers. | | | |
| G. | The Office of Children's Services shall work with the State Executive Council and the Department of Medical Assistance Services to assist Community Policy and Management Teams in appropriately accessing a full array of Medicaid-funded services for Medicaid-eligible children and youth through the Children's Services Act, thereby increasing Medicaid reimbursement for treatment services and decreasing the number of denials for Medicaid services related to medical necessity and utilization review activities. | | | |
| H. | Pursuant to subdivision 21 of § 2.2-2648 , Code of Virginia, no later than December 20 in the odd-numbered years, the State Executive Council shall biennially publish and disseminate to members of the General Assembly and Community Policy and Management Teams a progress report on services for children, youth, and families and a plan for such services for the succeeding biennium. | | | |
| I. | Out of this appropriation, \$275,000 the first year and \$275,000 the second year from the general fund shall be used to purchase and maintain an information system to provide quality and timely child demographic, service, expenditure, and outcome data. | | | |
| J. | The State Executive Council shall work with the Department of Education to ensure that funding in this Item is sufficient to pay for the educational services of students that have been placed in or admitted to state or privately operated psychiatric or residential treatment facilities to meet the educational needs of the students as prescribed in the student's Individual Educational Plan (IEP). | | | |
| K.1. | The Office of Children's Services (OCS) shall report on funding for therapeutic foster care services including but not limited to the number of children served annually, average cost of care, type of service provided, length of stay, referral source, and ultimate disposition. In addition, the OCS shall provide guidance and training to assist localities in negotiating contracts with therapeutic foster care providers. | | | |
| 2. | The Office of Children's Services shall report on funding for special education day treatment and residential services, including but not limited to the number of children served annually, average cost of care, type of service provided, length of stay, referral source, and ultimate disposition. | | | |
| 3. | The Office of Children's Services shall report by December 1 of each year the information included in this paragraph to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees. | | | |
| L. | Out of this appropriation, the Director, Office of Children's Services, shall allocate \$2,200,000 the first year and \$2,200,000 the second year from the general fund to localities for wrap-around services for students with disabilities as defined in the Children's Services Act policy manual. | | | |

| ITEM 284. | Item Details(\$) | | Appropriations(\$) | |
|--|--|---------------|--------------------------------|--------------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| M. On or before June 30, 2024, the Director, Department of Planning and Budget, shall authorize the reversion to the general fund of \$36,100,000 from the FY 2023 surplus balances of this program. | | | | |
| 285. | Not set out. | | | |
| | Total for Children's Services Act..... | | \$388,331,762 | \$388,292,097 \$424,646,661 |
| | General Fund Positions..... | 16.00 | 16.00 | |
| | Position Level..... | 16.00 | 16.00 | |
| | Fund Sources: General..... | \$330,699,433 | \$330,659,768 \$367,014,332 | |
| | Federal Trust..... | \$57,632,329 | \$57,632,329 | |
| | Grand Total for Secretary of Health and Human Resources..... | | \$389,985,032 | \$389,195,367 \$425,549,931 |
| | General Fund Positions..... | 21.00 | 21.00 | |
| | Position Level..... | 21.00 | 21.00 | |
| | Fund Sources: General..... | \$332,352,703 | \$331,563,038 \$367,917,602 | |
| | Federal Trust..... | \$57,632,329 | \$57,632,329 | |
| 286. | Not set out. | | | |
| 287. | Not set out. | | | |
| 288. | Not set out. | | | |
| 289. | Not set out. | | | |
| 290. | Not set out. | | | |
| 291. | Not set out. | | | |
| 292. | Not set out. | | | |
| 293. | Not set out. | | | |
| 294. | Not set out. | | | |
| 295. | Not set out. | | | |
| 296. | Not set out. | | | |
| 297. | Not set out. | | | |
| 298. | Not set out. | | | |
| 299. | Not set out. | | | |
| 300. | Not set out. | | | |
| 301. | Not set out. | | | |

| ITEM 301. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

§ 1-16. DEPARTMENT OF MEDICAL ASSISTANCE SERVICES (602)

| | | | | |
|------|--|--------------|------------------------------|------------------------------|
| 302. | Pre-Trial, Trial, and Appellate Processes (32100)..... | | \$15,654,501 | \$15,404,501 \$11,755,894 |
| | Reimbursements for Medical Services Related to Involuntary Mental Commitments (32107)..... | \$15,654,501 | \$15,404,501 \$11,755,894 | |
| | Fund Sources: General..... | \$15,654,501 | \$15,404,501 \$11,755,894 | |

Authority: § [37.2-809](#), Code of Virginia.

A. Any balance, or portion thereof, in Reimbursements for Medical Services Related to Involuntary Mental Commitments (32107), may be transferred between Items 45, 46, 47, and 302 as needed, to address any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services.

B. Out of this appropriation, payments may be made to licensed health care providers for medical screening and assessment services provided to persons with mental illness while in emergency custody pursuant to § [37.2-808](#), Code of Virginia.

C. To the extent that appropriations in this Item are insufficient, the Department of Planning and Budget shall transfer general fund appropriation, as needed, from Children's Health Insurance Program Delivery (44600), Medicaid Program Services (45600), and Medical Assistance Services for Low Income Children (46600), if available, into this Item.

| | | | | |
|------|--|---------------|--------------------------------|--------------------------------|
| 303. | Children's Health Insurance Program Delivery (44600)..... | | \$316,304,616 | \$336,473,568 \$346,716,701 |
| | Reimbursements for Medical Services Provided Under the Family Access to Medical Insurance Security Plan (44602)..... | \$314,560,653 | \$335,589,657 \$345,882,368 | |
| | CHIP Health Services Initiatives for Family Access to Medical Insurance Security Medical Services (44636)..... | \$1,743,963 | \$883,911 \$834,333 | |
| | Fund Sources: General..... | \$94,180,970 | \$99,450,657 \$100,529,318 | |
| | Dedicated Special Revenue..... | \$14,065,627 | \$14,065,627 | |
| | Federal Trust..... | \$208,058,019 | \$222,957,284 \$232,121,756 | |

Authority: Title 32.1, Chapter 13, Code of Virginia; Title XXI, Social Security Act, Federal Code.

A. Pursuant to Chapter 679, Acts of Assembly of 1997, the State Corporation Commission shall annually, on or before June 30, 1998, and each year thereafter, calculate the premium differential between: (i) 0.75 percent of the direct gross subscriber fee income derived from eligible contracts and (ii) the amount of license tax revenue generated pursuant to subdivision A 4 of § [58.1-2501](#) for the immediately preceding taxable year and notify the Comptroller of the Commonwealth to transfer such amounts to the Family Access to Medical Insurance Security Plan Trust Fund as established on the books of the State Comptroller.

B. As a condition of this appropriation, revenues from the Family Access to Medical Insurance Security Plan Trust Fund, shall be used to match federal funds for the Children's Health Insurance Program.

C. Every eligible applicant for health insurance as provided for in Title 32.1, Chapter 13, Code of Virginia, shall be enrolled and served in the program.

D. To the extent that appropriations in this Item are insufficient, the Department of Planning and Budget shall transfer general fund appropriation, as needed, from Medicaid Program Services (45600) and Medical Assistance Services for Low Income Children (46600), if available, into this Item to be used as state match for federal Title XXI funds.

| ITEM 303. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|--------------------------------------|--------------------|--------------------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| E. The Department of Medical Assistance Services shall make the monthly capitation payment to managed care organizations for the member months of each month in the first week of the subsequent month. | | | | |
| F. If any part, section, subsection, paragraph, clause, or phrase of this Item or the application thereof is declared by the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services to be in conflict with a federal law or regulation, such decisions shall not affect the validity of the remaining portions of this Item, which shall remain in force as if this Item had passed without the conflicting part, section, subsection, paragraph, clause, or phrase. Further, if the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services determines that the process for accomplishing the intent of a part, section, subsection, paragraph, clause, or phrase of this Item is out of compliance or in conflict with federal law and regulation and recommends another method of accomplishing the same intent, the Director, Department of Medical Assistance Services, after consultation with the Attorney General, is authorized to pursue the alternative method. | | | | |
| G. The Department of Medical Assistance Services shall seek federal authority through waiver and State Plan amendments under Titles XIX and XXI of the Social Security Act to offer medically necessary treatment for substance use disorder in an Institution for Mental Diseases (IMD) for individuals enrolled in FAMIS MOMS, equivalent to such benefits offered to pregnant women under the Medicaid state plan and 1115 substance use disorder demonstration waiver. The department shall have the authority to promulgate emergency regulations to implement these amendments within 280 days or less from the enactment of this Act. | | | | |
| H. The Department of Medical Assistance Services shall amend the Virginia Family Access to Medical Insurance Security (FAMIS) State Plan to allow for the payment of prenatal, labor and delivery, and postpartum care pursuant to provisions in Title XXI of the federal 2009 CHIP Reauthorization Act that includes care of all children who upon birth will be U.S. citizens, U.S. nationals, or qualified aliens. The Department shall have the authority to implement this change effective July 1, 2021, or consistent with the effective date in the State Plan Amendment approved by the Centers for Medicare and Medicaid Services (CMS), and prior to completion of any regulatory process. | | | | |
| I. 1. 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. | | | | |
| 2. 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. | | | | |
| 3. 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. | | | | |
| 304. Medicaid Program Services (45600)..... | | | \$19,756,373,008 | \$22,082,853,471 \$21,730,949,005 |
| Payments for Graduate Medical Education Residencies (45606)..... | \$8,700,000 | \$8,700,000 | | |
| Reimbursements to State-Owned Mental Health and Intellectual Disabilities Facilities (45607)..... | \$53,851,250 | \$61,635,858 | | |
| Reimbursements for Behavioral Health Services (45608)..... | \$49,580,190 | \$48,618,266 \$32,609,931 | | |
| Reimbursements for Medical Services (45609)..... | \$11,183,440,208 | \$13,413,233,399 \$11,979,632,554 | | |
| Reimbursements for Long-Term Care Services (45610)..... | \$2,256,075,926 | \$2,404,030,278 \$2,338,216,574 | | |

| ITEM 304. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|------------------|--------------------------------------|--------------------|-------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| | Payments for Healthcare Coverage for Low-Income Uninsured Adults (45611)..... | \$6,204,725,434 | \$6,146,635,670 \$7,310,154,088 | | |
| | Fund Sources: General..... | \$5,540,834,071 | \$5,733,696,500 \$5,596,313,728 | | |
| | Dedicated Special Revenue..... | \$1,658,810,460 | \$1,691,933,452 \$2,234,624,300 | | |
| | Federal Trust..... | \$12,556,728,477 | \$14,657,223,519 \$13,900,010,977 | | |

Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-97, as amended, Title XIX, Social Security Act, Federal Code.

A. Out of this appropriation, \$26,925,625 the first year and \$30,817,929 the second year from the general fund and \$26,925,625 the first year and \$30,817,929 the second year from the federal trust fund is provided for reimbursement to the institutions within the Department of Behavioral Health and Developmental Services.

B.1. Included in this appropriation is \$2,032,933 the first year and \$3,689,923 the second year from the general fund and \$21,221,692 the first year and \$22,878,682 \$19,680,351 the second year from nongeneral funds to reimburse the Virginia Commonwealth University Health System for indigent health care costs as reported by the hospital and adjusted by the department for indigent care savings related to Medicaid expansion. This funding is composed of disproportionate share hospital (DSH) payments, indirect medical education (IME) payments, and any Medicaid profits realized by the Health System. Payments made from the federal DSH fund shall be made in accordance with 42 USC 1396r-4.

2. Included in this appropriation is \$32,489,625 the first year and \$35,204,906 \$15,139,615 the second year from the general fund and \$47,204,403 the first year and \$49,919,684 \$32,052,673 the second year from nongeneral funds to reimburse the University of Virginia Health System for indigent health care costs as reported by the hospital and adjusted by the department for indigent care savings related to Medicaid expansion. This funding is comprised of disproportionate share hospital (DSH) payments, indirect medical education (IME) payments, and any Medicaid profits realized by the Health System. Payments made from the federal DSH fund shall be made in accordance with 42 USC 1396r-4.

3. The general fund amounts for the state teaching hospitals have been reduced to mirror the general fund impact of reduced and no inflation for inpatient services in prior years. It also includes reductions associated with prior year indigent care reductions. However, the nongeneral funds are appropriated. In order to receive the nongeneral funds in excess of the amount of the general fund appropriated, the health systems shall certify the public expenditures.

4. The Department of Medical Assistance Service shall have the authority to increase Medicaid payments for Type One hospitals and physicians consistent with the appropriations to compensate for limits on disproportionate share hospital (DSH) payments to Type One hospitals that the department would otherwise make. In particular, the department shall have the authority to amend the State Plan for Medical Assistance to increase physician supplemental payments for physician practice plans affiliated with Type One hospitals up to the average commercial rate as demonstrated by University of Virginia Health System and Virginia Commonwealth University Health System, to change reimbursement for Graduate Medical Education to cover costs for Type One hospitals, to case mix adjust the formula for indirect medical education reimbursement for HMO discharges for Type One hospitals and to increase the adjustment factor for Type One hospitals to 1.0. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

5. Effective July 1, 2022, any hospitals acquired by or that become fully-owned by designated Type One hospitals shall be considered Type Two facilities for reimbursement including, but not limited to: Indirect Medical Education payments, Graduate Medical Education Payments, Direct Medical Education payments, Disproportionate Share Hospital payments, hospital rate-setting purposes, aggregated cost settlements, and physician supplemental payments. Facilities acquired prior to July 1, 2022, by Type One hospitals shall continue to be designated as Type One hospitals for reimbursement purposes.

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| C.1. The estimated revenue for the Virginia Health Care Fund is \$626,102,702 the first year and \$696,209,925 \$707,708,970 the second year, to be used pursuant to the uses stated in § 32.1-367, Code of Virginia. | | | | |
| 2. Notwithstanding any other provision of law, revenues deposited to the Virginia Health Care Fund shall only be used as the state share of Medicaid unless specifically authorized by this Act. | | | | |
| 3. Notwithstanding § 32.1-366, Code of Virginia, the State Comptroller shall deposit 41.5 percent of the Commonwealth's allocation of the Master Settlement Agreement with tobacco product manufacturers, as defined in § 3.2-3100, Code of Virginia, to the Virginia Health Care Fund. | | | | |
| 4. The state share, not including hospital assessment dollars, of any repayment by managed care organizations resulting from exceeding their profit caps for not meeting the medical loss ratios pursuant to their contracts with the Department of Medical Assistance Services, shall be deposited to the Health Care Fund. | | | | |
| D. If any part, section, subsection, paragraph, clause, or phrase of this Item or the application thereof is declared by the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services to be in conflict with a federal law or regulation, such decisions shall not affect the validity of the remaining portions of this Item, which shall remain in force as if this Item had passed without the conflicting part, section, subsection, paragraph, clause, or phrase. Further, if the United States Department of Health and Human Services or the Centers for Medicare and Medicaid Services determines that the process for accomplishing the intent of a part, section, subsection, paragraph, clause, or phrase of this Item is out of compliance or in conflict with federal law and regulation and recommends another method of accomplishing the same intent, the Director, Department of Medical Assistance Services, after consultation with the Attorney General, is authorized to pursue the alternative method. | | | | |
| E.1. At least 45 days prior to the submission of any State Plan or waiver amendment or renewal of such, to the Centers for Medicare and Medicaid Services (CMS) or change in the contracts with managed care organizations (MCO) that may impact the capitation rates, the Department of Medical Assistance Services (DMAS) shall provide written notification to the Director, Department of Planning and Budget as to the purpose of such change. This notice shall also assess whether the amendment will require any future state regulatory action or expenditure beyond that which is appropriated in this Act. If the Department of Planning and Budget, after review of the proposed change, determines that it may likely result in a material fiscal impact on the general fund, for which no legislative appropriation has been provided, then the Department of Medical Assistance Services shall delay the proposed change until the General Assembly authorizes such action and notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees of such action. | | | | |
| 2. Effective July 1, 2022, the Department of Medical Assistance Services shall have the authority to include modifications to the Cardinal Care Managed Care Contract as necessary to implement actions specifically authorized through language included in this Act. | | | | |
| 3. The department shall track and report on compliance with NCQA response time standards for each MCO, broken down by service type. Such tracking shall include: (i) How often total response time, from initial submittal until service authorization or denial, exceeds the NCQA standards; and (ii) How often appeals are filed, and of those, how often are services subsequently approved and how often they are denied. The department shall publish the data on these items on a quarterly basis to the department's website. | | | | |
| 4. The Department of Medical Assistance Services shall modify its contracts with managed care organizations to require annual reporting with regard to Medicaid Community Mental Health Rehabilitation Services on: (i) the number of providers in their network and their geographic locations; (ii) the total number of provider terminations by year since fiscal year 2018 and the number terminated with and without cause; (iii) the localities the terminated providers served; and (iv) the number of Medicaid members the | | | | |

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | providers were serving prior to termination of their provider contract. The department shall report this data annually, not later than November 1, to the Joint Subcommittee for Health and Human Resources Oversight. | | | |
| 5. | Cardinal Care Managed Care (formerly CCC Plus) plans shall upgrade their Medicare Dual Special Needs Plans (D-SNPs) to Fully Integrated Dual Eligible Special Needs Plans (FIDE-SNPs), unless otherwise prohibited to do so by federal rule. | | | |
| 6. | The Department of Medical Assistance Services shall amend the managed care contract(s) effective July 1, 2022 to create a blended rate model to merge capitation rates for those with third-party liability and those with no third party liability. The rate model shall be developed in a rate neutral and actuarial sound manner during the annual capitation calculation process. This change is subject to CMS rate approval. | | | |
| F.1. | The Director, Department of Medical Assistance Services shall seek the necessary waivers from the United States Department of Health and Human Services to authorize the Commonwealth to cover health care services and delivery systems, as may be permitted by Title XIX of the Social Security Act, which may provide less expensive alternatives to the State Plan for Medical Assistance. | | | |
| 2. | At least 30 days prior to the submission of an application for any new waiver of Title XIX or Title XXI of the Social Security Act, the Department of Medical Assistance Services shall notify the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees of such pending application and provide information on the purpose and justification for the waiver along with any fiscal impact. If the department receives an official letter from either Chairmen raising an objection about the waiver during the 30-day period, the department shall not submit the waiver application and shall request authority for such waiver as part of the normal legislative or budgetary process. If the department receives no objection, then the application may be submitted. Any waiver specifically authorized elsewhere in this Item is not subject to this provision. Waiver renewals are not subject to the provisions of this paragraph. | | | |
| 3. | The director shall promulgate such regulations as may be necessary to implement those programs which may be permitted by Titles XIX and XXI of the Social Security Act, in conformance with all requirements of the Administrative Process Act. | | | |
| G. | To the extent that appropriations in this Item are insufficient, the Department of Planning and Budget shall transfer general fund appropriation, as needed, from Children's Health Insurance Program Delivery (44600) and Medical Assistance Services for Low Income Children (46600), if available, into this Item to be used as state match for federal Title XIX funds. | | | |
| H. | Notwithstanding any other provision of law, any unexpended general fund appropriation remaining in this Item on the last day of each fiscal year shall revert to the general fund and shall not be reappropriated in the following fiscal year. | | | |
| I. | It is the intent of the General Assembly that the medically needy income limits for the Medicaid program are adjusted annually to account for changes in the Consumer Price Index. | | | |
| J.1.a. | As of July 1, 2021, the Community Living (CL) waiver authorizes 12,006 slots. | | | |
| b. | As of July 1, 2021, the Family and Individuals Support (FIS) waiver authorizes 4,533 slots. | | | |
| c. | As of July 1, 2021, the Building Independence (BI) waiver authorizes 400 slots. | | | |
| 2. | Notwithstanding Chapters 228 and 303 of the 2009 Virginia Acts of Assembly and §32.1-323.2 of the Code of Virginia, the Department of Medical Assistance Services shall not add any slots to the Intellectual Disabilities Medicaid Waiver or the Individual and Family Developmental Disabilities and Support Medicaid Waiver other than those slots authorized specifically to support the Money Follows the Person Demonstration, individuals who are exiting state institutions, any slots authorized under Chapters 724 and 729 of the 2011 Virginia Acts of Assembly or §37.2-319, Code of Virginia, or authorized elsewhere in this Act. | | | |
| 3. | Upon approval by the Centers for Medicare and Medicaid Services of the application for | | | |

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

renewal of the CL, FIS and BI waivers, expeditious implementation of any revisions shall be deemed an emergency situation pursuant to § 2.2-4002 of the Administrative Process Act. Therefore, to meet this emergency situation, the Department of Medical Assistance Services shall promulgate emergency regulations to implement the provisions of this Act.

4.a. The Department of Medical Assistance Services (DMAS) shall amend the CL waiver to add 100 slots effective July 1, 2023 and 70 slots effective January 1, 2024. An amount estimated at \$6,726,806 the second year from the general fund and \$6,939,467 the second year from nongeneral funds is provided to cover the anticipated costs of the new slots.

b. The Department of Medical Assistance Services (DMAS) shall amend the FIS waiver to add 500 slots effective July 1, 2023 and 430 slots effective January 1, 2024. An amount estimated at \$16,607,241 the second year from the general fund and \$17,139,763 the second year from nongeneral funds is provided to cover the anticipated costs of the new slots.

c. The Department of Medical Assistance Services, in collaboration with the Department of Behavioral Health and Developmental Services, shall separately track all costs associated with the additional slots added in paragraphs J.4.a. and J.4.b. above. By December 1 of each year, the department shall report this data to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees and the Director, Department of Planning and Budget.

K. The Department of Medical Assistance Services shall not require dentists who agree to participate in the delivery of Medicaid pediatric dental care services, or services provided to enrollees in the Family Access to Medical Insurance Security (FAMIS) Plan or any variation of FAMIS, to also deliver services to subscribers enrolled in commercial plans of the managed care vendor, unless the dentist is a willing participant in the commercial managed care plan.

L. The Department of Medical Assistance Services shall implement continued enhancements to the drug utilization review (DUR) program. The department shall continue the Pharmacy Liaison Committee and the DUR Board. The department shall continue to work with the Pharmacy Liaison Committee, meeting at least semi-annually, to implement initiatives for the promotion of cost-effective services delivery as may be appropriate. The department shall solicit input from the Pharmacy Liaison Committee regarding pharmacy provisions in the development and enforcement of all managed care contracts. The Pharmacy Liaison Committee shall include a representative from the Virginia Community Healthcare Association to represent pharmacy operations and issues at federally qualified health centers in Virginia. The department shall report on the Pharmacy Liaison Committee's and the DUR Board's activities to the Board of Medical Assistance Services and to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees and the Department of Planning and Budget no later than December 15 each year of the biennium.

M.1. The Department of Medical Assistance Services shall develop and pursue cost saving strategies internally and with the cooperation of the Department of Social Services, Virginia Department of Health, Office of the Attorney General, Children's Services Act program, Department of Education, Department of Juvenile Justice, Department of Behavioral Health and Developmental Services, Department for Aging and Rehabilitative Services, Department of the Treasury, University of Virginia Health System, Virginia Commonwealth University Health System Authority, Department of Corrections, federally qualified health centers, local health departments, local school divisions, community service boards, local hospitals, and local governments, that focus on optimizing Medicaid claims and cost recoveries. Any revenues generated through these activities shall be transferred to the Virginia Health Care Fund to be used for the purposes specified in this Item.

2. The Department of Medical Assistance Services shall retain the savings necessary to reimburse a vendor for its efforts to implement paragraph M.1. of this Item. However, prior to reimbursement, the department shall identify for the Secretary of Health and Human Resources each of the vendor's revenue maximization efforts and the manner in which each vendor would be reimbursed. No reimbursement shall be made to the vendor without the prior approval of the above plan by the Secretary.

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| N. The Department of Medical Assistance Services shall have the authority to pay contingency fee contractors, engaged in cost recovery activities, from the recoveries that are generated by those activities. All recoveries from these contractors shall be deposited to a special fund. After payment of the contingency fee any prior year recoveries shall be transferred to the Virginia Health Care Fund. The Director, Department of Medical Assistance Services, shall report to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees the increase in recoveries associated with this program as well as the areas of audit targeted by contractors by November 1 each year. | | | | |
| O. The Department of Medical Assistance Services in cooperation with the State Executive Council, shall provide semi-annual training to local Children's Services Act teams on the procedures for use of Medicaid for residential treatment and treatment foster care services, including, but not limited to, procedures for determining eligibility, billing, reimbursement, and related reporting requirements. The department shall include in this training information on the proper utilization of inpatient and outpatient mental health services as covered by the Medicaid State Plan. | | | | |
| P.1. Notwithstanding § 32.1-331.12 et seq., Code of Virginia, the Department of Medical Assistance Services, in consultation with the Department of Behavioral Health and Developmental Services, shall amend the State Plan for Medical Assistance Services to modify the delivery system of pharmaceutical products to include a Preferred Drug List. In developing the modifications, the department shall consider input from physicians, pharmacists, pharmaceutical manufacturers, patient advocates, and others, as appropriate. | | | | |
| 2.a. The department shall utilize a Pharmacy and Therapeutics Committee to assist in the development and ongoing administration of the Preferred Drug List program. The Pharmacy and Therapeutics Committee shall be composed of 8 to 12 members, including the Commissioner, Department of Behavioral Health and Developmental Services, or his designee. Other members shall be selected or approved by the department. The membership shall include a ratio of physicians to pharmacists of 2:1 and the department shall ensure that at least one-half of the physicians and pharmacists are either direct providers or are employed with organizations that serve recipients for all segments of the Medicaid population. Physicians on the committee shall be licensed in Virginia, one of whom shall be a psychiatrist, and one of whom specializes in care for the aging. Pharmacists on the committee shall be licensed in Virginia, one of whom shall have clinical expertise in mental health drugs, and one of whom has clinical expertise in community-based mental health treatment. The Pharmacy and Therapeutics Committee shall recommend to the department (i) which therapeutic classes of drugs should be subject to the Preferred Drug List program and prior authorization requirements; (ii) specific drugs within each therapeutic class to be included on the preferred drug list; (iii) appropriate exclusions for medications, including atypical anti-psychotics, used for the treatment of serious mental illnesses such as bi-polar disorders, schizophrenia, and depression; (iv) appropriate exclusions for medications used for the treatment of brain disorders, cancer and HIV-related conditions; (v) appropriate exclusions for therapeutic classes in which there is only one drug in the therapeutic class or there is very low utilization, or for which it is not cost-effective to include in the Preferred Drug List program; and (vi) appropriate grandfather clauses when prior authorization would interfere with established complex drug regimens that have proven to be clinically effective. In developing and maintaining the preferred drug list, the cost effectiveness of any given drug shall be considered only after it is determined to be safe and clinically effective. | | | | |
| b. The Pharmacy and Therapeutics Committee shall schedule meetings at least semi-annually and may meet at other times at the discretion of the chairperson and members. At the meetings, the Pharmacy and Therapeutics committee shall review any drug in a class subject to the Preferred Drug List that is newly approved by the Federal Food and Drug Administration, provided there is at least thirty (30) days notice of such approval prior to the date of the quarterly meeting. | | | | |
| 3. The department shall establish a process for acting on the recommendations made by the Pharmacy and Therapeutics Committee, including documentation of any decisions which deviate from the recommendations of the committee. | | | | |
| 4. The Preferred Drug List program shall include provisions for (i) the dispensing of a 72-hour emergency supply of the prescribed drug when requested by a physician and a | | | | |

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

dispensing fee to be paid to the pharmacy for such supply; (ii) prior authorization decisions to be made within 24 hours and timely notification of the recipient and/or the prescribing physician of any delays or negative decisions; (iii) an expedited review process of denials by the department; and (iv) consumer and provider education, training and information regarding the Preferred Drug List prior to implementation, and ongoing communications to include computer access to information and multilingual material.

5. The Preferred Drug List program shall generate savings as determined by the department that are net of any administrative expenses to implement and administer the program.

6. Notwithstanding § 32.1-331.12 et seq., Code of Virginia, to implement these changes, the Department of Medical Assistance Services shall promulgate emergency regulations to become effective within 280 days or less from the enactment of this Act. With respect to such State Plan amendments and regulations, the provisions of § 32.1-331.12 et seq., Code of Virginia, shall not apply. In addition, the department shall work with the Department of Behavioral Health and Development Services to consider utilizing a Preferred Drug List program for its non-Medicaid clients.

7. The Department of Medical Assistance Services shall (i) continually review utilization of behavioral health medications under the State Medicaid Program for Medicaid recipients; and (ii) ensure appropriate use of these medications according to federal Food and Drug Administration (FDA) approved indications and dosage levels. The department may also require retrospective clinical justification according to FDA approved indications and dosage levels for the use of multiple behavioral health drugs for a Medicaid patient. For individuals 18 years of age and younger who are prescribed three or more behavioral health drugs, the department may implement clinical edits that target inefficient, ineffective, or potentially harmful prescribing patterns in accordance with FDA-approved indications and dosage levels.

8. The Department of Medical Assistance Services shall ensure that in the process of developing the Preferred Drug List, the Pharmacy and Therapeutics Committee considers the value of including those prescription medications which improve drug regimen compliance, reduce medication errors, or decrease medication abuse through the use of medication delivery systems that include, but are not limited to, transdermal and injectable delivery systems.

Q.1. The Department of Medical Assistance Services may amend the State Plan for Medical Assistance Services to modify the delivery system of pharmaceutical products to include a specialty drug program. In developing the modifications, the department shall consider input from physicians, pharmacists, pharmaceutical manufacturers, patient advocates, the Pharmacy Liaison Committee, and others as appropriate.

2. In developing the specialty drug program to implement appropriate care management and control drug expenditures, the department shall contract with a vendor who will develop a methodology for the reimbursement and utilization through appropriate case management of specialty drugs and distribute the list of specialty drug rates, authorized drugs and utilization guidelines to medical and pharmacy providers in a timely manner prior to the implementation of the specialty drug program and publish the same on the department's website.

3. In the event that the Department of Medical Assistance Services contracts with a vendor, the department shall establish the fee paid to any such contractor based on the reasonable cost of services provided. The department may not offer or pay directly or indirectly any material inducement, bonus, or other financial incentive to a program contractor based on the denial or administrative delay of medically appropriate prescription drug therapy, or on the decreased use of a particular drug or class of drugs, or a reduction in the proportion of beneficiaries who receive prescription drug therapy under the Medicaid program. Bonuses cannot be based on the percentage of cost savings generated under the benefit management of services.

4. The department shall: (i) review, update and publish the list of authorized specialty drugs, utilization guidelines, and rates at least quarterly; (ii) implement and maintain a procedure to revise the list or modify specialty drug program utilization guidelines and

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

rates, consistent with changes in the marketplace; and (iii) provide an administrative appeals procedure to allow dispensing or prescribing providers to contest the listed specialty drugs and rates.

5. The department shall have authority to enact emergency regulations under § [2.2-4011](#) of the Administrative Process Act to effect these provisions.

R.1. The Department of Medical Assistance Services shall reimburse school divisions who sign an agreement to provide administrative support to the Medicaid program and who provide documentation of administrative expenses related to the Medicaid program 50 percent of the Federal Financial Participation by the department.

2. The Department of Medical Assistance Services shall retain five percent of the Federal Financial Participation for reimbursement to school divisions for medical and transportation services.

3. The Department shall amend the State Plan for Medical Assistance to allow payment of medical assistance services delivered to Medicaid-eligible students when such services qualify for reimbursement by the Virginia Medicaid program and may be provided by school divisions, regardless of whether the student receiving care has an individualized education program or whether the health care service is included in a student's individualized education program. Such services shall include those covered under the State Plan for medical assistance services or by the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit as specified in § 1905(r) of the federal Social Security Act, and shall include a provision for payment of medical assistance for health care services provided through telemedicine services, as defined in § [38.2-3418.16](#). No health care provider who provides health care services through telemedicine shall be required to use proprietary technology or applications in order to be reimbursed for providing telemedicine services.

S. In the event that the Department of Medical Assistance Services decides to contract for pharmaceutical benefit management services to administer, develop, manage, or implement Medicaid pharmacy benefits, the department shall establish the fee paid to any such contractor based on the reasonable cost of services provided. The department may not offer or pay directly or indirectly any material inducement, bonus, or other financial incentive to a program contractor based on the denial or administrative delay of medically appropriate prescription drug therapy, or on the decreased use of a particular drug or class of drugs, or a reduction in the proportion of beneficiaries who receive prescription drug therapy under the Medicaid program. Bonuses cannot be based on the percentage of cost savings generated under the benefit management of services.

T.1. The Department of Medical Assistance Services, in cooperation with the Department of Social Services' Division of Child Support Enforcement (DSCE), shall identify and report third party coverage where a medical support order has required a custodial or noncustodial parent to enroll a child in a health insurance plan. The Department of Medical Assistance Services shall also report to the DCSE third party information that has been identified through their third party identification processes for children handled by DCSE.

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

U.1. Notwithstanding the provisions of § [32.1-325.1:1](#), Code of Virginia, upon identifying that an overpayment for medical assistance services has been made to a provider, the Director, Department of Medical Assistance Services shall notify the provider of the amount of the overpayment. Such notification of overpayment shall be issued within the earlier of (i) four years after payment of the claim or other payment request, or (ii) four years after filing by the provider of the complete cost report as defined in the Department of Medical Assistance Services' regulations, or (iii) 15 months after filing by the provider of the final complete cost report as defined in the Department of Medical Assistance Services' regulations subsequent to sale of the facility or termination of the provider.

2. Notwithstanding the provisions of § [32.1-325.1](#), Code of Virginia, the director shall issue an informal fact-finding conference decision concerning provider reimbursement in

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

accordance with the State Plan for Medical Assistance, the provisions of § 2.2-4019, Code of Virginia, and applicable federal law. The informal fact-finding conference decision shall be issued within 180 days of the receipt of the appeal request, except as provided herein. If the agency does not render an informal fact-finding conference decision within 180 days of the receipt of the appeal request or, in the case of a joint agreement to stay the appeal decision as detailed below, within the time remaining after the stay expires and the appeal timeframes resume, the decision is deemed to be in favor of the provider. An appeal of the director's informal fact-finding conference decision concerning provider reimbursement shall be heard in accordance with § 2.2-4020 of the Administrative Process Act (§ 2.2-4020 et seq.) and the State Plan for Medical Assistance provided for in § 32.1-325, Code of Virginia. The Department of Medical Assistance Services and the provider may jointly agree to stay the deadline for the informal appeal decision or for the formal appeal recommended decision of the Hearing Officer for a period of up to sixty (60) days to facilitate settlement discussions. If the parties reach a resolution as reflected by a written settlement agreement within the sixty-day period, then the stay shall be extended for such additional time as may be necessary for review and approval of the settlement agreement in accordance § 2.2-514 of the Code of Virginia. Once a final agency case decision has been made, the director shall undertake full recovery of such overpayment whether or not the provider disputes, in whole or in part, the informal fact-finding conference decision or the final agency case decision. Interest charges on the unpaid balance of any overpayment shall accrue pursuant to § 32.1-313, Code of Virginia, from the date the Director's agency case decision becomes final.

V.1. The Department of Medical Assistance Services shall delay the last quarterly payment of certain quarterly amounts paid to hospitals, from the end of each state fiscal year to the first quarter of the following year. Quarterly payments that shall be delayed from each June to each July shall be Disproportionate Share Hospital payments, Indirect Medical Education payments, and Direct Medical Education payments. The department shall have the authority to implement this reimbursement change effective upon passage of this Act, and prior to the completion of any regulatory process undertaken in order to effect such change.

2. The Department of Medical Assistance Services shall make the monthly capitation payment to managed care organizations for the member months of each month in the first week of the subsequent month. The department shall have the authority to implement this reimbursement schedule change effective upon passage of this Act, and prior to the completion of any regulatory process undertaken in order to effect such change.

3. In every June, the remittance that would normally be paid to providers on the last remittance date of the state fiscal year shall be delayed one week longer than is normally the practice. This change shall apply to the remittances of Medicaid and FAMIS providers. This change does not apply to providers who are paid a per-month capitation payment. The department shall have the authority to implement this reimbursement change effective upon passage of this Act, and prior to the completion of any regulatory process undertaken in order to effect such change.

W. The Department of Medical Assistance Services shall impose an assessment equal to 6.0 percent of revenue on all ICF-ID providers. The department shall determine procedures for collecting the assessment, including penalties for non-compliance. The department shall have the authority to adjust interim rates to cover new Medicaid costs as a result of this assessment.

X.1. Effective July 1, 2021, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to revise per diem rates paid to psychiatric residential treatment facilities (PRTF) using the provider's audited cost per day from the facility's cost report for provider fiscal years ending in state fiscal year 2018. New Virginia-based residential psychiatric facilities must submit proforma cost report data, which will be used to set the initial per diem rate for up to two years. After this period, the department shall establish a per diem rate based on an audited cost report for a 12-month period within the first two years of operation. Providers that do not submit cost reports shall be paid at 75% of the established rate ceiling. If necessary to enroll out-of-state providers for network adequacy, the department shall negotiate rates. If there is sufficient utilization, the department may require out-of-state providers to submit a cost report to

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

establish a per diem rate. In-state and out-of-state provider per diem rates shall be subject to a ceiling based on the statewide weighted average cost per day from fiscal year 2018 cost reports. The department shall have the authority to implement these changes effective July 1, 2021, and prior to the completion of any regulatory process undertaken in order to effect such change.

2. The Department of Medical Assistance Services shall have the authority to establish rebasing of PRTF rates every three years. The first rebasing of rates shall take effect July 1, 2023. All PRTF and Addiction and Rehabilitation Treatment Services (ARTS) providers who offer qualifying services under 12VAC30-70-418(C) shall be required to submit cost reports as a part of rebasing. Out of state providers with more than 1,500 paid days for Virginia Medicaid members in the most recently completed state fiscal year shall also be required to submit a cost report. A rate ceiling shall be established based on a statewide weighted average cost per day. Rate ceilings shall be established independently for PRTFs and participating ARTS residential services. The department shall have the authority to implement these changes effective July 1, 2022 and prior to the completion of any regulatory process to effect such change.

3. DMAS shall also establish inflation increases for each non-rebasing fiscal year for both PRTF and qualifying ARTS providers. Inflation rates shall be tied to the Nursing Facility Moving Average as established by IHS Markit (or its successor). The most recent four quarters will be averaged to create the PRTF inflation rate. The department shall have the authority to implement these changes effective July 1, 2023, and prior to the completion of any regulatory process to effect such change.

4. Effective July 1, 2022, the department shall adjust PRTF rates by 8.89% to account for inflation since the last audited cost report of fiscal year 2018. The rate ceiling shall increase to \$460.89 per day. The department shall have the authority to implement these changes effective July 1, 2022, and prior to the completion of any regulatory process to effect such change.

Y. The Department of Medical Assistance Services shall seek federal authority through the necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to merge the Commonwealth Coordinated Care Plus and Medallion 4.0 managed care programs, effective July 1, 2022, into a single, streamlined managed care program that links seamlessly with the fee-for-service program, ensuring an efficient and well-coordinated Virginia Medicaid delivery system that provides high-quality care to its members and adds value for providers and the Commonwealth. The department shall have the authority to promulgate emergency regulations to implement these amendments within 280 days or less from the enactment of this Act. 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 change.

Z. The Department of Medical Assistance Services (DMAS) shall have the authority to amend the State Plan for Medical Assistance to enroll and reimburse freestanding birthing centers accredited by the Commission for the Accreditation of Birthing Centers. Reimbursement shall be based on the Enhanced Ambulatory Patient Group methodology applied in a manner similar to the reimbursement methodology for ambulatory surgery centers. 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 change.

AA. Effective July 1, 2013, the Department of Medical Assistance Services shall establish a Medicaid Physician and Managed Care Liaison Committee including, but not limited to, representatives from the following organizations: the Virginia Academy of Family Physicians; the American Academy of Pediatricians – Virginia Chapter; the Virginia College of Emergency Physicians; the American College of Obstetrics and Gynecology – Virginia Section; Virginia Chapter, American College of Radiology; the Psychiatric Society of Virginia; the Virginia Medical Group Management Association; and the Medical Society of Virginia. The committee shall also include representatives from each of the department's contracted managed care organizations and a representative from the Virginia Association of Health Plans. The committee will work with the department to investigate the implementation of quality, cost-effective health care initiatives, to identify means to increase provider participation in the Medicaid program, to remove administrative obstacles to quality, cost-

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| <p>effective patient care, and to address other matters as raised by the department or members of the committee. The committee shall establish an Emergency Department Care Coordination work group comprised of representatives from the committee, including the Virginia College of Emergency Physicians, the Medical Society of Virginia, the Virginia Hospital and Healthcare Association, the Virginia Academy of Family Physicians and the Virginia Association of Health Plans to review the following issues: (i) how to improve coordination of care across provider types of Medicaid "super utilizers"; (ii) the impact of primary care provider incentive funding on improved interoperability between hospital and provider systems; and (iii) methods for formalizing a statewide emergency department collaboration to improve care and treatment of Medicaid recipients and increase cost efficiency in the Medicaid program, including recognized best practices for emergency departments. The committee shall meet semi-annually, or more frequently if requested by the department or members of the committee. The department, in cooperation with the committee, shall report on the committee's activities annually to the Board of Medical Assistance Services and to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees and the Department of Planning and Budget no later than October 1 each year.</p> <p>BB.1. The Department of Medical Assistance Services shall seek federal authority through any necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social Security Act to implement a comprehensive value-driven, market-based reform of the Virginia Medicaid/FAMIS programs.</p> <p>2. The department is authorized to contract with qualified health plans to offer recipients a Medicaid benefit package adhering to these principles. This reformed service delivery model shall be mandatory, to the extent allowed under the relevant authority granted by the federal government and shall, at a minimum, include (i) limited high-performing provider networks and medical/health homes; (ii) financial incentives for high quality outcomes and alternative payment methods; (iii) improvements to encounter data submission, reporting, and oversight; (iv) standardization of administrative and other processes for providers; and (v) support of the health information exchange.</p> <p>3.a. Notwithstanding § 30-347, Code of Virginia, or any other provision of law, the Department of Medical Assistance Services shall have the authority to (1) amend the State Plan for Medical Assistance under Title XIX of the Social Security Act, and any waivers thereof, to implement coverage for newly eligible individuals pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act (PPACA) and (2) begin the process of implementing a § 1115 demonstration project to transform the Medicaid program for newly eligible individuals and eligible individuals enrolled in the existing Medicaid program. DMAS shall submit the § 1115 demonstration waiver application to the Centers for Medicare and Medicaid Services (CMS) for approval. The department shall provide updates on the progress of the State Plan amendments and demonstration waiver applications to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, or their designees, upon request, and provide for participation in discussions with CMS staff. The department shall respond to all requests for information from CMS on State Plan amendments and demonstration waiver applications in a timely manner.</p> <p>b. The demonstration project shall include the following elements in the design: The Department of Medical Assistance Services shall develop a supportive employment and housing benefit targeted to high risk Medicaid beneficiaries with mental illness, substance use disorder, or other complex, chronic conditions who need intensive, ongoing support to obtain and maintain employment and stable housing.</p> <p>c. The department shall have the authority to promulgate emergency regulations to implement these changes within 280 days or less from the enactment date of this Act.</p> <p>4. In the event that the increased federal medical assistance percentages for newly eligible individuals included in 42 U.S.C. § 1396d(y)(1)[2010] of the PPACA are modified through federal law or regulation from the methodology in effect on January 1, 2014, resulting in a reduction in federal medical assistance as determined by the department in consultation with the Department of Planning and Budget, the Department of Medical Assistance Services shall disenroll and eliminate coverage for individuals who obtained</p> | | | | |

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | coverage through 42 U.S.C. § 1396d(y)(1) [2010] of the PPACA. The disenrollment process shall include written notification to affected Medicaid beneficiaries, Medicaid managed care plans, and other providers that coverage will cease as soon as allowable under federal law following the date the department is notified of a reduction in Federal Medical Assistance Percentage. | | | |
| | CC. The Disproportionate Share Hospital (DSH) per diem for Type One hospitals shall be 17 times the DSH per diem for Type Two hospitals. The department shall have the authority to implement these reimbursement changes effective July 1, 2014, and prior to completion of any regulatory process in order to effect such changes. | | | |
| | DD.1.a. There is hereby appropriated sum-sufficient nongeneral funds for the Department of Medical Assistance Services (DMAS) to pay the state share of supplemental payments for qualifying private hospital partners of Type One hospitals (consisting of state-owned teaching hospitals) as provided in the State Plan for Medical Assistance Services. Qualifying private hospitals shall consist of any hospital currently enrolled as a Virginia Medicaid provider and owned or operated by a private entity in which a Type One hospital has a non-majority interest. The supplemental payments shall be based upon the reimbursement methodology established for such payments in Attachments 4.19-A and 4.19-B of the State Plan for Medical Assistance Services. DMAS shall enter into a transfer agreement with any Type One hospital whose private hospital partner qualifies for such supplemental payments, under which the Type One hospital shall provide the state share in order to match federal Medicaid funds for the supplemental payments to the private hospital partner. The department shall have the authority to implement these reimbursement changes consistent with the effective date in the State Plan amendment approved by the Centers for Medicare and Medicaid Services (CMS) and prior to completion of any regulatory process in order to effect such changes. | | | |
| | b. The department shall adjust capitation payments to Medicaid managed care organizations for the purpose of securing access to Medicaid hospital services for the qualifying private hospital partners of Type One hospitals (consisting of state-owned teaching hospitals). The department shall revise its contracts with managed care organizations to incorporate these supplemental capitation payments and provider payment requirements. DMAS shall enter into a transfer agreement with any Type One hospital whose private hospital partner qualifies for such supplemental payments, under which the Type One hospital shall provide the state share in order to match federal Medicaid funds for the supplemental payments to the private hospital partner. The department shall have the authority to implement these reimbursement changes consistent with the effective date approved by the Centers for Medicare and Medicaid Services (CMS). No payment shall be made without approval from CMS. | | | |
| | 2.a. The Department of Medical Assistance Services shall promulgate regulations to make supplemental payments to Medicaid physician providers with a medical school located in Eastern Virginia that is a political subdivision of the Commonwealth. The amount of the supplemental payment shall be based on the difference between the average commercial rate approved by CMS and the payments otherwise made to physicians. The department shall have the authority to implement these reimbursement changes consistent with the effective date in the State Plan amendment approved by CMS and prior to completion of any regulatory process in order to effect such changes. | | | |
| | b. The department shall increase payments to Medicaid managed care organizations for the purpose of securing access to Medicaid physician services in Eastern Virginia, through higher rates to physicians affiliated with a medical school located in Eastern Virginia that is a political subdivision of the Commonwealth subject to applicable limits. The department shall revise its contracts with managed care organizations to incorporate these supplemental capitation payments, and provider payment requirements, subject to approval by CMS. No payment shall be made without approval from CMS. | | | |
| | c. Funding for the state share for these Medicaid payments is authorized in Item 247. | | | |
| | 3.a. The Department of Medical Assistance Services (DMAS) shall have the authority to amend the State Plan for Medical Assistance Services (State Plan) to implement a supplemental Medicaid payment for local government-owned nursing homes. The total supplemental Medicaid payment for local government-owned nursing homes shall be based on the difference between the Upper Payment Limit of 42 CFR §447.272 as approved by | | | |

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

CMS and all other Medicaid payments subject to such limit made to such nursing homes. There is hereby appropriated sum-sufficient funds for DMAS to pay the state share of the supplemental Medicaid payment hereunder. However, DMAS shall not submit such State Plan amendment to CMS until it has entered into an intergovernmental agreement with eligible local government-owned nursing homes or the local government itself which requires them to transfer funds to DMAS for use as the state share for the supplemental Medicaid payment each nursing home is entitled to and to represent that each has the authority to transfer funds to DMAS and that the funds used will comply with federal law for use as the state share for the supplemental Medicaid payment. If a local government-owned nursing home or the local government itself is unable to comply with the intergovernmental agreement, DMAS shall have the authority to modify the State Plan. The department shall have the authority to implement the reimbursement change consistent with the effective date in the State Plan amendment approved by CMS and prior to the completion of any regulatory process undertaken in order to effect such change.

b. If by June 30, 2017, the Department of Medical Assistance Services has not secured approval from the Centers for Medicare and Medicaid Services to use a minimum fee schedule pursuant to 42 C.F.R. § 438.6(c)(1)(iii) for local government-owned nursing homes participating in Commonwealth Coordinated Care Plus (CCC Plus) at the same level as and in lieu of the supplemental Medicaid payments authorized in Section XX.3.a., then DMAS shall: (i) exclude Medicaid recipients who elect to receive nursing home services in local government-owned nursing homes from CCC Plus; (ii) pay for such excluded recipient's nursing home services on a fee-for-service basis, including the related supplemental Medicaid payments as authorized herein; and (iii) prohibit CCC Plus contracted health plans from in any way limiting Medicaid recipients from electing to receive nursing home services from local government-owned nursing homes. The department may include in CCC Plus Medicaid recipients who elect to receive nursing home services in local government-owned nursing homes in the future when it has secured federal CMS approval to use a minimum fee schedule as described above.

4. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance Services to implement a supplemental payment for clinic services furnished by the Virginia Department of Health (VDH) effective July 1, 2015. The total supplemental Medicaid payment shall be based on the Upper Payment Limit approved by the Centers for Medicare and Medicaid Services and all other Medicaid payments. VDH may transfer general fund to the department from funds already appropriated to VDH to cover the non-federal share of the Medicaid payments. The department shall have the authority to implement the reimbursement change effective July 1, 2015, and prior to the completion of any regulatory process undertaken in order to effect such changes.

5. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase the supplemental physician payments for physicians employed at a freestanding children's hospital serving children in Planning District 8 with more than 50 percent Medicaid inpatient utilization in fiscal year 2014 to the maximum allowed by the Centers for Medicare and Medicaid Services within the limit of the appropriation provided for this purpose. The total supplemental Medicaid payment shall be based on the Upper Payment Limit approved by the Centers for Medicare and Medicaid Services and all other Virginia Medicaid fee-for-service payments. The department shall have the authority to implement these reimbursement changes effective July 1, 2016, and prior to the completion of any regulatory process undertaken in order to effect such change.

6.a. The Department of Medical Assistance Services shall promulgate regulations to make supplemental Medicaid payments to the primary teaching hospitals affiliated with a Liaison Committee on Medical Education (LCME) accredited medical school located in Planning District 23 that is a political subdivision of the Commonwealth and an LCME accredited medical school located in Planning District 5 that has a partnership with a public university. The amount of the supplemental payment shall be based on the reimbursement methodology established for such payments in Attachments 4.19-A and 4.19-B of the State Plan for Medical Assistance and/or the department's contracts with managed care organizations. The department shall have the authority to implement these reimbursement changes consistent with the effective date in the State Plan amendment or the managed care contracts approved by the Centers for Medicare and Medicaid Services

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | (CMS) and prior to completion of any regulatory process in order to effect such changes. No payment shall be made without approval from CMS. | | | |
| b. | Funding for the state share for these Medicaid payments is authorized in Item 247 and Item 4-5.03. | | | |
| c. | Payments authorized in this subsection shall sunset after the effective date of a statewide supplemental payment for private acute care hospitals authorized in Item 3-5.16. For purposes of the upper payment limit, the department shall prorate the upper payment limit if the sunset date is mid-fiscal year. The department shall have the authority to implement this change prior to the completion of any regulatory process undertaken in order to effect such change. | | | |
| 7.a. | The department shall amend the State plan for Medical Assistance to implement a supplemental inpatient and outpatient payment for Chesapeake Regional Hospital based on the difference between reimbursement with rates using an adjustment factor of 100% minus current authorized reimbursement subject to the inpatient and outpatient Upper Payment Limits for non-state government owned hospitals, and for managed care claims based on the difference between the amount included in the capitation rates for inpatient and outpatient services based on historical paid claims for non-state government hospitals and the maximum managed care directed payment supported by the department's calculations and allowed by CMS, subject to CMS approval under 42 C.F.R. section 438.6(c). The department shall include in its contracts with managed care organizations a percentage increase for Chesapeake Regional Hospital consistent with the approved managed care directed percentage increase. The department shall adjust capitation payments to Medicaid managed care organizations to fund this percentage increase. Both the contract changes and capitation rate adjustments shall be compliant with 42 C.F.R. 438.6(c)(1)(iii) and subject to CMS approval. | | | |
| b. | The department shall also amend the State Plan for Medical Assistance to implement supplemental physician payments for practice plans employed by or under contract with Chesapeake Regional Hospital to the maximum allowed by the Centers for Medicare and Medicaid Services. The department shall increase payments to Medicaid managed care organizations for the purpose of providing higher rates to physicians employed by or under contract with Chesapeake Regional Hospital based on the maximum allowed by CMS. The department shall revise its contracts with managed care organizations to incorporate these managed care directed payments, subject to approval by CMS. The department shall have the authority to implement these reimbursement changes effective July 1, 2022, and prior to completion of any regulatory process undertaken in order to effect such change. | | | |
| c. | Prior to submitting the State Plan Amendment or making the managed care contract changes, Chesapeake Regional Hospital shall enter into an agreement with the department to transfer the non-federal share for these payments. The department shall have the authority to implement these reimbursement changes consistent with the effective date(s) approved by the Centers for Medicare and Medicaid (CMS). | | | |
| 8.a. | There is hereby appropriated sum-sufficient nongeneral funds for the department to pay the state share of supplemental payments for nursing homes owned by Type One hospitals (consisting of state-owned teaching hospitals) as provided in the State Plan for Medical Assistance Services. The total supplemental payment shall be based on the difference between the Upper Payment Limit of 42 CFR § 447.272 as approved by CMS and all other Medicaid payments subject to such limit made to such nursing homes. DMAS shall enter into a transfer agreement with any Type One hospital whose nursing home qualifies for such supplemental payments, under which the Type One hospital shall provide the state share in order to match federal Medicaid funds for the supplemental payments. The department shall have the authority to implement these reimbursement changes consistent with the effective date in the State Plan amendment approved by CMS and prior to completion of any regulatory process in order to effect such changes. | | | |
| b. | The department shall adjust capitation payments to Medicaid managed care organizations to fund a minimum fee schedule compliant with requirements in 42 C.F.R. § 438.6(c)(1)(iii) at a level consistent with the State Plan amendment authorized above for nursing homes owned by Type One hospitals. The department shall revise its contracts with managed care organizations to incorporate these supplemental capitation payments and provider payment requirements. DMAS shall enter into a transfer agreement with any Type One hospitals whose nursing home qualifies for such supplemental payments, under which the Type One hospital | | | |

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

shall provide the state share in order to match federal Medicaid funds for the supplemental payments. The department shall have the authority to implement these reimbursement changes consistent with the effective date approved by CMS. No payment shall be made without approval from CMS.

9. The department shall amend the State plan for Medical Assistance to implement a supplemental inpatient payment for Lake Taylor Transitional Care Hospital based on the difference between Medicaid reimbursement and the inpatient Upper Payment Limit for non-state government owned hospitals, and for managed care claims based on the difference between the amount included in the capitation rates for inpatient and outpatient services based on historical paid claims for non-state government hospitals and the maximum managed care directed payment supported by the department's calculations and allowed by CMS, subject to CMS approval under 42 C.F.R. section 438.6(c). The department shall include in its contracts with managed care organizations a percentage increase for Lake Taylor Transitional Care Hospital consistent with the approved managed care directed fee for service supplemental payment percentage increase. The department shall adjust capitation payments to Medicaid managed care organizations to fund this percentage increase. Both the contract changes and capitation rate adjustments shall be compliant with 42 C.F.R. 438.6(c)(1)(iii) and subject to CMS approval. Prior to submitting the State Plan Amendment or making the managed care contract changes, Lake Taylor Transitional Care Hospital shall enter into an agreement with the department to transfer the non-federal share for these payments. The department shall have the authority to implement these reimbursement changes consistent with the effective date(s) approved by the Centers for Medicare and Medicaid (CMS). The originating funding for this program will come entirely from Lake Taylor.

10.a. The Department of Medical Assistance Services shall develop a State Plan for Medical Assistance amendment to make supplemental payments to private hospitals and related health systems who intend to execute affiliation agreements with public entities that are capable of transferring funds to the department for purposes of covering the non-federal share of the authorized payments. Such public entities would enter into an Interagency Agreement with the department for this purpose. The department shall develop a plan, that could take effect July 1, 2023, for making managed care directed payments or supplemental payments as follows: Physician fee-for-service (FFS) supplemental payments through a state plan amendment and physician managed care directed payments through managed care contracts up to the Average Commercial Rate for practice plans that are a component of the participating hospitals or health system. The plan shall identify the public entity who will transfer funds to the department, the amount and duration of such transfers, the purpose and amount of any supplemental payment or managed care direct payments made to private hospitals and related health systems, and the impact, if any, on other supplemental payment programs currently in effect. The plan shall also include the appropriate references that provide authority for such payments.

b. The Department of Medical Assistance Services shall report the plan to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 15, 2022.

c. The department shall have the authority to amend the State Plan for Medical Assistance and managed care contracts to make supplemental payments and managed care directed payments to private hospitals for physician services effective July 1, 2024. Reimbursement changes shall be effective prior to completion of any regulatory process in order to effect such changes. No payment shall be made without approval from CMS and an Interagency Agreement with a public entity capable of transferring the non-federal share of authorized payments to the department. The funds to be transferred must comply with 42 CFR 433.51 and 433.54. Such funds may not be paid from any private agreements with public entities that are in excess of fair market value or that alleviate pre-existing financial burdens of such public entities. Public entities are authorized to use general fund dollars to accomplish this transfer. As part of the Interagency Agreements the department shall require the public entities to attest to compliance with applicable CMS criteria. The department shall also require any private hospital and related health systems receiving payments under this item to attest to compliance with applicable CMS criteria. Upon notification by the Department of any deferral or disallowance issued by CMS regarding the supplemental payment arrangement, the hospital provider will return the entire balance

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

of the supplemental payment to the Department within 30 days of notification. If the hospital does not return the entire balance of the supplemental payment to the Department within the specified timeframe, a judgement rate of interest set forth in Title 6.2-302 will be applied to the entire balance, regardless of whatever portion has been repaid. In addition, the non-federal share of the agency's administrative costs directly related to administration of the programs authorized in this paragraph, including staff and contractors, shall be funded by participating public entities. These funds shall be deposited into a special fund created by the Comptroller and used to support the administrative costs associated with managing this program. Any funds received for this purpose but unexpended at the end of the fiscal year shall remain in the fund for use in accordance with this provision.

d. The purposes to which the additional payments authorized in paragraph DD.10.c. of this item shall be applied include: (i) sustaining and enhancing access to outpatient care for Medicaid recipients; (ii) stabilizing and supporting critical healthcare workforce needs; and (iii) advancing the department's overall quality improvement goals. The department, with the assistance of the participating organizations, shall report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 1 of each year on the impact of this initiative.

11. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to make supplemental payments through an adjustment to the formula for indirect medical education (IME) reimbursement for an acute care hospital chain with a level one trauma center in the Tidewater Metropolitan Statistical Area (MSA) in 2020, upon the execution of affiliation agreements with public entities that are capable of transferring funds to the department for purposes of covering the non-federal share of the authorized payments. Such public entities would enter into an Interagency Agreement with the department for this purpose. Public entities are authorized to use general fund dollars to accomplish this transfer. The funds to be transferred must comply with 42 CFR 433.51 and 433.54. As part of the Interagency Agreements the department shall require the public entities to attest to compliance with applicable CMS criteria. The department shall also require any private hospital and related health systems receiving payments under this item to attest to compliance with applicable CMS criteria. Total payments for IME in combination with other payments may not exceed the federal uncompensated care cost limit that disproportionate share hospital payments are subject to. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

EE. 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. 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.

FF. The Department of Medical Assistance Services (DMAS) shall amend its July 1, 2016, managed care contracts in order to conform to the requirement pursuant to House Bill 1942 / Senate Bill 1262, passed during the 2015 Regular Session, for prior authorization of drug benefits.

GG.1. Out of this appropriation, \$4,350,000 the first year and \$4,350,000 the second year from the general fund and \$4,350,000 the first year and \$4,350,000 the second year from nongeneral funds shall be used for supplemental payments to fund graduate medical education for 5 residents who began their residencies in July 2018; 16 residents who began their residencies in July 2019; 30 residents who began their residencies in July 2020; 22 residents who began their residencies in July 2021; 20 residents who began their residencies in July 2022, and 10 psychiatric residents who began their residencies in July 2022.

2. The supplemental payment for each qualifying residency slot shall be \$100,000 annually minus any Medicare residency payment for which the sponsoring institution is eligible. For any residency program at a facility whose Medicaid payments are capped by the Centers for Medicare and Medicaid Services, the supplemental payments for each qualifying residency slot shall be \$50,000 from the general fund annually minus any Medicare residency payments

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

for which the residency program is eligible. Supplemental payments shall be made for up to four years for each qualifying resident. Payments shall be made quarterly following the same schedule used for other medical education payments.

3. The Department of Medical Assistance Services shall submit a State Plan amendment based on the authorization in GG.1. of this Item to make supplemental payments for graduate medical education residency slots. The supplemental payments are subject to federal Centers for Medicare and Medicaid Services approval. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this Act.

4.a. Effective July 1, 2018, the department shall make supplemental payments to the following sponsoring institutions for the specified number of primary care residencies: to Carilion Medical Center for 2 psychiatric residencies and to Sentara Norfolk General for 1 OB/GYN residency and 2 psychiatric residencies.

b. Effective July 1, 2019, the department shall make supplemental payments to the following sponsoring institutions for the specified number of primary care residencies: Sentara Norfolk General (1 residency), Maryview Hospital (1 residency), Carilion Medical Center (6 residencies), Centra Health (2 residencies), and Riverside Regional Medical Center (1 residencies). The department shall make supplemental payments to Inova Fairfax Hospital for 1 General Surgery residency and to Carilion Medical Center for 2 psychiatric residencies. The department shall make supplemental payments to Sentara Norfolk General 1 OB/GYN residency and 1 urology residency.

c. Effective July 1, 2020, the department shall make supplemental payments for a primary care residency to Riverside Regional Medical Center. The department shall make supplemental payments to Sentara Norfolk General for 2 psychiatric residencies and 1 urology residency. In addition, the department shall make supplemental payments to the following sponsoring institutions for the specified number of primary care residencies: Sentara Norfolk General (3 residencies), Maryview Hospital (1 residency), Carilion Medical Center (7 residencies), and Centra Health (2 residencies). The department shall make supplemental payments to Sentara Norfolk General for 1 OB/GYN residency and Carilion Medical Center for 2 psychiatry residencies. The department shall make supplemental payments to Riverside Regional Medical Center for 8 emergency medicine residencies. The department shall make supplemental payments to Children's Hospital of King's Daughters for 2 general pediatrics residencies.

d. Effective July 1, 2021, the department shall make supplemental payments to the following sponsoring institutions for the specified number of primary care residencies: Carilion Medical Center (7 residencies) and Centra Health (3 residencies). The department shall make supplemental payments to Sentara Norfolk General for 1 OB/GYN residency and 1 emergency medicine residency. The department shall make supplemental payments to Carilion Medical Center for 2 psychiatry residencies. The department shall make supplemental payments to Riverside Regional Medical Center for 8 emergency medicine residencies.

e. Effective July 1, 2022, the department shall make supplemental payments to the following sponsoring institutions for the specified number of primary care residencies: Carilion (5 Internal Medicine residencies), Centra (3 Family Medicine residencies), and Riverside (1 Family Medicine residency). The department shall make supplemental payments to Carilion for 2 Psychiatry residencies. The department shall make supplemental payments to Children's Hospital of the King's Daughters for 2 Pediatric residencies. The department shall make supplemental payments to Sentara Norfolk General for 2 Psychiatry residencies. The department shall make supplemental payments to Riverside for 4 Emergency Medicine and 1 OB/GYN residencies.

5. Preference shall be given for residency slots located in underserved areas. Applications for slots that involve multiple medical care providers collaborating in training residents and that involve providing residents the opportunity to train in underserved areas are encouraged. A majority of the new residency slots funded each year shall be for primary care. The department shall adopt criteria for primary care, high need specialties and underserved areas as developed by the Virginia Health Workforce Development Authority. Beginning July 1, 2018, the department shall also review and consider

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | applications from non-hospital sponsoring institutions, such as Federally Qualified Health Centers (FQHCs). | | | |
| 6. | If the number of qualifying residency slots exceeds the available number of supplemental payments, the Virginia Health Workforce Development Authority shall determine which new residency slots to fund based on priorities developed by the authority. | | | |
| 7. | The sponsoring institution will be eligible for the supplemental payments as long as it maintains the number of residency slots in total and by category as a result of the increase. The sponsoring institutions must certify by June 1 each year that they continue to meet the criteria for the supplemental payments and report any changes during the year to the number of residents. | | | |
| 8. | The department shall require all sponsoring institutions receiving Medicaid medical education funding to report annually by September 15 on the number of residents in total and by specialty/subspecialty. Medical education funding includes payments for graduate medical education (GME) and indirect medical education (IME). | | | |
| HH.1. | The Department of Medical Assistance Services, in consultation with the appropriate stakeholders, shall amend the State Plan for medical assistance and/or seek federal authority through an 1115 demonstration waiver, as soon as feasible, to provide coverage of inpatient detoxification, inpatient substance abuse treatment, residential detoxification, residential substance abuse treatment, and peer support services to Medicaid individuals in the Fee-for-Service and Managed Care Delivery Systems. | | | |
| 2. | The Department of Medical Assistance Services shall have the authority to make programmatic changes in the provision of all Substance Abuse Treatment Outpatient, Community Based and Residential Treatment services (group homes and facilities) for individuals with substance abuse disorders in order to ensure parity between the substance abuse treatment services and the medical and mental health services covered by the department and to ensure comprehensive treatment planning and care coordination for individuals receiving behavioral health and substance use disorder services. The department shall ensure appropriate utilization and cost efficiency, and adjust reimbursement rates within the limits of the funding appropriated for this purpose based on current industry standards. The department shall consider all available options including, but not limited to, service definitions, prior authorization, utilization review, provider qualifications, and reimbursement rates for the following Medicaid services: substance abuse day treatment for pregnant women, substance abuse residential treatment for pregnant women, substance abuse case management, opioid treatment, substance abuse day treatment, and substance abuse intensive outpatient. Any amendments to the State Plan or waivers initiated under the provisions of this paragraph shall not exceed funding appropriated in this Act for this purpose. The department shall have the authority to promulgate regulations to implement these changes within 280 days or less from the enactment date of this Act. | | | |
| 3. | The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance and any waivers thereof to include peer support services to children and adults with mental health conditions and/or substance use disorders. The department shall work with its contractors, the Department of Behavioral Health and Developmental Services, and appropriate stakeholders to develop service definitions, utilization review criteria and provider qualifications. Any amendments to the State Plan or waivers initiated under the provisions of this paragraph shall not exceed funding appropriated in this Act for this purpose. The department shall have the authority to promulgate regulations to implement these changes within 280 days or less from the enactment date of this Act. | | | |
| 4. | The Department of Medical Assistance Services shall, prior to the submission of any State Plan amendment or waivers to implement paragraphs HH.1., HH.2., and HH.3., submit a plan detailing the changes in provider rates, new services added, other programmatic changes, and a certification of budget neutrality to the Director, Department of Planning and Budget and the Chairmen of the House Appropriation and Senate Finance and Appropriations Committees. | | | |
| II.1. | The Department of Medical Assistance Services shall monitor the capacity available under the Upper Payment Limit (UPL) for all hospital supplemental payments and adjust payments accordingly when the UPL cap is reached. The department shall make an | | | |

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

adjustment to stay under the UPL cap by reducing or eliminating as necessary supplemental payments to hospitals based on when the first supplemental payments were actually made so that the newest supplemental payments to hospitals would be impacted first and so on.

2. The Department of Medical Assistance Services shall have the authority to implement reimbursement changes deemed necessary to meet the requirements of this paragraph prior to the completion of any regulatory process in order to effect such changes.

JJ.1. Effective July 1, 2017, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase the formula for indirect medical education (IME) for freestanding children's hospitals with greater than 50 percent Medicaid utilization in 2009 as a substitute for disproportionate share hospital (DSH) payments. The formula for these hospitals for IME for inpatient hospital services provided to Medicaid patients but reimbursed by capitated managed care providers shall be identical to the formula for Type One hospitals. The IME payments shall continue to be limited such that total payments to freestanding children's hospitals with greater than 50 percent Medicaid utilization do not exceed the federal uncompensated care cost limit to which DSH payments are subject, excluding third party reimbursement for Medicaid eligible patients. The department shall have the authority to implement these changes effective July 1, 2017, and prior to completion of any regulatory action to effect such changes.

2. The Department of Medical Assistance Services (DMAS) shall have the authority to create additional hospital supplemental payments for freestanding children's hospitals with greater than 50 percent Medicaid utilization in 2009 to replace payments that have been reduced due to the federal regulation on the definition of uncompensated care costs effective June 2, 2017. These new payments shall equal what would have been paid to the freestanding children's hospitals under the current disproportionate share hospital (DSH) formula without regard to the uncompensated care cost limit. These additional hospital supplemental payments shall take precedence over supplemental payments for private acute care hospitals. If the federal regulation is voided, DMAS shall continue DSH payments to the impacted hospitals and adjust the additional hospital supplemental payments authorized in this paragraph accordingly. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effectuate such change.

KK. For the period beginning September 1, 2016 until 180 days after publication and distribution of the Developmental Disabilities Waivers provider manual by the Department of Medical Assistance Services (DMAS), retraction of payment from Developmental Disabilities Waivers providers following an audit by DMAS or one of its contractors is only permitted when the audit points identified are supported by the Code of Virginia, regulations, DMAS general providers manuals, or DMAS Medicaid Memos in effect during the date of services being audited.

LL. The Department of Medical Assistance Services shall submit a report annually on all supplemental payments made to hospitals through the Medicaid program. This report shall include information for each hospital and by type of supplemental payment (Disproportionate Share Hospital, Graduate Medical Education, Indirect Medical Education, Upper Payment Limit program, and others). The report shall include total Medicaid payments from all sources and calculate the percent of overall payments that are supplemental payments. Furthermore, it shall include a description of each type of supplemental payment and the methodology used to calculate the payments. Each report shall reflect the data for the prior three fiscal years and shall be submitted to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees by September 1 each year.

MM.1. The Department of Medical Assistance Services shall work with stakeholders to review and adjust medical necessity criteria for Medicaid-funded nursing services including private duty nursing, skilled nursing, and home health. The department shall adjust the medical necessity criteria to reflect advances in medical treatment, new technologies, and use of integrated care models including behavioral supports. The department shall have the authority to amend the necessary waiver(s) and the State Plan

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

under Titles XIX and XXI of the Social Security Act to include changes to services covered, provider qualifications, medical necessity criteria, and rates and rate methodologies for private duty nursing. The adjustments to these services shall meet the needs of members and maintain budget neutrality by not requiring any additional expenditure of general fund beyond the current projected appropriation for such nursing services.

2. The department shall have authority to implement these changes to be effective July 1, 2022. The department shall also have authority to promulgate any emergency regulations required to implement these necessary changes within 280 days or less from the enactment date of this act. The department shall submit a report and estimates of any projected cost savings to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees 30 days prior to implementation of such changes.

NN. The Department of Medical Assistance Services shall pursue any and all alternatives and cost based reimbursement models to allow a private hospital in rural Southwest Virginia that has closed in the last five years to recoup capital startup costs and minimize operating losses for the next five years, including but not limited to optimizing federal matching dollars in accordance with federal law.

OO. The Department of Medical Assistance Services and the Department of Behavioral Health and Developmental Services shall recognize the Certified Employment Support Professional (CESP) and Association of Community Rehabilitation Educators (ACRE) certifications in lieu of competency requirements for supported employment staff in the Medicaid Community Living, Family and Individual Support and Building Independence Waiver programs and shall allow providers that are Department for the Aging and Rehabilitative Services vendors that hold a national three-year accreditation from the Commission on Accreditation of Rehabilitation Facilities (CARF) to be deemed qualified to meet employment staff competency requirements, provided the provider submits the results from their CARF surveys including recommendations received to the Department of Behavioral Health and Developmental Services so that the agency can verify that there are no recommendations for the standards that address staff competency.

PP.1. The Department of Medical Assistance Services (DMAS) shall have the authority to implement programmatic changes to service definitions, prior authorization and utilization review criteria, provider qualifications, and reimbursement rates for the following existing Medicaid behavioral health services: assertive community treatment, mental health partial hospitalization programs, crisis intervention and crisis stabilization services.

2. The department shall have the authority to develop new service definitions, prior authorization and utilization review criteria, provider qualifications, and reimbursement rates for the following new Medicaid behavioral health services: multi-systemic therapy, family functional therapy, intensive outpatient services, mobile crisis intervention services, 23 hour temporary observation services and residential crisis stabilization unit services.

3. Effective on or after July 1, 2021, DMAS shall implement programmatic changes and reimbursement rates for the following services: assertive community treatment, multi-systemic therapy and family functional therapy.

4. Effective on or after July 1, 2021, DMAS shall implement programmatic changes and reimbursement rates for the following services: intensive outpatient services, partial hospitalization programs, mobile crisis intervention services, 23 hour temporary observation services, crisis stabilization services and residential crisis stabilization unit services.

5. In the development and implementation of these changes, the department shall ensure appropriate utilization and cost efficiency. Reimbursement rate changes shall be budget neutral and must not exceed the funding appropriated in the Act for these services.

6. The Department of Medical Assistance Services shall, prior to the submission of any State Plan amendment or waivers to implement these paragraphs, submit a plan detailing the changes in provider rates, new services added and other programmatic changes to the Director, Department of Planning and Budget and the Chairmen of the House Appropriation and Senate Finance and Appropriations Committees.

7. The department shall have the authority to promulgate emergency regulations to implement

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

this amendment within 280 days or less from the enactment of this Act.

QQ. Effective July 1, 2021, the Department of Medical Assistance Services shall seek federal authority through waiver and State Plan amendments under Titles XIX and XXI of the Social Security Act, as necessary, to provide continuous coverage to enrollees for the duration of pregnancy and through 12 months postpartum. The department shall have the authority to promulgate emergency regulations to implement these amendments within 280 days or less from the enactment of this Act. The department shall have authority to implement these amendments upon federal approval and prior to the completion of any regulatory process.

RR. Effective July 1, 2021, the Department of Medical Assistance Services shall increase rates by 14.7 percent for psychiatric services to the equivalent of 110 percent of Medicare rates. The department shall have the authority to implement these reimbursement changes prior to the completion of any regulatory process to effect such changes.

SS. Effective on and after July 1, 2021, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to modify reimbursement for nursing facility services such that the direct peer group price percentage shall be increased to 109.3 percent and the indirect peer group price percentage shall be increased to 103.3 percent. The department shall have the authority to implement these changes effective July 1, 2021 and prior to the completion of any regulatory process undertaken in order to effect such change.

TT. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to implement a supplemental disproportionate share hospital (DSH) payment for Chesapeake Regional Hospital up to its hospital-specific disproportionate share hospital limit (OBRA '93 DSH limit) as determined pursuant to 42 U.S.C. Section 1396r-4. The payment shall be made annually based upon the hospital's disproportionate share limit for the most recent year for which the disproportionate share limit has been calculated subject to the availability of DSH funds under the federal allotment of such funds to the department. Prior to submitting the State Plan amendment, Chesapeake Regional Hospital shall enter into an agreement with the department to transfer the non-federal share of the supplemental DSH payment. Payment of the supplemental DSH payment is contingent upon receipt of intergovernmental transfer of funds or certified public expenditures from Chesapeake Regional Hospital. In the event that Chesapeake Regional Hospital is ineligible to transfer or certify necessary funds pursuant to federal law, the department may amend the State Plan for Medical Assistance to terminate the supplemental DSH payment program. The department shall have the authority to implement these reimbursement changes consistent with effective date(s) approved by the Centers for Medicare and Medicaid Services (CMS). No payments shall be made without CMS approval. In the event that CMS recoups supplemental DSH hospital funds from the department, Chesapeake Regional Hospital shall reimburse such funds to the department.

UU. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to provide that any nursing facility which thereafter loses its Medicaid capital reimbursement status as a hospital-based nursing facility because a replacement hospital was built at a different location and Medicare rules no longer allow the nursing home's cost to be included on the hospital's Medicare cost report shall have its first fair rental value (FRV) capital payment rate set at the maximum FRV rental rate for a new free-standing nursing facility with the date of acquisition for its capital assets being the date the replacement hospital is licensed. The department shall have the authority to implement these reimbursement changes effective July 1, 2021 and prior to the completion of the regulatory process.

VV. Effective July 1, 2022, the department shall amend the State Plan for Medical Assistance to establish a new direct and indirect care peer group for nursing facilities operating with at least 80% of the resident population having one or more of the following diagnoses: quadriplegia, traumatic brain injury, multiple sclerosis, paraplegia, or cerebral palsy. In addition, a qualifying facility must have at least 90% Medicaid utilization and a case mix index of 1.15 or higher in fiscal year 2014. The department shall utilize the data from the most recent rebasing to make this change effective for fiscal year 2023 and subsequent rate years until this change is incorporated into the next scheduled rebasing.

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

This change shall not affect rates established in the most recent rebasing for facilities in any other direct and indirect care peer groups. The department shall have the authority to implement this reimbursement change prior to completion of any regulatory process in order to effect such change. To the extent federal approval requires alternative approaches to achieve the same general results, the department shall have the authority to follow the federal guidance effecting this change.

WW. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to establish Specialized Care operating rates for fiscal years 2021, 2022 and 2023 by inflating the fiscal year 2020 rates using Virginia nursing home inflation. After fiscal year 2023, the department shall revert to the existing prospective methodology. The department has the authority to implement this change notwithstanding current regulations and consistent with the approved State Plan amendment.

XX. The Department of Medical Assistance Services shall require Medicaid managed care organizations to reimburse at no less than 90 percent of the state Medicaid program Durable Medical Equipment fee schedule for the same service or item of durable medical equipment, prosthetics, orthotics, and supplies. The department shall have the authority to implement this reimbursement change effective July 1, 2021 and prior to the completion of any regulatory process undertaken in order to effect such change.

YY. The Department of Medical Assistance Services (DMAS) shall convene an advisory panel of representatives chosen by the Virginia Association of Community Services Boards (VACSB), the Virginia Association of Community-Based Providers (VACBP), the Virginia Coalition of Private Provider Associations (VCOPPA), Caliber, the Virginia Network of Private Providers (VNPP), and the Virginia Hospital and Healthcare Association. The advisory panel shall meet at least every two months with the appropriate staff from DMAS to review and advise on all aspects of the plan for and implementation of the redesign of behavioral health services with a specific focus on ensuring that the systemic plan incorporates development and maintenance of sustainable business models. Upon advice of the Advisory panel, DMAS may assign staff, as necessary, to review operations of a sample of providers to examine the process for service authorization, the interpretation of the medical necessity criteria, and the claims processing by all Medicaid managed care organizations. DMAS will report their findings from this review to the advisory panel and to the Secretary of Health and Human Resources, and the Chairs of House Appropriations and Senate Finance and Appropriations Committees by December 1, 2022.

ZZ. The Department of Medical Assistance Services shall adjust the post eligibility special earnings allowance for individuals in the CCC Plus, Community Living, Family and Individual Support and Building Independence waiver programs to incentivize employment for individuals receiving waiver services. DMAS shall lower the number of hours from at least eight hours but less than 20 hours per week requirement to at least four hours but less than 20 hours per week. The Special Earnings Allowance for waiver participants allows a percentage of earned income to be disregarded when calculating an individual's contribution to the cost of their waiver services when earning income. The current requirement is at least eight hours but less than 20 hours per week for a disregard of up to 200 percent of Supplemental Security Income (SSI) and a disregard of up to 300 percent for individuals that work 20 hours or more per week.

AAA. The Department of Medical Assistance Services shall conduct an analysis to determine if any additional payment opportunities could be directed to the primary teaching hospital affiliated with a Liaison Committee on Medical Education (LCME) accredited medical school located in Planning District 23 that is a political subdivision of the Commonwealth, based on the department's reimbursement methodology established for such payments. If such opportunities do exist, the department shall work with the entities to determine the framework for implementing such payments, including a reasonable cap on such payments so other qualifying entities are not adversely affected in future years.

BBB.1. Effective May 1, 2021, the Department of Medical Assistance Services shall increase the rates for agency- and consumer-directed personal care, respite and companion services in the home and community-based services waivers and Early Periodic Screening, and Diagnosis and Treatment (EPSDT) program by 6.4 percent. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

effect such change.

2. Effective January 1, 2022, the Department of Medical Assistance Services shall increase the rates for agency- and consumer-directed personal care, respite and companion services in the home and community-based services waivers and Early Periodic Screening, and Diagnosis and Treatment (EPSDT) program by 12.5 percent. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

CCC. Effective July 1, 2021, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase the practitioner rates for anesthesiologists to reflect the equivalent of 70 percent of the 2019 Medicare rates. The department shall ensure through its contracts with managed care organizations that the rate increase is reflected in their rates to providers. The department shall have the authority to implement these reimbursement changes prior to the completion of any regulatory process undertaken in order to effect such changes.

DDD. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase the supplemental physician payments for physicians employed at a freestanding children's hospital serving children in Planning District 8 to the maximum allowed by the Centers for Medicare and Medicaid Services within the limit of the appropriation provided for this purpose. The total supplemental Medicaid payment shall be based on the Upper Payment Limit approved by the Centers for Medicare and Medicaid Services and all other Virginia Medicaid fee-for-service payments. The department shall have the authority to implement these reimbursement changes effective July 1, 2021, and prior to the completion of any regulatory process undertaken in order to effect such change.

EEE. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance or any waiver under Title XIX of the Social Security Act to increase the income eligibility for participation in the Medicaid Works program to 138 percent of the Federal Poverty Level. The department shall have the authority to implement this change prior to the completion of the regulatory process necessary to implement such change.

FFF. Effective July 1, 2021, the Department of Medical Assistance Services shall increase rates for skilled and private duty nursing services to 80 percent of the benchmark rate developed by the department and consistent with the appropriation available for this purpose. The department shall have the authority to implement these changes prior to the completion of any regulatory process to effect such changes.

GGG. Effective, January 1, 2021, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance under Title XIX of the Social Security Act, and any necessary waivers, to authorize time and a half up to eight hours and effective July 1, 2021, up to 16 hours for a single attendant who works more than 40 hours per week for attendants providing Medicaid-reimbursed consumer-directed (CD) personal assistance, respite and companion services. The department shall have authority to implement this provision prior to the completion of any regulatory process undertaken in order to effect such change.

HHH. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance Services to implement a modified emergency room utilization program, consistent with the requirements necessary for approval by the Centers for Medicare and Medicaid Services, effective January 1, 2024. The department shall have the authority to implement this change effective January 1, 2024, and prior to the completion of any regulatory process undertaken in order to effect such change.

III. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance Services under Title XIX to modify the definition of readmissions to include cases when patients are readmitted to a hospital for the same or a similar diagnosis within 30 days of discharge, excluding planned readmissions, obstetrical readmissions, admissions to critical access hospitals, or in any case where the patient was originally discharged against medical advice. If the patient is readmitted to the same hospital for a potentially preventable readmission then the payment for such cases shall be paid at 50

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

percent of the normal rate, except that a readmission within five days of discharge shall be considered a continuation of the same stay and shall not be treated as a new case. Similar diagnoses shall be defined as ICD diagnosis codes possessing the same first three digits. The department shall have the authority to implement this reimbursement change effective July 1, 2020, and prior to the completion of any regulatory process undertaken in order to effect such change. The department shall report quarterly on the number of hospital readmissions, the cost, and the primary diagnosis of such readmissions to the Joint Subcommittee for Health and Human Resources Oversight.

JJJ. The Department of Medical Assistance Services shall continue working with the Department of Behavioral Health and Developmental Services to complete the actions necessary to qualify to file a Section 1115 waiver application for Serious Mental Illness and/or Serious Emotional Disturbance. The department shall develop such a waiver application at the appropriate time that shall be consistent with the Addiction Treatment and Recovery Services substance abuse waiver program. The department shall develop a plan with a timeline and potential cost savings of such a waiver to the Commonwealth. The department shall provide an update on the status of the waiver by November 1 of each year to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

KKK.1. Effective January 1, 2021, the Department of Medical Assistance Services shall develop and implement an actuarially sound risk adjustment model that addresses the behavioral health acuity differences among the Medicaid managed care organizations for the community well population of individuals who are dually eligible for Medicare and Medicaid currently served through the Commonwealth Coordinated Care (CCC) Plus program. Behavioral health services shall be defined to include the following: case management services, community behavioral health, early intervention services, and addiction and recovery treatment services. The risk adjustment shall be based on nationally accepted models, such as the Chronic Illness and Disability Payment System (COPS) or Clinical Classifications Software Refined (CCSR), and shall incorporate variables predictive of behavioral health service utilization. Managed care experience shall be utilized as the basis for the risk adjustment.

2. Effective January 1, 2021, the Department of Medical Assistance Services shall develop and implement differential capitation rates for members in behavioral health treatment versus those who are not, for the community well population of individuals who are dually eligible for Medicare and Medicaid currently served through the CCC Plus program. The rates shall be actuarially sound and the behavioral health rates shall additionally incorporate risk adjustment to account for acuity differences amongst the managed care organizations. Behavioral health services shall be defined to include the following: case management services, community behavioral health, early intervention services, and addiction and recovery treatment services. The risk adjustment shall be based on nationally accepted models, such as The Chronic Illness and Disability Payment System (COPS) or Clinical Classifications Software Refined (CCSR), and shall incorporate variables predictive of behavioral health service utilization. Managed care experience shall be utilized as the basis for the establishment of the capitation rates and the risk adjustment.

3. The risk adjustment model and differential capitation rates in these paragraphs shall be implemented such that the impact is budget neutral.

LLL. Free-standing emergency departments, also referred to as dedicated emergency departments as defined in 42 C.F.R. § 489.24(b) that operate as a department of a hospital subject to requirements of the federal Emergency Medical Treatment and Labor Act (42 U.S.C. § 1395dd), and is located off the main hospital campus or in an independent facility, shall submit to the payor upon billing for services rendered (i) the campus location in which their services were rendered, and (ii) an indicator specifying that the services were rendered in a free-standing emergency department.

MMM. Effective July 1, 2021, the Department of Medical Assistance Services shall have the authority to amend the State Plan of Medical Assistance under Title XIX of the Social Security Act to provide a comprehensive dental benefit to adults. The department shall work with its Dental Advisory Committee, including members of the Virginia Dental Association, the Virginia Health Catalyst, the Virginia Commonwealth University School of Dentistry, the Virginia Dental Hygienists Association, the Virginia Health Care Association, a

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

representative of the developmental and intellectual disability community, the Virginia Department of Health and the administrator of the Smiles for Children program to develop the benefit. The benefit shall be modeled after the existing benefit for pregnant women. The benefit shall include preventive and restorative services and shall not include any cosmetic services or orthodontic services. The Dental Advisory Committee shall design a benefit that does not exceed the appropriated funds to provide such services. The department shall work with its dental benefit administrator, the Virginia Dental Association, the Virginia Association of Free and Charitable Clinics, the Virginia Community Healthcare Association and other stakeholders to ensure an adequate network of providers and awareness among beneficiaries. The department shall have authority to promulgate emergency regulations to implement these changes within 280 days or less from the enactment date of this act.

NNN. The Department of Medical Assistance Services, in collaboration with the Virginia Department of Social Services, state workforce agencies and programs, and appropriate stakeholders, shall develop a referral system designed to connect current and newly eligible Medicaid enrollees to employment, training, education assistance and other support services. The department shall review current federal law and regulations that may allow, through State Plan amendments, contracts, or other policy changes, the department to support such a referral program. The department shall provide new enrollees in the Medicaid program, that have been identified as being potentially unemployed or underemployed with information on all available state and federal programs available to them that offer training, education assistance or other types of employment support services. The department shall work with its contracted managed care organizations to facilitate referrals to employment related services. To the degree that resources are available in other state agencies or from federal grants to support the referral program and existing authority permits such use, the department shall coordinate the use of such programs to provide assistance to Medicaid enrollees.

OOO.1. The Department of Medical Assistance Services shall increase nursing home and specialized care per diem rates by \$20 per day per patient effective until June 30, 2021, and by \$15 per day effective July 1, 2021. Such adjustment shall be made through existing managed care capitation rates as a mandated specified rate increase. DMAS shall adjust capitation rates to account for the nursing facility rate increase. The department shall have the authority to file all necessary regulatory authorities without delay, make any necessary contract changes, and implement these reimbursement changes without regard to existing regulations. The specified rate increase in this paragraph applies across fee-for-service and Medicaid managed care.

2.a. The Department of Medical Assistance Services (DMAS) shall work with appropriate nursing facility (NF) stakeholders and the CCC Plus managed care organizations (MCOs) to develop a unified, value-based purchasing (VBP) program that includes enhanced funding for facilities that meet or exceed performance and/or improvement thresholds as developed, reported, and consistently measured by DMAS in cooperation with participating facilities. The methodology and timing for the Virginia nursing facility VBP program, including structures for nursing facility performance accountability and disbursement of earned financial incentives, shall be completed no later than December 31, 2021, with the program targeted to begin no later than July 1, 2022. Nursing facility performance evaluation under the program shall prioritize maintenance of adequate staffing levels and avoidance of negative care events, such as hospital admissions and emergency department visits. The program may also consider performance evaluation in the areas of preventive care, utilization of home and community-based services, including community transitions, and other relevant domains of care.

b. During the first year of this program, half of the available funding shall be distributed to participating nursing facilities to be invested in functions, staffing, and other efforts necessary to build their capacity to enhance the quality of care furnished to Medicaid members. This funding shall be administered as a Medicaid rate add-on in the same manner as in paragraph 1. above. The remaining funding shall be allocated based on performance criteria as designated under the nursing facility VBP program. The amount of funding devoted to nursing facility quality of care investments shall be 25 percent of available funding in the second year of the program before the program transitions to payments based solely on nursing facility performance criteria in the third year of the

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

program. In the third year of this program, such funds as appropriated for this purpose shall be fully disbursed according to the aforementioned unified VBP arrangement to participating nursing facilities that qualify for the enhanced funding.

c. The department shall convene the stakeholders no less than annually through at least the first two years of the program to review program progress and discuss potential modifications to components of the arrangement, including, but not limited to, timing of enhanced payments, performance metrics, and threshold determinations. The department shall implement the necessary regulatory changes and other necessary measures to be consistent with federal approval of any appropriate changes to the State Plan or relevant waivers thereof, and prior to the completion of any regulatory process undertaken to effect such change.

PPP. The Department of Medical Assistance Services shall seek federal authority through waiver and State Plan amendments under Titles XIX and XXI of the Social Security Act to expand the Preferred Office-Based Opioid Treatment (OBOT) model to include individuals with substance use disorders (SUD) that are covered in the Addiction and Recovery Treatment Services (ARTS) benefit. The department shall have the authority to promulgate emergency regulations to implement these amendments within 280 days or less from the enactment of this Act. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

QQQ. The Department of Medical Assistance Services shall seek federal authority through waiver and State Plan amendments under Titles XIX and XXI of the Social Security Act to expand the definition of durable medical equipment per 42 CFR 440.70 (b) (3), so that the definition is no longer limited to items primarily used in the home but also extends to any setting where normal activities take place. The Department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this Act. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

RRR. The Department of Medical Assistance Services (DMAS) is authorized to amend the State Plan for Medical Assistance Services to implement a supplemental Medicaid payment for Department of Veterans Services (DVS) state government-owned nursing facilities. The total supplemental Medicaid payment for DVS state government owned nursing homes shall be based on the difference between the Upper Payment Limit of 42 CFR 447.272, as approved by the Centers for Medicare and Medicaid Services (CMS), and all other Medicaid payments subject to such limit made to such nursing homes. DMAS shall not submit any State Plan amendment to CMS that implements this payment until DMAS enters into an intergovernmental agreement with DVS. This agreement shall include the following provisions: 1) DVS shall transfer funds to DMAS for use as the state share of the full cost of the supplemental Medicaid payment for which each nursing home is entitled; 2) DVS must demonstrate that it has the authority and ability to transfer the necessary funds to DMAS; and, 3) DVS shall attest that any funds provided for state match will comply with federal law for use as the state share for the supplemental Medicaid payment. If DVS is unable to enter into or comply with the provisions of such an intergovernmental agreement, then DMAS shall immediately modify the Medicaid State Plan and adjust any supplemental payments accordingly. DMAS shall have the authority to implement the reimbursement changes consistent with the effective date in the State Plan amendment approved by CMS and prior to the completion of any regulatory process undertaken in order to effect such change.

SSS. The Department of Medical Assistance Services shall update its regulations to reflect the Department of Behavioral Health and Developmental Services licensing criteria for the American Society of Addiction Medicine (ASAM) Level of Care 4.0. The Department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this Act. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

TTT. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to authorize the reimbursement, using a budget neutral methodology, of pharmacy-administered immunizations for all vaccinations covered under the medical benefit for Medicaid members. Reimbursement for fee-for-service members shall be the cost of the vaccine plus an administration fee not to exceed \$16. Reimbursement for pharmacy-

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

administered vaccinations for pediatric Medicaid members eligible for free vaccinations through the Vaccines For Children (VFC) program shall include only the administration fee. The department is authorized to set the administration fee for COVID-19 vaccines at the same level as Medicare reimbursement for such vaccines. The Department shall promulgate regulations to become effective within 280 days or less from the enactment date of this Act to implement this change.

UUU. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to authorize coverage for clinically appropriate audio-only services, provider-to-provider consultations, store-and-forward, and virtual check-ins with patients. The Department shall promulgate regulations to become effective within 280 days or less from the enactment date of this Act to implement this change.

VVV. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to authorize coverage of community doula services for Medicaid-enrolled pregnant women. Services shall include up to 8 prenatal/postpartum visits, and support during labor and delivery. The department shall also implement up to two linkage-to-care incentive payments for postpartum and newborn care.

WWW. The Department of Medical Assistance Services (DMAS) shall have the authority to make necessary changes to waivers and/or the Medicaid State Plan to ensure that all adult Medicaid members have access to COVID-19 vaccinations. The department shall have the authority to implement such changes effective upon passage of this Act, and prior to the completion of any regulatory process undertaken in order to effect such changes.

XXX. The Department of Medical Assistance Services shall amend the Medicaid and CHIP State Plans to authorize prescriptions of contraceptives up to a 12 month supply for eligible beneficiaries in the Medicaid and CHIP programs. The department shall have the authority to promulgate emergency regulations to implement these amendments within 280 days or less from the enactment of this Act.

YYY. 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 the current procedural terminology (CPT) codes for Applied Behavioral Analysis that were added to the CPT list in January 2019, or any future updates to these CPT codes. The department shall have the authority to implement related programmatic changes to service definitions, prior authorization and utilization review criteria, provider qualifications, and reimbursement rates for the Behavioral Therapy Program. The department shall have the authority to implement these changes effective December 1, 2021, and prior to completion of any regulatory process to effect such changes.

ZZZ. The Department of Medical Assistance Services, in coordination with the Department of Behavioral Health and Developmental Services, shall submit a request to the Centers for Medicare and Medicaid Services to amend its 1915(c) Home & Community-Based Services (HCBS) waivers to allow telehealth and virtual and/or distance learning as a permanent service option and accommodation for individuals on the Community Living, Family and Individual Services and Building Independence Waivers. The amendment, at a minimum, shall include all services currently authorized for telehealth and virtual options during the COVID-19 pandemic. The departments shall actively work with the established Developmental Disability Waiver Advisory Committee and other appropriate stakeholders in the development of the amendment including service elements and rate methodologies. The department shall have the authority to implement these changes prior to the completion of the regulatory process.

AAAA. The Department of Medical Assistance Services shall defer the next scheduled nursing facility rate rebasing for one year in order to utilize the calendar year 2021 cost reports as the base year. The deferred year's rates would reflect the prior year rates inflated according to the existing reimbursement regulations. The department shall have the authority to implement these changes effective July 1, 2021 and prior to the completion of any regulatory process undertaken in order to effect such change.

BBBB. The Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to adjust the formula for indirect medical education (IME) reimbursement for managed care discharges for freestanding children's hospitals

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

with greater than 50 percent Medicaid utilization in 2009 by increasing the case mix adjustment factor to the greater of 3.2962 or the most recent rebasing. Total payments for IME in combination with other payments for freestanding children's hospitals with greater than 50 percent Medicaid utilization in 2009 may not exceed the hospital's Medicaid costs. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

CCCC. The Director of the Department of Planning and Budget shall have the authority to appropriate additional federal Medicaid revenue for current services as provided for in the American Rescue Plan Act of 2021 (ARPA). However, no expansion of Medicaid programs or services shall be implemented with ARPA funds unless specifically authorized by the General Assembly. Any state funds offset by this additional federal revenue shall remain unspent and shall be retained until expenditure of such funds is reauthorized and appropriated by the General Assembly.

DDDD. Effective July 1, 2022, the Department of Medical Assistance Services shall have the authority to increase the rates for agency- and consumer-directed personal care, respite and companion services by 7.5 percent to reflect additional increases in the state minimum wage while maintaining the existing differential between consumer-directed and agency-directed rest-of-state rates as well as the northern Virginia and rest-of-state rates. The department shall have the authority to implement these changes prior to completion of any regulatory process to effect such change.

EEEE. Effective July 1, 2022, the Department of Medical Assistance Services shall have the authority to amend the State Plan under Title XIX of the Social Security Act, and any waivers thereof as necessary to add coverage of the preventive services provided pursuant to the Patient Protection and Affordable Care Act (PPACA) for adult, full Medicaid individuals who are not enrolled pursuant to the PPACA. The department shall have the authority to implement these changes prior to the completion of any regulatory process to effect such changes.

FFFF. The Department of Medical Assistance Services shall amend the state plans under Titles XIX and XXI of the Social Security Act, and any waivers thereof as necessary to remove co-payments for enrollees. Such change shall be effective April 1, 2022, or upon expiration of the federal public health emergency related to the Coronavirus Disease 2019 (COVID-19) pandemic, whichever is earlier. The department shall have the authority to implement this change prior to the completion of any regulatory process to effect such changes.

GGGG. The Department of Medical Assistance Services shall seek federal authority through a State Plan amendment to exclude excess resources accumulated by individuals receiving long-term supports and services (LTSS) during the federal Public Health Emergency (PHE) for a period of 12 months beginning at the end of the federal PHE. The department shall have the authority to implement this exclusion upon the signing of the Appropriations Act, and prior to the completion of any regulatory process to effect such change.

HHHH. Freestanding children's hospitals with more than 50 percent Medicaid utilization in fiscal year 2009 shall not have to reimburse the Commonwealth of Virginia for the non-federal share of any refunds of disproportionate share hospitals (DSH) payments for the period of June 2, 2017 through June 30, 2020. This action is limited to refunds required under federal court decisions in connection to calculation of members with dual eligibility or third-party liability.

III. 1. Effective July 1, 2022, the Department of Medical Assistance Services (DMAS) shall have the authority to increase Medicaid Title XIX and CHIP Title XXI reimbursement rates for dental services by 30 percent. The department shall have the authority to implement these reimbursement changes prior to the completion of any regulatory process to effect such changes.

2. The Department of Medical Assistance Services (DMAS), in consultation with the appropriate stakeholders, shall review Medicaid and FAMIS dental benefits to determine any issues related to access. The department shall report its findings to the Chairmen of the House Appropriations and Senate Appropriations and Finance Committees and the Director, Department of Planning and Budget by October 15, 2022.

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|----------------------|-----------------------|----------------------|-----------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |

JJJJ. Effective July 1, 2022, the Department of Medical Assistance Services shall have the authority to increase Medicaid Title XIX and CHIP Title XXI reimbursement rates for physician primary care services, excluding those provided in emergency departments, to 80 percent of the federal FY 2021 Medicare equivalent as calculated by the department and consistent with the appropriation available for this purpose. The department shall have the authority to implement these changes prior to the completion of any regulatory process to effect such changes.

KKKK.1. Out of this appropriation, \$175,793,045 the first year and \$201,197,348 the second year from the general fund and \$182,060,495 the first year and \$208,539,425 the second year from matching federal Medicaid funds and other nongeneral funds shall be provided to increase Developmental Disability (DD) waiver rates set forth in the following paragraph.

2. Effective July 1, 2022, the Department of Medical Assistance Services shall have the authority to update the rates for DD waiver services using the most recent rebasing estimates, based on their review of the model assumptions as appropriate and consistent with efficiency, economy, quality and sufficiency of care and reported no later than July 1, 2022. Rates shall be increased according to Tiered payments contained in the rebasing model, where appropriate for the type of service provided. Rates shall be increased for Group Homes, Sponsored Residential, Supported Living, Independent Living Supports, In-home Supports, Community Engagement, Community Coaching, Therapeutic Consultation, Private Duty and Skilled Nursing, Group Day Support, Group Supported Employment, Workplace Assistance, Community Guide, DD Case Management and Benefits Planning. The department shall have the authority to implement these changes prior to completion of any regulatory process to effect such change.

LLLL. Effective July 1, 2022, the Department of Medical Assistance Services (DMAS) shall have the authority to increase Medicaid Title XIX and CHIP Title XXI reimbursement rates for obstetrics and gynecology covered services by 15 percent. The department shall have the authority to implement these reimbursement changes prior to the completion of any regulatory process to effect such changes.

MMMM. Effective July 1, 2022, the Department of Medical Assistance Services (DMAS) shall have the authority to increase reimbursement rates for children's covered vision services for Medicaid Title XIX and CHIP XXI programs by 30 percent. The department shall have the authority to implement these reimbursement changes prior to the completion of any regulatory process to effect such changes.

NNNN. The Department of Medical Assistance Services shall seek federal authority through waiver and State Plan amendments under Titles XIX and XXI of the Social Security Act to allow enrollment in a Medicaid managed care plan for individuals who are Medicaid eligible 30 days prior to release from incarceration. The department shall modify its contracts with managed care organizations to require a video or telephone conference with incarcerated individuals that are enrolled in a managed care plan in order to create a transition plan during the 30 days prior to release from incarceration. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this Act.

OOOO.1. Effective September 1, 2022, the Department of Medical Assistance Services (DMAS) shall revise its Medicaid and Family Access to Medical Insurance Security (FAMIS) managed care organization (MCO) contracts to require MCOs to include provider agreements for mobile vision services provided to eligible children on school grounds in localities where local school divisions or schools have written agreements with mobile vision providers.

2. Mobile vision providers, subject to such agreements, shall provide comprehensive vision services including, at a minimum, a comprehensive vision exam in compliance with recognized clinical standards to include the use of a binocular indirect ophthalmoscope and/or a wide-angle retinal imaging system, lenses, frames, and fittings.

3. The Department of Medical Assistance Services shall require the Medicaid MCOs to expedite the enrollment and credentialing of the mobile vision providers in the MCO

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

networks and shall work with managed care organizations to ensure that a variety of lens and frames are available to children receiving vision services in any setting. The department shall have authority to implement these provisions prior to the completion of any regulatory process undertaken in order to effect such change.

PPPP. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to authorize coverage for medically necessary general anesthesia and hospitalization or facility charges of a facility licensed to provide outpatient surgical procedures for dental care provided to a Medicaid enrollee who is determined by a licensed dentist in consultation with the enrollee's treating physician to require general anesthesia and admission to a hospital or outpatient surgery facility to effectively and safely provide dental care to an enrollee age ten or younger. The department shall have the authority to implement this change effective July 1, 2022 and prior to the completion of any regulatory process to effect such change.

QQQQ. Effective July 1, 2022, the Department of Medical Assistance Services shall increase Medicaid rates for peer recovery and family support services in private and public community-based recovery services settings from \$6.50 to \$13.00 per 15 minutes for individuals and from \$2.70 to \$5.40 per 15 minutes for groups.

RRRR. Out of this appropriation, \$56,640,476 from nongeneral funds the first year and \$43,489,163 from the general fund and \$64,983,275 from nongeneral funds the second year shall be provided, effective July 1, 2022, for the Department of Medical Assistance Services to increase rates by 12.5%, relative to the rates in effect prior to July 1, 2021, for: (i) adult day health care; (ii) consumer-directed facilitation services; (iii) crisis supervision, crisis stabilization and crisis support services; (v) transition coordinator services; (vi) mental health and early intervention case management services; and (vii) community behavioral health and habilitation services. In addition to the funds included in this Item, \$38,057,684 the first year is provided for the state match for this purpose in Item 486 out of the revenues received from federal distributions of the American Rescue Plan Act of 2021. However, if ARPA funds cannot be used for this purpose the department is authorized to use the available cash balance or excess revenue in the Health Care Fund that is in excess of the estimates included for the first year in this act or additional general fund dollars in excess of the Official Medicaid Forecast made available due to changes in the federal match rate. The department shall have the authority to implement these changes prior to the completion of any regulatory process undertaken in order to effect such change. The department shall include any and all Early Periodic Screening Diagnosis and Treatment (EPSDT) Therapeutic Group Homes in such rate increase effective January 1, 2024, regardless of the number of providers and whether or not such facilities were previously included in the list of eligible procedure and revenue codes provided in the Medicaid Bulletin to Providers of Home and Community Based Services Waivers (HCBS) and EPSDT services participating in Virginia Medical Assistance Programs and Medicaid Managed Care Organizations (MCOs) dated October 16, 2021. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change."

SSSS. Contingent on approval by the Centers for Medicare and Medicaid Services (CMS), the Department of Medical Assistance Services (DMAS) shall allow legally responsible individuals (parents of children under age 18 and spouses) to provide personal care/personal assistance services and be paid for those services when circumstances prevent an individual from being cared for by a non-parent caregiver. Any legally responsible individual who is a paid aide or attendant for personal care/personal assistance services shall meet all the same requirements as other aides or attendants. The department shall have the authority to implement these changes effective July 1, 2022 and prior to completion of any regulatory process to effect such change.

TTTT. Effective for dates of service on or after January 1, 2024, the Department of Medical Assistance Services shall increase the reimbursement rates for Early Intervention services, excluding case management, by 12.5 percent for all children under age three enrolled in Early Intervention in Virginia Medicaid.

UUUU. The Department of Medical Assistance Services shall implement managed care directed payments for physician services for practice plans affiliated with a freestanding children's hospital with more than 50 percent Medicaid utilization in fiscal year 2009 for

| ITEM 304. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

\$11,050,000 million annually but not to exceed the average commercial rate. The department shall have the authority to implement this reimbursement change effective July 1, 2023, and prior to the completion of any regulatory process undertaken in order to effect such changes. The agency shall implement this by determining at the beginning of each year the percent of Medicaid that will result in estimated payments of \$11,050,000 million annually.

VVVV.1. Effective January 1, 2024, the Department of Medical Assistance Services shall increase rates by 10 percent for the following Medicaid-funded community-based services: Intensive In-Home, Mental Health Skill Building, Psychosocial Rehabilitation, Therapeutic Day Treatment, Outpatient Psychotherapy, Peer Recovery Support Services -- Mental Health.

2. Effective January 1, 2024, the Department of Medical Assistance Services shall increase rates by 10 percent for the following Medicaid-funded community-based services: Comprehensive Crisis Services (which include 23-hour Crisis Stabilization, Community Stabilization, Crisis Intervention, Mobile Crisis Response, and Residential Crisis Stabilization), Assertive Community Treatment, Mental Health - Intensive Outpatient, Mental Health - Partial Hospitalization, Family Functional Therapy and Multisystemic Therapy.

WWWW. The Department of Medical Assistance Services shall increase the rates for mental health partial hospitalization from a per diem rate of \$250.62 to \$500.00 and shall increase the rate for mental health intensive outpatient programs from a per diem of \$159.20 to \$250.00. The department shall have the authority to implement this reimbursement change effective January 1, 2024, and prior to the completion of any regulatory process undertaken in order to effect such change.

XXXX. Effective January 1, 2024, the Department of Medical Assistance Services is authorized to amend the State Plan for Medical Assistance Services to: (i) extend the age limitation for children receiving fluoride varnish from non-dental providers from "through age 3" to "through age 5"; (ii) remove the current limitation on the number of times a dentist can bill the behavioral management code when treating adults with disabilities; (iii) provide payment for crowns for patients who received root canal therapy prior to becoming a Medicaid beneficiary; and (iv) provide reimbursement for pre-treatment evaluations performed by dentists treating patients requiring deep sedation or general anesthesia to mirror the Centers for Medicare and Medicaid Services (CMS) guidelines. The department shall have the authority to implement these changes consistent with the effective date in the State Plan amendment approved by CMS and prior to the completion of any regulatory process undertaken in order to effect such change.

YYYY. Effective January 1, 2024, the Department of Medical Assistance Services shall have the authority to increase the rates for agency and consumer-directed personal care, respite and companion services by five percent. The department shall have the authority to implement these changes prior to completion of any regulatory process to effect such change.

ZZZZ.1. The Department of Medical Assistance Services shall amend its regulations and guidance on weight loss drugs to require service authorization for all weight loss drugs to ensure appropriate utilization. The regulations shall be consistent with the appropriate clinical criteria generally used in the health insurance industry. The department shall have authority to implement these provisions prior to the completion of any regulatory process undertaken in order to effect such change.

2. The Department of Medical Assistance Services shall require service authorization for newer diabetic drugs to ensure appropriate utilization and adherence to clinical guidelines. The service authorization shall require evidence of a diagnosis of diabetes and the ineffectiveness of traditional drug treatments. The department shall have authority to implement these provisions prior to the completion of any regulatory process undertaken in order to effect such change.

3. The Department of Medical Assistance Services shall report Medicaid expenditures for diabetic and weight loss drugs each quarter, by no later than 60 days after the end of each quarter, to the Chairs of House Appropriations and Senate Finance and Appropriations

| ITEM 304. | | Item Details(\$) | | Appropriations(\$) | | |
|---|--|------------------|--------------------------------|--------------------|--------------------------------|--|
| | | First Year | Second Year | First Year | Second Year | |
| | | FY2023 | FY2024 | FY2023 | FY2024 | |
| Committees. The report shall breakout the expenditures by drug. | | | | | | |
| AAAAA. Effective January 1, 2024, the Department of Medical Assistance Services shall have the authority to amend the State Plan under Title XIX of the Social Security Act to provide reimbursement for the provision of behavioral health services that are classified by a Current Procedural Terminology code as collaborative care management services. | | | | | | |
| <p><i>BBBBB. The Department of Medical Assistance Services shall develop an inventory of all proposed changes to the Commonwealth's managed care contract to be included in the reprocurement for Cardinal Care Managed Care program awarded under RFP 13330 as compared to the existing managed care contract. This inventory shall include a description of how each change will impact the Medicaid program, the legal authorization for such change, and any fiscal impact. The department shall report this information to the Department of Planning and Budget, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees and the Joint Subcommittee for Health and Human Resources by no later than June 1, 2024.</i></p> | | | | | | |
| 305. | Not set out. | | | | | |
| 306. | Medical Assistance Services for Low Income Children (46600)..... | | | \$248,907,357 | \$269,332,249 \$243,442,242 | |
| | Reimbursements for Medical Services Provided to Low-Income Children (46601)..... | \$248,907,357 | \$269,332,249 \$243,442,242 | | | |
| | Fund Sources: General..... | \$84,680,147 | \$90,251,044 \$79,425,005 | | | |
| | Federal Trust..... | \$164,227,210 | \$179,081,205 \$164,017,237 | | | |
| Authority: Title 32.1, Chapters 9, 10 and 13, Code of Virginia; P.L. 89-97, as amended, Titles XIX and XXI, Social Security Act, Federal Code. | | | | | | |
| To the extent that appropriations in this Item are insufficient, the Department of Planning and Budget shall transfer general fund appropriation, as needed, from Children's Health Insurance Program Delivery (44600) and Medicaid Program Services (45600), if available, into this Item to be used as state match for federal Title XXI funds. | | | | | | |
| 307. | Medical Assistance Management Services (Forecasted) (49600)..... | | | \$48,921,627 | \$47,421,627 \$50,271,113 | |
| | Medicaid payments for enrollment and utilization related contracts (49601)..... | \$46,336,320 | \$44,836,320 \$47,685,806 | | | |
| | CHIP payments for enrollment and utilization related contracts (49632)..... | \$2,585,307 | \$2,585,307 | | | |
| | Fund Sources: General..... | \$14,392,754 | \$14,392,754 | | | |
| | Dedicated Special Revenue..... | \$5,104,941 | \$3,604,941 \$6,454,427 | | | |
| | Federal Trust..... | \$29,423,932 | \$29,423,932 | | | |
| Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-97, as amended, Titles XIX and XXI, Social Security Act, Federal Code. | | | | | | |
| Amounts appropriated in this Item shall fund administrative expenditures associated with contracts between the department and companies providing dental benefit services, consumer-directed payroll services, claims processing, behavioral health management services and disease state/chronic care programs for Medicaid and FAMIS recipients. | | | | | | |
| 308. | Administrative and Support Services (49900)..... | | | \$295,873,698 | \$288,261,699 \$289,972,519 | |

| ITEM 308. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|--------------------------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| General Management and Direction (49901)..... | \$276,561,140 | \$269,574,963 \$271,285,783 | | |
| Administrative Support for the Family Access to Medical Insurance Security Plan (49932)..... | \$16,812,558 | \$16,186,736 | | |
| CHIP Health Services Initiatives (49936)..... | \$2,500,000 | \$2,500,000 | | |
| Fund Sources: General..... | \$74,373,559 | \$72,923,062 | | |
| Special..... | \$7,329,800 | \$7,329,800 | | |
| Dedicated Special Revenue..... | \$8,969,112 | \$8,781,954 \$10,492,774 | | |
| Federal Trust..... | \$205,201,227 | \$199,226,883 | | |

Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-97, as amended, Titles XIX and XXI, Social Security Act, Federal Code.

A.1.a. Notwithstanding any other provision of law, by November 1 of each year, the Department of Medical Assistance Services (DMAS) shall prepare and submit a forecast of Medicaid expenditures, upon which the Governor's budget recommendations will be based, for the current and subsequent two years to the Director, Department of Planning and Budget (DPB) and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.

b. The forecast shall be based on current state and federal laws and regulations.

c. The forecast shall reflect only expenditures for medical services provided in Program 45600 and shall exclude service area 45606, service area 45607, and administrative expenditures.

d. Rebasing and inflation estimates that are required by existing law or regulation for any Medicaid provider shall be included in the forecast.

e. The forecast shall include a projection of the increases or decreases in managed care costs, including the rates that will be reflected in the upcoming July 1 contracts as well as changes in managed care rates for a three-year period including the current year.

f. In preparing for each year's forecast of the managed care portions of the budget, DMAS shall submit to its actuarial contractor a letter of request, with a copy sent to the Director, DPB and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees. This letter shall document the department's request for a point estimate of managed care rates and changes in rates, based on the application of actuarial principals and methodologies and information available at the time of the forecast. The letter also shall require that the contractor reflect the years being forecasted, and shall specify the population groupings for which estimates are requested. The department shall request that the contractor reply in writing with a copy to all parties copied on the department's letter of request.

2. In addition to the November 1 forecast submission, DMAS shall provide: 1) a separate accounting of forecasted expenditures by caseload/utilization, inflation and policy changes; and 2) an enrollment forecast for the same period of the forecast.

3. In the development and execution of the official forecast, DMAS shall collaborate with staff from the Department of Planning and Budget (DPB), House Appropriations Committee and Senate Finance and Appropriations Committee. Further, DMAS shall consult with DPB and money committee staff throughout the year, as necessary, to review any issues that may influence the current or upcoming forecasts. Upon request from such staff, DMAS shall provide the information necessary to evaluate factors that may affect the Medicaid forecast; including, but not limited to, program utilization, enrollment, lump sum payments, and rate changes. At a minimum, DMAS shall provide such staff with program updates within 30 days after the end of each General Assembly session and fiscal year. By October 15 of each year, DMAS shall make a preliminary forecast of Medicaid expenditures available for review to staff from DPB and the House Appropriations and Senate Finance and Appropriations Committees. DMAS shall consider feedback generated from this review in the official November 1 forecast.

B.1. The Department of Medical Assistance Services (DMAS) shall submit monthly

| ITEM 308. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| <p>expenditure reports of the Medicaid program by service that shall compare expenditures to the official Medicaid forecast, adjusted to reflect budget actions from each General Assembly Session. The monthly report shall be submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees within 20 days after the end of each month.</p> <p>2. The Department of Medical Assistance Services shall prepare a quarterly report summarizing managed care expenditures by program and service category through the most recent quarter with three months of runout. The report shall summarize the data by service date for each quarter in the current fiscal year and the previous two fiscal years and update prior quarter expenditures. The department shall publish the report on the department's website no later than 30 days after the end of each quarter and shall notify the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.</p> <p>3. The Department of Medical Assistance Services shall track expenditures for the prior fiscal year that ended on June 30, that includes the expenditures associated with changes in services and eligibility made in the Medicaid and FAMIS programs adopted by the General Assembly in the past session(s). Expenditures related to changes in services and eligibility adopted in a General Assembly Session shall be included in the report for five fiscal years beginning from the first year the policy impacted expenditures in the Medicaid and FAMIS programs. The department shall report the expenditures of each funding change separately and show the impact by fiscal year. The report shall be submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees by December 1 of each year.</p> <p>4. The Department of Medical Assistance Services shall convene a meeting each quarter with the Secretary of Finance, Secretary of Health and Human Resources, or their designees, and appropriate staff from the Department of Planning and Budget, House Appropriations and Senate Finance and Appropriations Committees, and Joint Legislative Audit and Review Commission to explain any material differences in expenditures compared to the official Medicaid forecast, adjusted to reflect budget actions from each General Assembly Session. The main purpose of each meeting shall be to review and discuss the most recent Medicaid expenditures to determine the program's financial status. If necessary, the department shall provide options to bring expenditures in line with available resources. At each quarterly meeting, the department shall provide an update on any changes to the managed care programs, or contracts with managed care organizations, that includes detailed information and analysis on any such changes that may have an impact on the capitation rates or overall fiscal impact of the programs, including changes that may result in savings. In addition, the department shall report on utilization and other trends in the managed care programs. During each fiscal year, the meetings for each quarter shall be held in July, October, December, and April to review the previous three month period.</p> <p>C. The Department of Medical Assistance Services shall report a detailed accounting, annually, of the agency's organization and operations. This report shall include an organizational chart that shows all full- and part-time positions (by job title) employed by the agency as well as the current management structure and unit responsibilities. The report shall also provide a summary of organization changes implemented over the previous year. The report shall be made available on the department's website by August 15 of each year.</p> <p>D. The Department of Medical Assistance Services shall, within 15 days of receiving a deferral of federal grant funds, or release of a deferral, or a disallowance letter, notify the Director, Department of Planning and Budget, and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees of such deferral action or disallowance. The notice shall include the amount of the deferral or disallowance and a detailed explanation of the federal rationale for the action. Any federal documentation received by the department shall be attached to the notification.</p> <p>E.1. It is the intent of the General Assembly that the Department of Medical Assistance Services provide more data regarding Medicaid and other programs operated by the department on their public website. The department shall create a central website that consolidates data and statistical information to make the information more readily available to the general public. At a minimum the information included on such website shall include</p> | | | | |

| ITEM 308. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

monthly enrollment data, expenditures by service, and other relevant data.

2. The department shall make Medicaid and other agency data stored in the agency's data warehouse available through the department's website that includes, at a minimum, interactive tools for the user to select, display, manipulate and export requested data.

3. The Department of Medical Assistance Services shall post on its website the complete State Plan for Medical Assistance along with all amendments in an easily searchable format to be accessible to the public.

4. Within five days of any submission of a State Plan amendment to the Centers for Medicare and Medicaid Services, the Department of Medical Assistance Services shall post such submission on its website. The department shall also post any federal approval documents once the State Plan amendment is approved.

5. The department shall publish a document on its website, updated annually, that lists all policy changes, including their fiscal impact, for the Medicaid program for the preceding fiscal year.

F. The Department of Medical Assistance Services shall notify the Director, Department of Planning and Budget, and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees at least 30 days prior to any change in capitated rates for managed care companies. The notification shall include the amount of the rate increase or decrease, and the projected impact on the state budget.

G.1. Effective January 1, 2018, the Department of Medical Assistance Services shall include in all its contracts with managed care organizations (MCO) the following:

a. A provision requiring the MCOs to return one-half of the underwriting gain in excess of three percent of Medicaid premium income up to 10 percent. The MCOs shall return 100 percent of the underwriting gain above 10 percent.

b. A requirement for detailed financial and utilization reporting. The reported data shall include: (i) income statements that show expenses by service category; (ii) balance sheets; (iii) information about related-party transactions; and (iv) information on service utilization metrics.

c. Upon the inclusion of behavioral health care in managed care, behavioral health-specific metrics to identify undesirable trends in service utilization.

d. Upon the inclusion of behavioral health care in managed care, a report on their policies and processes for identifying behavioral health providers who provide inappropriate services and the number of such providers that are disenrolled.

2. For rate periods effective January 1, 2018 and thereafter, the Department of Medical Assistance Services shall direct its actuary as part of the rate setting process to:

a. Identify potential inefficiencies in the Medallion program and adjust capitation rates for expected efficiencies. The department is authorized to phase-in this adjustment over time based on the portion of identified inefficiencies that MCOs can reasonably reduce each year.

b. Monitor medical spending for related-party arrangements and adjust historical medical spending when deemed necessary to ensure that capitation rates do not cover excessively high spending as compared to benchmarks. Related-party arrangements shall mean those in which there is common ownership or control between the entities, and shall not include Medicaid payments otherwise authorized in this Item.

c. Adjust capitation rates in the Medallion program to account for a portion of expected savings from required initiatives.

d. Allow negative historical trends in medical spending to be carried forward when setting capitation rates.

e. Annually rebase administrative expenses per member per month for projected enrollment changes.

| ITEM 308. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| f. Annually incorporate findings on unallowable administrative expenses from audits of MCOs into its calculations of underwriting gain and administrative loss ratios for the purposes of ongoing financial monitoring, including enforcement of the underwriting gain cap. | | | | |
| g. Adjust calculations of underwriting gain and medical loss ratio by classifying as profit medical spending that is excessively high due to related-party arrangements. | | | | |
| 3. The Department of Medical Assistance Services shall report to the General Assembly on spending and utilization trends within Medicaid managed care, with detailed population and service information and include an analysis and report on the underlying reasons for these trends, the agency's and MCOs' initiatives to address undesirable trends, and the impact of those initiatives. The report shall be submitted each year by September 1. | | | | |
| 4. The Department of Medical Assistance Services shall develop a proposal for cost sharing requirements based on family income for individuals eligible for long-term services and supports through the optional 300 percent of Supplemental Security Income eligibility category and submit the proposal to the Centers for Medicare and Medicaid Services to determine if such a proposal is feasible. No cost sharing requirements shall be implemented unless approved by the General Assembly. | | | | |
| H. The Department of Medical Assistance Services, to the extent permissible under federal law, shall enter into an agreement with the Department of Behavioral Health and Developmental Services to share Medicaid claims and expenditure data on all Medicaid-reimbursed mental health, intellectual disability and substance abuse services, and any new or expanded mental health, intellectual disability retardation and substance abuse services that are covered by the State Plan for Medical Assistance. The information shall be used to increase the effective and efficient delivery of publicly funded mental health, intellectual disability and substance abuse services. | | | | |
| I. The Department of Medical Assistance Services, in collaboration with the Department of Behavioral Health and Developmental Services, shall convene a stakeholder workgroup, to meet at least once annually, with representatives of the Virginia Association of Community Services Boards, the Virginia Network of Private Providers, the Virginia Association of Centers for Independent Living, Virginia Association of Community Rehabilitation Programs (VaACCSES), the disAbility Law Center of Virginia, the ARC of Virginia, and other stakeholders including representative family members, as deemed appropriate by the Department of Medical Assistance Services. The workgroup shall: (i) review data from the previous year on the distribution of the SIS levels and tiers by region and by waiver; (ii) review the process, information considered, scoring, and calculations used to assign individuals to their levels and reimbursement tiers; (iii) review the communication which informs individuals, families, providers, case managers and other appropriate parties about the SIS tool, the administration, and the opportunities for review to ensure transparency; and (iv) review other information as deemed necessary by the workgroup. The department shall report on the results and recommendations of the workgroup to the General Assembly by October 1 of each year. | | | | |
| J. The Department of Medical Assistance Services (DMAS) shall collect and provide to the Office of Children's Services (OCS) all information and data necessary to ensure the continued collection of local matching dollars associated with payments for Medicaid eligible services provided to children through the Children's Services Act. This information and data shall be collected by DMAS and provided to OCS on a monthly basis. | | | | |
| K. The Departments of Medical Assistance Services (DMAS) and Social Services (DSS) shall collaborate with the League of Social Services Executives, and other stakeholders to analyze and report data that demonstrates the accuracy, efficiency, compliance, quality of customer service, and timeliness of determining eligibility for the Medicaid and CHIP programs. Based on this collaboration, the departments shall develop meaningful performance metrics on data in agency systems that shall be used to monitor eligibility trends, address potential compliance problem areas and implement best practices. DMAS shall maintain on its website a public dashboard on eligibility performance that includes performance metrics developed through collaborative efforts as well as the performance of local departments of social services and any centralized eligibility-processing unit. Effective August 1, 2018 this dashboard shall be updated for the previous quarter and 30 days following the end of each | | | | |

| ITEM 308. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

quarter thereafter.

L. In addition to any regional offices that may be located across the Commonwealth, any statewide, centralized call center facility that operates in conjunction with a brokerage transportation program for persons enrolled in Medicaid or the Family Access to Medical Insurance Security plan shall be located in Norton, Virginia.

M. The Department of Medical Assistance Services, in collaboration with the Department of Social Services, shall require Medicaid eligibility workers to search for unreported assets at the time of initial eligibility determination and renewal, using all currently available sources of electronic data, including local real estate property databases and the Department of Motor Vehicles for all Medicaid applicants and recipients whose assets are subject to an asset limit under Medicaid eligibility requirements.

N.1. The Department of Medical Assistance Services shall require eligibility workers to verify income, using currently available Virginia Employment Commission data, for applicants and recipients who report no earned or unearned income. The Department shall require all Medicaid eligibility workers to apply the same protocols when verifying income for all applicants and recipients, including those who report no earned or unearned income.

2. The Department shall amend the Virginia Medicaid application, upon approval of the federal Centers for Medicare and Medicaid Services, to require a Medicaid applicant to opt out if such applicant does not want to grant permission to the state to use his federal tax returns for the purposes of renewing eligibility. The department shall implement the necessary regulatory changes and other necessary measures to be consistent with federal approval of any appropriate State Plan changes, and prior to the completion of any regulatory process undertaken in order to effect such change.

O.1. The Department of Medical Assistance Services shall report on the operations and costs of the Medicaid call center (also known as the Cover Virginia Call Center). This report shall include the number of calls received on a monthly basis, the purpose of the call, the number of applications for Medicaid submitted through the call center, and the costs of the contract. The department shall submit the report by August 15 of each year to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.

2. Out of this appropriation, \$3,283,004 the first year and \$3,283,004 the second year from the general fund and \$9,839,000 the first year and \$9,839,000 the second year from nongeneral funds is provided for the enhanced operation of the Cover Virginia Call Center as a centralized eligibility processing unit (CPU) that shall be limited to processing Medicaid applications received from the Federally Facilitated Marketplace, telephonic applications through the call center, or electronically submitted Medicaid-only applications. The department shall report the number of applications processed on a monthly basis and payments made to the contractor to the Director, Department of Planning and Budget and the Chairman of the House Appropriations and Senate Finance and Appropriations Committees. The report shall be submitted no later than 60 days after the end of each quarter of the fiscal year.

P. Out of this appropriation, \$15,462,264 the first year and \$15,462,264 the second year from the general fund and \$62,407,632 the first year and \$62,407,632 the second year from nongeneral funds shall be provided to maintain and operate the Medicaid Enterprise System.

Q.1. Out of this appropriation, \$6,035,000 the first year and \$6,035,000 the second year from special funds is appropriated to the Department of Medical Assistance Services (DMAS) for the disbursement of civil money penalties (CMP) levied against and collected from Medicaid nursing facilities for violations of rules identified during survey and certification as required by federal law and regulation. Based on the nature and seriousness of the deficiency, the agency or the Centers for Medicare and Medicaid Services may impose a civil money penalty, consistent with the severity of the violations, for the number of days a facility is not in substantial compliance with the facility's Medicaid participation agreement. Civil money penalties collected by the Commonwealth must be applied to the protection of the health or property of residents of nursing facilities

| ITEM 308. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | found to be deficient. Penalties collected are to be used for (1) the payment of costs incurred by the Commonwealth for relocating residents to other facilities; (2) payment of costs incurred by the Commonwealth related to operation of the facility pending correction of the deficiency or closure of the facility; and (3) reimbursement of residents for personal funds or property lost at a facility as a result of actions by the facility or individuals used by the facility to provide services to residents. These funds are to be administered in accordance with the revised federal regulations and law, 42 CFR 488.400 and the Social Security Act § 1919(h), for Enforcement of Compliance for Long-Term Care Facilities with Deficiencies. Any special fund revenue received for this purpose, but unexpended at the end of the fiscal year, shall remain in the fund for use in accordance with this provision. | | | |
| 2. | Of the amounts appropriated in Q.1. of this Item, up to \$225,000 the first year and \$225,000 the second year from special funds may be used for the costs associated with administering CMP funds. | | | |
| 3. | Of the amounts appropriated in Q.1. of this Item, up to \$2,310,000 the first year and \$2,310,000 the second year from the special funds may be used for special projects that benefit residents and improve the quality of nursing Facilities. | | | |
| 4. | Out of the amounts appropriated in Q.1. of this item, \$3,500,000 the first year and \$3,500,000 the second year from special funds shall be used for a quality improvement program addressing nursing facility capacity building. The program design may be based on the results of the Virginia Gold Quality Improvement Program pilot project, to include peer mentoring, job-related and interpersonal skills training, and work-related benefits. The Department of Medical Assistance Services shall seek approval from the Centers for Medicare & Medicaid Services (CMS) to implement the program. | | | |
| 5. | By October 1 of each year, the department shall provide an annual report of the previous fiscal year that includes the amount of revenue collected and spending activities to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees and the Director, Department of Planning and Budget. | | | |
| 6. | No spending or activity authorized under the provisions of paragraph Q. of this Item shall necessitate general fund spending or require future obligations to the Commonwealth. | | | |
| 7. | The department shall maintain a CMP special fund balance of at least \$1.0 million to address emergency situations in Virginia's nursing facilities. | | | |
| 8. | The Department of Medical Assistance Services is authorized to administratively request up to \$2,000,000 of additional special fund appropriation for special projects if 1) the appropriated amounts in Q.3. are insufficient; and 2) such projects and costs are approved by the Centers for Medicare and Medicaid Services (CMS) for the Civil Money Penalty Reinvestment State Plan. The Department of Planning Budget shall approve such requests provided the required conditions are met. | | | |
| R. | Out of this appropriation, \$100,000 the first year and \$100,000 the second year from the general fund shall be provided to contract with the Virginia Center for Health Innovation for research, development and tracking of innovative approaches to healthcare delivery. | | | |
| S. | The Department of Medical Assistance Services shall, prior to the end of each fiscal quarter, determine and properly reflect in the accounting system whether pharmacy rebates received in the quarter are related to fee-for-service or managed care expenditures and whether or not the rebates are prior year recoveries or expenditure refunds for the current year. The state share of pharmacy rebates for the quarter determined to be prior year revenue shall be deposited to the Virginia Health Care Fund before the end of the fiscal quarter. The department shall create and use a separate revenue source code to account for pharmacy rebates in the Virginia Health Care Fund. | | | |
| T. | Out of this appropriation, \$87,500 the first year and \$87,500 the second year from the general fund and \$262,500 the first year and \$262,500 second year from nongeneral funds shall be provided for support of the All Payer Claims Database operated by Virginia Health Information. This appropriation is contingent on federal approval of an Operational Advanced Planning Document. | | | |
| U. | Out of this appropriation, \$875,000 the first year and \$875,000 the second year from the | | | |

| ITEM 308. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

general fund and \$1,625,000 the first year and \$1,625,000 the second year from nongeneral funds is provided for the Department of Medical Assistance Services to amend the State Plan and any waivers under Title XXI to fund \$2,500,000 annually for three Poison Control centers serving Virginia as part of a Health Services Initiative. The department shall have the authority to promulgate emergency regulations to implement these amendments within 280 days or less from the enactment of this act.

V. Notwithstanding any other provision of law, the Department of Medical Assistance Services (DMAS) shall have the authority to adjust the date of any agency payments should doing so allow the agency to maximize federal reimbursement. This language shall only apply to the extent that any impacted payments or reimbursements are allowable and appropriate under state and federal rules.

W.1. Out of amounts appropriated in the items for this agency, \$598,763 the first year and \$598,763 the second year from the general fund and \$823,476 the first year and \$823,476 the second year from nongeneral funds is provided to support seven appeals staff positions that will respond to additional appeals and ensure regulatory compliance.

2. The Department of Medical Assistance Services shall amend regulations to clarify (i) the burden of proof in client appeals; (ii) the scope of review for de novo hearings in client appeals, and (iii) the timeframes for submission of documents and decision deadlines for de novo client hearings. The department shall have the authority to promulgate emergency regulations to implement these amendments within 280 days or less from the enactment of this Act.

X. Out of this appropriation, \$447,700 the first year and \$447,700 the second year from the general fund and \$1,212,666 the first year and \$1,212,666 the second year from nongeneral funds is provided to implement the Virginia Facilitated Enrollment Program.

Y. Out of this appropriation, \$1,319,515 the first year and \$1,319,515 the second year from the general fund and \$3,798,129 the first year and \$3,798,129 the second year from federal funds is provided to support the Emergency Department Care Coordination Program (EDCC) as allowed by the Centers for Medicare and Medicaid Services. The Department of Medical Assistance Services, in cooperation with the Virginia Department of Health, shall establish a work group comprised of the EDCC contractor, the Virginia Health Information, Medicaid and commercial managed care organizations, health systems with emergency departments and emergency department physicians to optimize the use of the system and any enhancements to the system to facilitate communication and collaboration among physicians, other healthcare providers and other clinical and care management personnel about patients receiving services in hospital emergency departments for the purpose of improving the quality of care.

Z. Effective July 1, 2021, the Department of Medical Assistance Services shall implement an orientation program for Doula service providers.

AA. Out of this appropriation, \$90,000 the first year and \$90,000 the second year from the general fund and \$90,000 the first year and \$90,000 the second year from federal funds shall be used by the agency to hire a full time employee in the provider reimbursement division. This employee shall have the actuarial and accounting experience necessary to provide ongoing expertise on nursing facility reimbursement and rate methodology issues.

BB. Out of this appropriation, \$300,000 the first year and \$300,000 the second year from the general fund and \$300,000 the first year and \$300,000 the second year from federal funds shall be used by the agency to hire five additional full-time employees to augment existing staff in the agency's finance division. Specifically, the Department of Medical Assistance Services shall hire three additional positions in the budget division, one additional position in the fiscal division and one additional position in the provider reimbursement division. The agency shall inform the Director, Department of Planning and Budget once these positions are hired. In addition, these positions shall be highlighted in the agency's annual organizational report.

CC.1. The Department of Medical Assistance Services, in conjunction with relevant stakeholders, shall convene a workgroup to develop a plan for a neurobehavioral science unit and a waiver program for individuals with brain injury and neuro-cognitive disorders.

| ITEM 308. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|------------------|--------------------|------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| <p>The neurobehavioral science unit shall be considered as one of the alternative institutional placements for individuals needing these waiver services. The workgroup shall make recommendations in the plan related to relevant service definitions, administrative structure, eligibility criteria, reimbursement rates, evaluation, and estimated annual costs to reimburse for neurobehavioral institutional care and administration of the waiver program. The department shall include a rate methodology that supports institutional costs and waiver services.</p> <p>2. The department shall submit a report which outlines the recommendations for a neurobehavioral science unit, waiver program, and the service methodology to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1, 2022.</p> <p>DD. The Department of Medical Assistance Services and the Department of Planning and Budget shall evaluate the impact of merging the Commonwealth Care Coordinated Plus and Medallion 4.0 managed care programs to identify administrative cost savings and efficiencies that will result from combining the two programs and contracts. The departments shall develop a plan to achieve savings of at least \$1.0 million a year and shall report that plan to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by no later than October 1, 2022.</p> <p>EE.1. The Department of Medical Assistance Services is authorized to begin the reprocurement of the Commonwealth's managed care service delivery system with an implementation date no earlier than July 1, 2024.</p> <p>2. In development of a single managed care contract with the selected managed care organizations, the department shall not include the following services, which shall remain in fee-for-service: (i) dental services; (ii) developmental disability waiver services; (iii) and other services currently excluded from the managed care contracts. DMAS shall not include any new services in the contract unless explicitly authorized by the General Assembly.</p> <p>3. The department shall ensure that the cost of any programmatic and/or contractual changes are fully accounted for in the Appropriation Act. Contract and program changes associated with this reprocurement shall not create any future funding commitments unless authorized by the General Assembly.</p> <p>4. The department shall have its contracted actuary review the new managed care contract and report on all program changes as compared to the existing contract and estimate any fiscal impact of such changes no later than 30 days prior to the effective date of the contract.</p> | | | | |
| Total for Department of Medical Assistance Services. | | | \$20,682,856,509 | \$23,040,568,817 |
| | | | | \$22,673,929,176 |
| General Fund Positions..... | 266.02 | 263.52 | | |
| Nongeneral Fund Positions..... | 276.98 | 279.48 | | |
| Position Level..... | 543.00 | 543.00 | | |
| Fund Sources: General..... | \$5,824,897,704 | \$6,026,900,220 | | |
| | | \$5,876,121,463 | | |
| Special..... | \$7,329,800 | \$7,329,800 | | |
| Dedicated Special Revenue..... | \$1,686,990,140 | \$1,718,425,974 | | |
| | | \$2,265,677,128 | | |
| Federal Trust..... | \$13,163,638,865 | \$15,287,912,823 | | |
| | | \$14,524,800,785 | | |

§ 1-17. DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES (720)

- 309. Not set out.
- 310. Not set out.
- 311. Not set out.

| ITEM 312. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| 312. | Central Office Managed Community and Individual Health Services (44400)..... | | | \$83,241,431 | \$160,517,245 |
| | Individual and Developmental Disability Services (44401)..... | \$6,709,379 | \$6,959,379 | | |
| | Mental Health Services (44402)..... | \$74,482,052 | \$150,091,468 | | |
| | Substance Abuse Services (44403)..... | \$2,050,000 | \$3,466,398 | | |
| | Fund Sources: General..... | \$82,257,776 | \$158,117,192 | | |
| | Special..... | \$983,655 | \$2,400,053 | | |

Authority: Title 16.1, Article 18, and Title 37.2, Chapters 2, 3, 4, 5, 6 and 7, and Title 2.2, Chapters 26 and 53 Code of Virginia; P.L. 102-119, Federal Code.

A. Out of this appropriation, \$5,050,000 the first year and \$5,050,000 the second year from the general fund shall be used for Developmental Disability Health Support Networks in regions served, or previously served, by Southside Virginia Training Center, Central Virginia Training Center, Northern Virginia Training Center, and Southwestern Virginia Training Center.

B. Out of this appropriation, \$705,000 the first year and \$705,000 the second year from the general fund shall be used to provide community-based services to individuals transitioning from state training centers to community settings who are not eligible for Medicaid.

C.1. Out of this appropriation, \$27,722,785 the first year and \$27,722,785 the second year from the general fund shall be used to address census issues at state facilities by providing community-based services for those individuals determined clinically ready for discharge or for the diversion of admissions to state facilities by purchasing acute inpatient or community-based psychiatric services.

2. Out of this appropriation, \$2,500,000 the first year and \$2,500,000 the second year from the general fund is provided for the development or acquisition of clinically appropriate housing options to provide comprehensive community-based care for individuals in state hospitals who have complex and resource-intensive needs who have been clinically determined able to move from a hospital to a more integrated setting. In addition to the funds in this Item, \$250,000 the first year and \$250,000 the second year from the general fund is provided in Item 311 of this Act for a community support team to assist housing providers in addressing the complex needs of residents who have been discharged from state facilities or individuals who are at risk of institutionalization.

3. In addition to the amounts in C.1. above, \$770,000 the first year and \$770,000 the second year is provided to improve clinical and financial tracking of Discharge Assistance Planning funds and Local Inpatient Purchase of Services funds through the purchase of an information technology solution.

4. In addition to the amounts in C.1. above, \$400,000 the first year is provided for the costs of a contract to study and implement rates for services provided with Discharge Assistance Planning funds. No fewer than ninety days prior to implementing any rate structure recommended by the study, the Department of Behavioral Health and Developmental Services shall report the results of the rate study and the projected impact of any changes in rates to the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committee. This report shall be due no later than June 30, 2023.

D. Out of this appropriation, \$6,429,216 the first year and \$6,429,216 the second year from the general fund shall be provided to the Department of Behavioral Health and Developmental Services to provide alternative transportation for adults and children under a temporary detention order on a statewide basis.. The department shall report to the Governor and Chairmen of the House Appropriations and Senate Finance and Appropriations Committees on the effectiveness and outcomes of the program funding by October 1 of each year.

E. Out of this appropriation, \$1,150,000 the first year and \$1,150,000 the second year from the general fund shall be provided for costs of transporting individuals from state

| ITEM 312. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

behavioral health facilities to their homes after being discharged from such facility as a result from an admission under a temporary detention order.

F. Out of this appropriation, \$2,000,000 the first year and \$3,359,416 the second year from the general fund is provided for a program of alternative custody for individuals under a temporary detention order who are awaiting transport to an inpatient bed. The Department of Behavioral Health and Developmental Services, in consultation with local law enforcement, community services boards, and other stakeholders as appropriate, shall implement a plan to provide alternative custody options for individuals under temporary detention orders to reduce the length of time law enforcement resources are involved and improve patient outcomes.

G. Out of this appropriation, \$6,885,488 the first year and \$10,835,488 the second year from the general fund shall be provided to the Department of Behavioral Health and Developmental Services to contract with the Virginia Mental Health Access Program to develop integrated mental health services for children.

H. Out of this appropriation, \$300,000 the first year and \$300,000 the second year from the general fund and \$1,416,398 the second year from nongeneral funds shall be used to purchase and distribute additional REVIVE! kits and associated doses of naloxone used to treat emergency cases of opioid overdose or suspected opioid overdose. The nongeneral funds shall be provided from amounts reflected in the Commonwealth Opioid Abatement and Remediation Fund.

I. Out of this appropriation, \$8,400,000 in the first year and \$8,400,000 the second year from the general fund shall be used to address census issues at state facilities by providing community-based services for children and adolescents determined clinically ready for discharge or for the diversion of admissions of children and adolescents to state facilities by purchasing acute inpatient services, step-down services, or community-based services as an alternative to inpatient care.

J. The Department of Behavioral Health and Developmental Services shall post its annual federal State Targeted Response Report and State Opioid Response (SOR) Report on its website no later than December 31 of each year. The report will describe the amount of any grants received from the Substance Abuse and Mental Health Services Administration as part of any State Opioid Response grant funding, and shall provide information on how the funds are distributed among programs, the number of individuals served if available, and any available outcome-based data specific to treatment engagement and impact on access.

K. Out of this appropriation, \$89,396 the first year and \$89,396 the second year from the general fund shall be provided to the Department of Behavioral Health and Developmental Services to contract with the Jewish Foundation for Group Homes to expand the Transitioning Youth program for individuals with developmental disability who are aging out and exiting the school system in Loudoun County.

L1. Out of this appropriation, \$1,700,000 the first year and \$1,700,000 the second year is provided to make grants to members of the Virginia Association of Recovery Residences for recovery support services. The association must ensure that members accredited by the Council on Accreditation of Peer Recovery Support Services (CAPRSS) receive a share of these funds. The Department of Behavioral Health and Developmental Services shall report to the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees by August 1, 2023, and each year thereafter, on the distribution and use of the funds authorized in this paragraph.

2. The Department of Behavioral Health and Developmental Services shall monitor credentialed recovery homes for regulatory compliance and consult with the Virginia Association of Recovery Residences to keep the agency's public website's list of credentialed recovery homes up to date.

M.1. Out of this appropriation, \$3,547,000 the first year and \$3,547,000 the second year from the general fund shall be used to support the diversion and discharge of individuals with a diagnosis of dementia. Priority shall be given to those individuals who would otherwise be served by state facilities.

2. Of the amounts in M.1., \$2,820,000 in each year shall be used to establish contracts to

| ITEM 312. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

support the diversion and discharge into private settings of individuals with a diagnosis of dementia.

3. Of the amounts in M.1., \$727,000 in each year shall be used for a pilot mobile crisis program targeted for individuals with a diagnosis of dementia.

N. Out of this appropriation, \$8,774,784 the first year and \$8,774,784 the second year from the general fund is provided from a transfer from Item 313 for Community Services Boards and a Behavioral Health Authority to divert admissions from state hospitals by purchasing acute inpatient or community-based psychiatric services at private facilities. This funding shall continue to be allocated to Community Services Boards and a Behavioral Health Authority for such purpose in an efficient and effective manner so as not to disrupt local service contracts and to allow for expeditious reallocation of unspent funding between Community Services Boards and a Behavioral Health Authority.

O. Out of this appropriation, \$7,500,000 the first year and \$7,500,000 the second year from the general fund is provided for the Department of Behavioral Health and Developmental Services (DBHDS) to pursue alternative inpatient options to state behavioral health hospital care or to increase capacity in the community for patients on the Extraordinary Barriers List through projects that will reduce census pressures on state hospitals. Proposals shall be evaluated on: (i) the expected impact on state hospital bed use, including the impact on the extraordinary barrier list; (ii) the speed by which the project can become operational; (iii) the start-up and ongoing costs of the project; (iv) the sustainability of the project without the use of ongoing general funds; (v) the alignment between the project target population and the population currently being admitted to state hospitals; and (vi) the applicant's history of success in meeting the needs of the target population. No project shall be allocated more than \$2,500,000 each year. Projects may include public-private partnerships, to include contracts with private entities. The department shall give preference to projects that serve individuals who would otherwise be admitted to a state hospital operated by DBHDS, that can be rapidly implemented, and provide the best long-term outcomes for patients. Consideration may be given to regional projects addressing comprehensive psychiatric emergency services, complex medical and neuro-developmental needs of children and adolescents receiving inpatient behavioral health services, and addressing complex medical needs of adults receiving inpatient behavioral health services.

P. Out of this appropriation, \$1,650,000 the second year from the general fund is provided for pilot programs for individuals with dementia *or geriatric individuals* who may otherwise be admitted to a state facility. In addition to the funds provided in this Item, \$1,650,000 the first year is provided for these purposes in Item 486 out of the revenues received from the federal distributions of the American Rescue Plan Act of 2021.

Q. Out of this appropriation, \$2,500,000 the first year from the general fund shall be provided for one-time start-up costs for the Northwestern Crisis Response Center to provide crisis services for 23 hours per day, seven days per week to individuals with a mental illness.

R. Out of this appropriation, \$2,500,000 the first year from the general fund shall be provided for one-time start-up costs to establish a crisis receiving center in Southwest Virginia.

S. Out of this appropriation, \$2,500,000 the first year from the general fund shall be provided for one-time start-up costs to establish a crisis receiving center in Prince William County.

T. Out of this appropriation, \$50,000 the first year from the general fund shall be provided to contract with Restoration and Hope House to provide for housing and programs for nonviolent offenders looking to transition back into the community.

U.1. The Department of Behavioral Health and Developmental Services is authorized to enter into a contract for use of up to eight beds of a 20-bed acute, inpatient psychiatric unit at Chesapeake Regional Healthcare for state purposes to increase diversion from state mental health hospitals. The department shall begin developing the contract after Chesapeake Regional Healthcare starts construction of the 20-bed acute, inpatient

| ITEM 312. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|---------------|--------------------|---------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| psychiatric unit. As part of the contracting process, the department shall develop an estimate of the potential cost savings of diversion from state hospital beds that could occur with use of the eight beds and provide an estimated annual state contribution to support Chesapeake Regional Healthcare. The department shall execute the contract contingent on an appropriation by the General Assembly. The department shall report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 1 of each year on the status of the contract and any state contribution that has been estimated. | | | | |
| 2. Out of this appropriation, \$4,500,000 the second year from the general fund shall be provided to Chesapeake Regional Hospital for support in providing and enhancing behavioral health services in the emergency department or outpatient or inpatient settings. The funding is one-time and any remaining balance on June 30, 2024, shall be reappropriated in the following fiscal year for this purpose. | | | | |
| V. The Department of Behavioral Health and Developmental Services is authorized to accept unsolicited proposals from private providers to establish a pilot project for the purpose of acquiring clinically appropriate housing options for individuals on the Extraordinary Barriers List or to prevent unnecessary hospitalizations for appropriate individuals to address census issues at state facilities. | | | | |
| W. Out of this appropriation, \$58,000,000 the second year from the general fund shall be provided to expand and modernize the comprehensive crisis services system, including, but not limited to, investment in additional crisis receiving centers, crisis stabilization units, and enhancements to existing sites. Any remaining appropriation at year end shall be carried forward to the subsequent fiscal year for this purpose. | | | | |
| X. Out of this appropriation, \$4,000,000 the second year from the general fund is provided for supervised residential care for 100 individuals. The department shall give priority to projects that prioritize individuals on the state's extraordinary barriers list. Projects may include public-private partnerships, to include contracts with private entities. Notwithstanding any other provision of law, contracts entered into pursuant to this paragraph shall be exempt from competition as otherwise required by the Virginia Public Procurement Act, §§ 2.2-4300 through 2.2-4377, Code of Virginia. The Department shall report quarterly on projects awarded with details on each project and its projected impact on the state's extraordinary barriers list. The report shall be submitted to the Chairs of House Appropriations and Senate Finance and Appropriations Committee no later than 30 days after each quarter ends. | | | | |
| Y. Out of this appropriation, \$10,000,000 the second year from the general fund is provided for the one-time costs of establishing additional mobile crisis services in underserved areas. | | | | |
| Z. Out of this appropriation, \$250,000 from the general fund the second year shall be provided to Specially Adapted Resources Clubs (SPARC) to support essential day programs for adults with profound disabilities. | | | | |
| AA. Out of this appropriation, \$100,000 the second year from the general fund shall be provided to On Our Own, a peer recovery center and supportive community that serves the community at no charge. | | | | |
| Total for Department of Behavioral Health and Developmental Services..... | | | \$224,351,137 | \$318,531,817 |
| General Fund Positions..... | 518.50 | 518.50 | | |
| Nongeneral Fund Positions..... | 46.75 | 46.75 | | |
| Position Level..... | 565.25 | 565.25 | | |
| Fund Sources: General..... | \$172,867,695 | \$261,228,102 | | |
| Special..... | \$18,845,404 | \$22,994,463 | | |
| Dedicated Special Revenue..... | \$2,000,378 | \$3,671,592 | | |
| Federal Trust..... | \$30,637,660 | \$30,637,660 | | |

Grants to Localities (790)

| | | | |
|------|---|---------------|---------------|
| 313. | Financial Assistance for Health Services (44500)..... | \$591,923,587 | \$712,036,687 |
| | | \$702,036,687 | |

| ITEM 313. | Item Details(\$) | | Appropriations(\$) | |
|--|----------------------|-----------------------|----------------------|-----------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| Community Substance Abuse Services (44501)..... | \$125,418,211 | \$125,483,993 | | |
| Community Mental Health Services (44506)..... | \$360,089,572 | \$478,464,170 | \$468,464,170 | |
| Community Developmental Disability Services (44507)..... | \$106,415,804 | \$108,088,524 | | |
| Fund Sources: General..... | \$497,191,587 | \$614,582,889 | \$604,582,889 | |
| Dedicated Special Revenue..... | \$4,732,000 | \$7,453,798 | | |
| Federal Trust..... | \$90,000,000 | \$90,000,000 | | |

Authority: Title 37.2, Chapters 5 and 6; Title 2.2, Chapter 53, Code of Virginia.

A. It is the intent of the General Assembly that community mental health, intellectual disability and substance abuse services are to be improved throughout the state. Funds provided in this Item shall not be used to supplant the funding effort provided by localities for services existing as of June 30, 1996.

B. Further, it is the intent of the General Assembly that funds appropriated for this Item may be used by Community Services Boards to purchase, develop, lease, or otherwise obtain, in accordance with §§ 37.2-504 and 37.2-605, Code of Virginia, real property necessary to the provision of residential services funded by this Item.

C. Out of the appropriation for this Item, funds are provided to Community Services Boards in an amount sufficient to reimburse the Virginia Housing Development Authority for principal and interest payments on residential projects for the mentally disabled financed by the Housing Authority.

D. The Department of Behavioral Health and Developmental Services shall make all general fund payments to the Community Services Boards from this Item in twenty-four equal semimonthly installments, except for necessary budget revisions or the operational phase-in of new programs.

E. Failure of a board to participate in Medicaid covered services and to meet all requirements for provider participation shall result in the termination of a like amount of state grant support.

F. Community Services Boards may establish a line of credit loan for up to three months' operating expenses to assure adequate cash flow.

G. Out of this appropriation \$190,000 the first year and \$190,000 the second year from the general fund shall be provided to Virginia Commonwealth University for the continued operation and expansion of the Virginia Autism Resource Center.

H.1. Out of this appropriation, \$26,556,453 the first year and \$26,556,453 the second year from the general fund shall be provided for Virginia's Part C Early Intervention System for infants and toddlers with disabilities.

2. By November 15 of each year, the department shall report to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees on the (a) total revenues used to support Part C services, (b) total expenses for all Part C services, (c) total number of infants, toddlers and families served using all Part C revenues, and (d) services provided to those infants, toddlers, and families.

I. Out of this appropriation \$6,148,128 the first year and \$6,148,128 the second year from the general fund shall be provided for mental health services for children and adolescents with serious emotional disturbances, at risk for serious emotional disturbance, and/or with co-occurring disorders with priority placed on those children who, absent services, are at-risk for removal from the home due to placement by a local department of social services, admission to a congregate care facility or acute care psychiatric hospital or crisis stabilization facility, commitment to the Department of Juvenile Justice, or parental custody relinquishment. These funds shall be used exclusively for children and adolescents, not mandated for services under the Children's Services Act. The Department of Behavioral Health and Developmental Services shall provide these funds to Community Services Boards through the annual Performance Contract. The Community Services

| ITEM 313. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-----------------------|----------------------|-----------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| | Boards shall develop a Mental Health Initiative funding plan in collaboration with the local Family and Assessment Planning Teams and/or Community Policy and Management Team. The funding plan shall be approved by the Community Policy and Management Teams of the localities. The department shall provide these funds to the Community Services Boards based on a funding methodology. | | | |
| J. | J. The Commissioner, Department of Behavioral Health and Developmental Services shall allocate \$1,000,000 the first year and \$1,000,000 the second year from the federal Community Mental Health Services Block Grant for two specialized geriatric mental health services programs. One program shall be located in Health Planning Region II and one shall be located in Health Planning Region V. The programs shall serve elderly populations with mental illness who are transitioning from state mental health geriatric units to the community or who are at risk of admission to state mental health geriatric units. The commissioner is authorized to reduce the allocation in each year in an amount proportionate to any reduction in the federal Community Mental Health Services Block Grant funds awarded to the Commonwealth. | | | |
| K. | K. The Commissioner, Department of Behavioral Health and Developmental Services shall allocate \$750,000 the first year and \$750,000 the second year from the federal Community Mental Health Services Block Grant for consumer-directed programs offering specialized mental health services that promote wellness, recovery and improved self-management. The commissioner is authorized to reduce the allocation in each year in an amount proportionate to any reduction in the federal Community Mental Health Services Block Grant funds awarded to the Commonwealth. | | | |
| L. | L. Out of this appropriation, \$2,197,050 the first year and \$2,197,050 the second year from the general fund shall be used for jail diversion and reentry services. Funds shall be distributed to community-based contractors based on need and community preparedness as determined by the commissioner. | | | |
| M. | M. Out of this appropriation, \$2,400,000 the first year and \$2,400,000 the second year from the general fund shall be used for treatment and support services for substance use disorders, including individuals with acquired brain injury and co-occurring substance use disorders. Funded services shall focus on recovery models and the use of best practices. | | | |
| N. | N. Out of this appropriation, \$2,780,645 the first year and \$2,780,645 the second year from the general fund shall be used to provide outpatient clinician services to children with mental health needs. Each Community Services Board shall receive funding as determined by the commissioner to increase the availability of specialized mental health services for children. The department shall require that each Community Services Board receiving these funds agree to cooperate with Court Service Units in their catchment areas to provide services to mandated and nonmandated children, in their communities, who have been brought before Juvenile and Domestic Relations Courts and for whom treatment services are needed to reduce the risk these children pose to themselves and their communities or who have been referred for services through family assessment and planning teams through the Children's Services Act. | | | |
| O. | O. Out of this appropriation, \$17,701,997 the first year and \$17,701,997 the second year from the general fund shall be used to provide emergency services, crisis stabilization services, case management, and inpatient and outpatient mental health services for individuals who are in need of emergency mental health services or who meet the criteria for mental health treatment set forth pursuant to §§ 19.2-169.6, 19.2-176, 19.2-177.1, 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 Virginia. Funding provided in this item also shall be used to offset the fiscal impact of (i) establishing and providing mandatory outpatient treatment, pursuant to House Bill 499 and Senate Bill 246, 2008 Session of General Assembly; and (ii) attendance at involuntary commitment hearings by community services board staff who have completed the prescreening report, pursuant to §§ 19.2-169.6, 19.2-176, 19.2-177.1, 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 Virginia. | | | |
| P. | P. Out of this appropriation, \$10,475,000 the first year and \$10,475,000 the second year from the general fund shall be used to provide community crisis intervention services in each region for individuals with intellectual or developmental disabilities and co-occurring mental health or behavioral disorders. | | | |

| ITEM 313. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| Q. Out of this appropriation, \$1,900,000 the first year and \$1,900,000 the second year from the general fund shall be used for community-based services in Health Planning Region V. These funds shall be used for services intended to delay or deter placement, or provide discharge assistance for patients in a state mental health facility. | | | | |
| R. Out of this appropriation, \$2,000,000 the first year and \$2,000,000 the second year from the general fund shall be used for crisis stabilization and related services statewide intended to delay or deter placement in a state mental health facility. | | | | |
| S. Out of this appropriation, \$8,400,000 the first year and \$12,600,000 the second year from the general fund shall be used to provide child psychiatry and children's crisis response services for children with mental health and behavioral disorders. These funds, divided among the health planning regions based on the current availability of the services, shall be used to hire or contract with child psychiatrists who can provide direct clinical services, including crisis response services, as well as training and consultation with other children's health care providers in the health planning region such as general practitioners, pediatricians, nurse practitioners, and community service boards staff, to increase their expertise in the prevention, diagnosis, and treatment of children with mental health disorders. Funds may also be used to create new or enhance existing community-based crisis response services in a health planning region, including mobile crisis teams and crisis stabilization services, with the goal of diverting children from inpatient psychiatric hospitalization to less restrictive services in or near their communities. The Department of Behavioral Health and Developmental Services shall include details on the use of these funds in its annual report on the System Transformation, Excellence and Performance in Virginia (STEP-VA) process. | | | | |
| T.1. Out of this appropriation, \$10,500,000 the first year and \$10,500,000 the second year from the general fund shall be used for up to 32 drop-off centers to provide an alternative to incarceration for people with serious mental illness and individuals with acquired brain injury and co-occurring serious mental health illness. Priority for new funding shall be given to programs that have implemented Crisis Intervention Teams pursuant to § 9.1-102 and § 9.1-187 et seq. of the Code of Virginia and have undergone planning to implement drop-off centers. | | | | |
| 2. Out of this appropriation, \$1,800,000 the first year and \$1,800,000 the second year from the general fund is provided for Crisis Intervention assessment centers in six unserved rural communities. | | | | |
| 3. Out of this appropriation, \$657,648 the first year and \$657,648 the second year from the general fund is provided to support CIT initiatives, including basic and advanced CIT training and law enforcement diversion, through one-time awards for advanced concepts in CIT Assessment Site programs. The department shall prioritize programs serving rural communities when determining the distribution of these funds. | | | | |
| U. Out of this appropriation, \$2,750,000 the first year and \$2,750,000 the second year from the general fund shall be for crisis services for children with intellectual or developmental disabilities. | | | | |
| V. Out of this appropriation, \$35,500,411 the first year and \$35,500,411 the second year from the general fund shall be used to provide community-based services or acute inpatient services in a private facility to individuals residing in state hospitals who have been determined clinically ready for discharge, and for continued services for those individuals currently being served under a discharge assistance plan. Of this appropriation, \$1,305,000 the first year and \$1,305,000 the second year shall be allocated for individuals currently or previously residing at Western State Hospital. | | | | |
| W. Out of this appropriation, \$620,000 the first year and \$620,000 the second year from the general fund shall be used for telepsychiatry and telemedicine services. | | | | |
| X. Out of this appropriation, \$4,000,000 the first year and \$4,000,000 the second year from the general fund shall be used for community-based mental health outpatient services for youth and young adults. | | | | |
| Y. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from | | | | |

| ITEM 313. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | the general fund shall be used to increase mental health inpatient treatment purchased in community hospitals. Priority shall be given to regions that exhaust available resources before the end of the year in order to ensure treatment is provided in the community and does not result in more restrictive placements. | | | |
| Z.1. | Out of this appropriation, \$42,788,710 the first year and \$80,588,710 \$70,588,710 the second year from the general fund is provided for programs for permanent supportive housing for individuals with serious mental illness. | | | |
| 2. | The Department of Behavioral Health and Developmental Services shall report on the number of individuals who are discharged from state behavioral health hospitals who receive supportive housing services, the number of individuals who are on the hospitals' extraordinary barrier list who could receive supportive housing services, and the number of individuals in the community who receive supportive housing services and whether they are at risk of institutionalization. In addition, the department shall report on the average length of stay in permanent supportive housing for individuals receiving such services and report how the funding is reinvested when individuals discontinue receiving such services. The report shall be provided to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committee by November 1 of each year. | | | |
| 3. | In addition to the amounts provided in Z.1., \$2,500,000 the first year and \$2,500,000 the second year from the general fund is provided for permanent supportive housing for individuals with serious mental illness residing in the Northern Virginia region. | | | |
| AA. | Out of this appropriation, \$14,512,833 the first year and \$16,185,533 the second year from the general fund shall be used for a program of rental subsidies for individuals with intellectual or developmental disabilities. | | | |
| BB. | Out of this appropriation, \$5,000,000 the first year and \$5,000,000 the second year from the general fund is provided to increase access to medication assisted treatment for individuals with substance use disorders. In expending this amount, the department shall ensure that a portion of the funding received by the Community Services Board or Behavioral Health Authority is used for appropriate long-acting, injectable prescription drug treatment regimens for individuals who are in need of medication assisted treatment while (i) on probation, (ii) incarcerated, or (iii) upon their release to the community. The department shall ensure that a portion of the funding received by the Community Services Board or Behavioral Health Authority is used for non-narcotic, non-addictive prescription drug treatment regimens for individuals who are not able for clinical or other reasons to participate in buprenorphine or methadone based drug treatment regimens. In expending the funding, Community Services Boards or a Behavioral Health Authority shall also prioritize the use of such funds for individuals who are not covered by insurance. | | | |
| CC. | Out of this appropriation, \$1,000,000 the first year and \$1,000,000 the second year from the general fund is provided for community detoxification and sobriety services for individuals in crisis. | | | |
| DD. | Out of this appropriation, \$880,000 the first year and \$880,000 the second year from the general fund is provided for one regional, multi-disciplinary team for older adults. This team shall provide clinical, medical, nursing, and behavioral expertise and psychiatric services to nursing facilities and assisted living facilities. | | | |
| EE. | Out of this appropriation, \$3,367,945 the first year and \$3,433,727 the second year from the general fund shall be used to provide permanent supportive housing to pregnant or parenting women with substance use disorders. | | | |
| FF. | Out of this appropriation, \$2,250,447 the first year and \$2,250,447 the second year from the general fund shall be used to divert admissions from state hospitals by purchasing acute inpatient or community-based psychiatric services at private facilities. | | | |
| GG. | Out of this appropriation, \$3,700,800 the first year and \$3,700,800 the second year from the general fund is provided for discharge planning at jails for individuals with serious mental illness. Funding shall be used to create staff positions in Community Services Boards may also be used for emergency client assistance resources and will be implemented in at least five jails with a high percentage of inmates with serious mental illness. | | | |

| ITEM 313. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| HH. Out of this appropriation, \$708,663 the first year and \$708,663 the second year from the general fund is provided to establish an Intercept 2 diversion program in up to three rural communities. The funding shall be used for staffing and to provide access to treatment services. | | | | |
| II. Out of this appropriation, \$1,100,000 the first year and \$1,100,000 the second year from the general fund is provided to establish the Appalachian Telemental Health Initiative, a telemental health pilot program. Any funds that remain unspent at the end of each fiscal year shall be carried forward to the subsequent fiscal year for these purposes. | | | | |
| JJ. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from the general fund shall be provided to the Department of Behavioral Health and Developmental Services to contract with Best Buddies Virginia to expand inclusion services for people with intellectual and developmental disabilities to the Richmond and Virginia Beach areas of the state. | | | | |
| KK. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from the general fund is provided to the Fairfax-Falls Church Community Services Board to fully fund its Program of Assertive Community Treatment (PACT) Team. | | | | |
| LL.1. Out of this appropriation, \$77,919,074 the first year and \$117,221,375 the second year from the general fund and \$4,732,000 the first year and \$7,453,798 the second year from the Crisis Call Center Fund is provided for services by Community Services Boards and Behavioral Health Authorities pursuant to the System Transformation, Excellence and Performance in Virginia (STEP-VA) process and Chapters 607 and 683, 2017 Acts of Assembly. | | | | |
| 2. Of the amounts in LL.1., \$10,795,651 the first year and \$10,795,651 the second year from the general fund is provided for same day access to mental health screening services. | | | | |
| 3. Of the amounts in LL.1., \$7,440,000 the first year and \$7,440,000 the second year from the general fund is provided for primary care outpatient screening services. | | | | |
| 4. Of the amounts in LL.1., \$21,924,980 the first year and \$21,924,980 the second year from the general fund is provided for outpatient mental health and substance use services. | | | | |
| 5. Out of the amounts in LL.1., \$2,000,000 the first year and \$2,000,000 the second year from the general fund is provided for crisis detoxification services. | | | | |
| 6. Out of the amounts in LL.1., \$13,954,924 the first year and \$26,954,924 the second year from the general fund is provided for crisis services for individuals with mental health or substance use disorders. In addition to the funds provided in this Item, \$13,000,000 the first year is provided for these purposes in Item 486 of this Act out of the revenues received from the federal distributions of the American Rescue Plan Act of 2021. | | | | |
| 7. Out of the amounts in LL.1., \$3,840,490 the first year and \$3,840,490 the second year from the general fund is provided for military and veterans services. | | | | |
| 8. Out of the amounts in LL.1., \$5,334,000 the first year and \$5,334,000 the second year from the general fund is provided for peer support and family services. | | | | |
| 9. Out of the amounts in LL.1., \$7,762,376 the first year from American Rescue Plan Act funds and \$3,199,999 the first year and \$10,962,375 the second year from the general fund is provided for the ancillary costs of expanding services at Community Services Boards and Behavioral Health Authorities. | | | | |
| 10. Out of the amounts in LL.1., \$4,732,000 the first year and \$2,732,000 the second year from the general fund and \$4,732,000 the first year and \$7,453,798 the second year from the Crisis Call Center Fund is provided for crisis call center dispatch staff. | | | | |
| 11. Out of the amounts in LL.1., \$2,190,000 the first year from American Rescue Act Plan funds and \$3,820,000 the second year from the general fund is provided for psychiatric rehabilitation services. | | | | |
| 12. Out of the amounts in LL.1., \$6,514,625 the first year from American Rescue Act Plan funds and \$6,514,625 the second year from the general fund is provided for care | | | | |

| ITEM 313. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

coordination services.

13. Out of the amounts in LL.1., \$3,178,500 the first year from American Rescue Act Plan funds and \$4,078,500 the second year from the general fund is provided for STEP-VA-specific case management services.

14. Out of the amounts in LL.1., \$937,300 the second year from the general fund is provided for regional management of STEP-VA services.

15. Out of the amounts in LL.1. \$2,600,000 the first year from American Rescue Act Plan funds and \$5,190,000 the second year from the general fund is provided for one-time grants to Community Services Boards for the cost of transitioning data systems and clinical processes.

MM. Out of this appropriation, \$6,000,000 the first year and \$6,000,000 the second year from the general fund shall be provided to establish mental health awareness response and community understanding services alert system programs and community care teams pursuant to legislation adopted in the 2020 Special Session I of the General Assembly. Each local or regional implementation area program shall receive \$600,000 each year for this purpose.

NN. The Department of Behavioral and Health and Developmental Services shall have the authority to promulgate emergency regulations for the Individual and Family Supports Program (IFSP) to ensure an annual public input process that shall include a survey of needs and satisfaction in order to establish plans for the disbursement of IFSP funding in consultation with the IFSP State Council. Based on the Council's recommendation and information gathered during the public input period,?the department will draft program guidelines to establish annual funding priorities.?The department will establish program criteria for each of the required program categories and publish them as part of the Annual Funding Program Guidelines. Additionally, program guidelines shall establish eligibility criteria, the award process, appeals processes, and any other protocols necessary for ensuring the effective use of state funds.? All criteria will be published prior to opening the funding opportunity.

OO. Out of this appropriation, \$650,000 the first year and \$650,000 the second year from the general fund shall be used to expand and provide additional support to existing mental health dockets.

PP. Out of this appropriation, \$5,000,000 the second year from the general fund is provided for substance use disorder-specific training of the intellectual disability and developmental disability provider workforce, the development and implementation of substance use disorder treatment services specific to transition age youth up the age of 25, and additional critical substance use disorder services related to the COVID-19 pandemic. In addition to the funds included in this Item, \$5,000,000 the first year is provided for these purposes in Item 486 of this Act out of revenues received from the federal distributions of the American Rescue Plan Act of 2021.

QQ.1. Out of this appropriation, \$2,000,000 the first year and \$9,000,000 the second year from the general fund shall be provided for the costs of Crisis Intervention Team Assessment Centers or Crisis Stabilization Units that have expanded, or intend to expand, to 23 hour crisis receiving or observation centers. In addition to the funds included in this Item, \$7,000,000 the first year is provided for these purposes in Item 486 of this Act out of revenues received from the federal distributions of the American Rescue Plan Act of 2021.

2. Out of the amounts appropriated in paragraph QQ.1. of this item, an amount necessary to develop and implement a crisis receiving center serving adults ages 18 and older in the Region 2000 area (Amherst County, Appomattox County, Bedford County, Campbell County, and Lynchburg City) shall be allocated for this purpose by the Department of Behavioral Health and Developmental Services, which shall contract with Horizon Behavioral Health to implement the crisis receiving center. As part of the contract with Horizon Behavioral Health, the department shall require the establishment of an advisory board with law enforcement representatives from the Region 2000 localities to oversee, including financial oversight, and provide governance of the crisis receiving center.

3. The Department of Behavioral Health and Developmental Services shall ensure that health systems, hospitals, and other community providers are eligible to participate in developing

| ITEM 313. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|---------------|--------------------|-----------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| and implementing 23-hour crisis receiving or observation centers. | | | | |
| RR. Out of this appropriation, \$18,000,000 the second year from the general fund shall be provided to increase compensation for staff that work for Community Services Boards or a Behavioral Health Authority, effective January 1, 2024. The Department of Behavioral Health and Developmental Services may fund up to 100 percent of the costs of the compensation increase. | | | | |
| SS. Out of this appropriation, \$4,350,000 the second year from the general fund is provided to increase funding for the first three steps of STEP-VA, including same day access, primary care screening, and outpatient services at community service boards. | | | | |
| Total for Grants to Localities..... | | | \$591,923,587 | \$712,036,687 |
| | | | | \$702,036,687 |
| Fund Sources: General..... | | \$497,191,587 | \$614,582,889 | \$604,582,889 |
| Dedicated Special Revenue..... | | \$4,732,000 | \$7,453,798 | |
| Federal Trust..... | | \$90,000,000 | \$90,000,000 | |
| 314. | Not set out. | | | |
| 315. | Not set out. | | | |
| 316. | Not set out. | | | |
| 317. | Not set out. | | | |
| 318. | Not set out. | | | |
| 319. | Not set out. | | | |
| 320. | Not set out. | | | |
| 321. | Not set out. | | | |
| 322. | Not set out. | | | |
| 323. | Not set out. | | | |
| 324. | Not set out. | | | |
| 325. | Not set out. | | | |
| 326. | Not set out. | | | |
| 327. | Not set out. | | | |
| 328. | Not set out. | | | |
| 329. | Not set out. | | | |
| Grand Total for Department of Behavioral Health and Developmental Services..... | | | \$1,400,446,214 | \$1,674,003,964 |
| | | | | \$1,664,003,964 |
| General Fund Positions..... | | 5,885.00 | 5,885.00 | |
| Nongeneral Fund Positions..... | | 1,262.75 | 1,262.75 | |
| Position Level..... | | 7,147.75 | 7,147.75 | |

| ITEM 329. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--------------------------------|------------------|------------------------------------|--------------------|-------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| | Fund Sources: General..... | \$1,151,807,058 | \$1,409,038,129 \$1,399,038,129 | | |
| | Special..... | \$120,869,118 | \$132,802,785 | | |
| | Dedicated Special Revenue..... | \$6,732,378 | \$11,125,390 | | |
| | Federal Trust..... | \$121,037,660 | \$121,037,660 | | |
| 330. | Not set out. | | | | |
| 331. | Not set out. | | | | |
| 332. | Not set out. | | | | |
| 333. | Not set out. | | | | |
| 334. | Not set out. | | | | |
| 335. | Not set out. | | | | |
| 336. | Not set out. | | | | |
| 337. | Not set out. | | | | |
| 338. | Not set out. | | | | |
| 339. | Not set out. | | | | |

§ 1-18. DEPARTMENT OF SOCIAL SERVICES (765)

| | | | | |
|------|---|--------------|------------------------------|------------------------------|
| 340. | Program Management Services (45100)..... | | \$57,657,545 | \$50,975,425 \$52,104,252 |
| | Training and Assistance to Local Staff (45101)..... | \$5,225,542 | \$5,225,542 | |
| | Central Administration and Quality Assurance for Benefit Programs (45102)..... | \$14,175,415 | \$14,175,415 \$15,304,242 | |
| | Central Administration and Quality Assurance for Family Services (45103)..... | \$18,550,754 | \$13,868,634 | |
| | Central Administration and Quality Assurance for Community Programs (45105)..... | \$14,884,896 | \$12,884,896 | |
| | Central Administration and Quality Assurance for Child Care Activities (45107)..... | \$4,820,938 | \$4,820,938 | |
| | Fund Sources: General..... | \$27,636,380 | \$21,245,320 \$22,271,422 | |
| | Special..... | \$100,000 | \$100,000 | |
| | Dedicated Special Revenue..... | \$267,722 | \$267,722 | |
| | Federal Trust..... | \$29,653,443 | \$29,362,383 \$29,465,108 | |

Authority: Title 2.2, Chapter 54; Title 63.2, Chapters 2 and 21, Code of Virginia; Title VI, Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, Federal Code.

A. The Department of Social Services, in collaboration with the Office of Children's Services, shall provide training to local staff serving on Family Assessment and Planning Teams and Community Policy and Management Teams. Training shall include, but need not be limited to, the federal and state requirements pertaining to the provision of the foster care services funded under § 2.2-5211, Code of Virginia. The training shall also include written guidance concerning which services remain the financial responsibility of the local departments of social services. Training shall be provided on a regional basis at least once per year. Written guidance shall be updated and provided to local Office of Children's Services teams whenever there is a change in allowable expenses under federal or state guidelines. In addition, the

| ITEM 340. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

Department of Social Services shall provide ongoing local oversight of its federal and state requirements related to the provision of services funded under § [2.2-5211](#), Code of Virginia.

B.1. By November 1 of each year, the Department of Planning and Budget, in cooperation with the Department of Social Services, shall prepare and submit a forecast of expenditures for cash assistance provided through the Temporary Assistance for Needy Families (TANF) program, mandatory child day care services under TANF, foster care maintenance and adoption subsidy payments, upon which the Governor's budget recommendations will be based, for the current and subsequent two years to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.

2. The forecast of expenditures shall detail the incremental general fund and federal fund adjustments required by the forecast each year in the biennial budget. The Department of Planning and Budget shall convene a meeting on or before October 15 of each year with the appropriate staff from the Department of Social Services, and the House Appropriations and Senate Finance and Appropriations Committees to review current trends and assumptions used in the forecasts prior to their finalization.

C. The Department of Social Services shall provide administrative support and technical assistance to the Family and Children's Trust Fund (FACT) Board of Trustees established in §§ [63.2-2100](#) through [63.2-2103](#), Code of Virginia.

D. Out of this appropriation, \$1,829,111 the first year and \$1,829,111 the second year from the general fund and \$1,829,111 the first year and \$1,829,111 the second year from nongeneral funds shall be provided to fund the Supplemental Nutrition Assistance Program (SNAP) Electronic Benefit Transfer (EBT) contract cost.

E.1. Out of this appropriation, 10 positions and the associated funding shall be dedicated to providing on-going financial oversight of foster care services. Each of the 10 positions, with two working out of each regional office, shall assess and review all foster care spending to ensure that state and federal standards are met. None of these positions shall be used for quality, information technology, or clerical functions.

2. By September 1 of each year, the department shall report to the Governor, the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, and the Director, Department of Planning and Budget regarding the foster care program's statewide spending, error rates and compliance with state and federal reviews.

F. The Department of Social Services shall provide an annual report on the activities of the Office of New Americans by December 1 of each year.

G. The Department of Social Services shall not implement the Percentage of Income Payment Program (PIPP) until such time as there is adequate fee revenue from the universal service fee, collected by utility providers, available to fund the administrative costs necessary to implement the program, not to exceed \$3.0 \$5.5 million. Maximum allowable administrative costs are in totality and include costs borne by the Department of Housing and Community Development *and local departments of social services* for PIPP administration.

H. Out of this appropriation, \$54,309 the first year and \$54,309 the second year from the general fund and \$162,926 the first year and \$162,926 the second year from nongeneral funds shall be provided to implement the Virginia Facilitated Enrollment Program.

I. Out of this appropriation, \$2,000,000 the first year from the general fund shall be provided to resettlement agencies to provide assistance to refugees that relocate to the Commonwealth.

J. The Department of Social Services shall create a workgroup to study Temporary Assistance for Needy Families (TANF) block grant spending. The workgroup shall include appropriate staff from the Office of the Secretary of Health and Human Resources, the Department of Planning and Budget, and the House Appropriations and Senate Finance and Appropriations Committees. DSS shall submit a final report with options and recommendations for changes necessary to ensure annual structural balance in state TANF spending. These recommendations, if accepted, shall ensure that planned spending shall

| ITEM 340. | Item Details(\$) | | Appropriations(\$) | |
|-------------|--|--------------|------------------------------|--------------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | not exceed the annual federal TANF award beginning in FY 2025. The report shall be made to the Governor, Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director, Department of Planning and Budget by September 1, 2022. | | | |
| K. | Out of this appropriation, \$291,060 the first year from the general fund and \$291,060 the first year from nongeneral funds and five positions shall be provided to support the development of collaborative partnerships between local departments of social services to increase capacity to approve kinship caregivers and recruit, train, and develop locally approved foster parents. | | | |
| L.1. | Out of this appropriation, \$1,100,000 the first year from the general fund shall be provided to create an enhanced treatment foster care pilot program. This program will serve foster homes caring for high acuity children and provide participating foster families with an annual stipend of up to \$45,000. | | | |
| 2. | Out of the amounts in L.1., \$200,000 the first year from the general fund shall be provided to foster care agencies to cover the costs of coordination, recruitment, and additional training. | | | |
| M. | Out of this appropriation, \$3,000,000 the first year from the general fund shall be provided to support the initiatives of the Safe and Sound Task Force including community-based treatments, support for kinship, foster and adoptive families, and trauma-informed care for children in foster care who are displaced or who are at risk of being displaced. | | | |
| <i>N.1.</i> | <i>Out of this appropriation, \$2,258,691 the second year from the general fund shall be provided to meet the terms of the settlement agreement between the Department of Social Services and the federal Food and Nutrition Services for an overissuance of Supplemental Nutrition Assistance Program (SNAP) benefits. The amount provided shall only be used to cover costs outlined in this settlement agreement that expires September 30, 2026.</i> | | | |
| 2. | <i>Any unexpended balances from the amount appropriated in N.1., at the close of business on June 30 of the fiscal year, shall not revert to the general fund, but shall be carried forward and reappropriated for this purpose.</i> | | | |
| 341. | Financial Assistance for Self-Sufficiency Programs and Services (45200)..... | | \$163,668,940 | \$161,265,129 \$162,908,192 |
| | Temporary Assistance for Needy Families (TANF) Cash Assistance (45201)..... | \$85,759,181 | \$86,357,163 \$80,357,163 | |
| | Temporary Assistance for Needy Families (TANF) Employment Services (45212)..... | \$17,045,689 | \$17,045,689 | |
| | Supplemental Nutrition Assistance Program Employment and Training (SNAPET) Services (45213)..... | \$2,205,341 | \$2,205,341 | |
| | Temporary Assistance for Needy Families (TANF) Child Care Subsidies (45214)..... | \$38,707,424 | \$38,707,424 \$46,350,487 | |
| | At-Risk Child Care Subsidies (45215)..... | \$2,864,671 | \$2,864,671 | |
| | Unemployed Parents Cash Assistance (45216)..... | \$17,086,634 | \$14,084,841 | |
| | Fund Sources: General..... | \$91,730,258 | \$88,728,465 | |
| | Federal Trust..... | \$71,938,682 | \$72,536,664 \$74,179,727 | |

Authority: Title 2.2, Chapter 54; Title 63.2, Chapters 1 through 7, Code of Virginia; Title VI, Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, Federal Code.

A. It is hereby acknowledged that as of June 30, 2021 there existed with the federal government an unexpended balance of \$130,397,626 \$130,235,860 in federal Temporary Assistance for Needy Families (TANF) block grant funds which are available to the Commonwealth of Virginia to reimburse expenditures incurred in accordance with the adopted State Plan for the TANF program. Based on projected spending levels and appropriations in this act, the Commonwealth's accumulated balance for authorized federal TANF block grant funds is estimated at \$79,652,390 \$92,600,313 on June 30, 2022;

| ITEM 341. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

\$49,119,392 \$60,830,134 on June 30, 2023; and **\$17,988,412** \$24,552,371 on June 30, 2024.

B. No less than 30 days prior to submitting any amendment to the federal government related to the State Plan for the Temporary Assistance for Needy Families program, the Commissioner of the Department of Social Services shall provide the Chairmen of the House Appropriations and Senate Finance an Appropriations Committees as well as the Director, Department of Planning and Budget written documentation detailing the proposed policy changes. This documentation shall include an estimate of the fiscal impact of the proposed changes and information summarizing public comment that was received on the proposed changes.

C. Notwithstanding any other provision of state law, the Department of Social Services shall maintain a separate state program, as that term is defined by federal regulations governing the Temporary Assistance for Needy Families (TANF) program, 45 C.F.R. § 260.30, for the purpose of providing welfare cash assistance payments to able-bodied two-parent families. The separate state program shall be funded by state funds and operated outside of the TANF program. Able-bodied two-parent families shall not be eligible for TANF cash assistance as defined at 45 C.F.R. § 260.31 (a)(1), but shall receive benefits under the separate state program provided for in this paragraph. Although various conditions and eligibility requirements may be different under the separate state program, the basic benefit payment for which two-parent families are eligible under the separate state program shall not be less than what they would have received under TANF. The Department of Social Services shall establish regulations to govern this separate state program.

D. As a condition of this appropriation, the Department of Social Services shall disregard the value of one motor vehicle per assistance unit in determining eligibility for cash assistance in the Temporary Assistance for Needy Families (TANF) program and in the separate state program for able-bodied two-parent families.

E. The Department of Social Services, in collaboration with local departments of social services, shall maintain minimum performance standards for all local departments of social services participating in the Virginia Initiative for Education and Work (VIEW) program. The department shall allocate VIEW funds to local departments of social services based on these performance standards and VIEW caseloads. The allocation formula shall be developed and revised in cooperation with the local social services departments and the Department of Planning and Budget.

F. A participant whose Temporary Assistance for Needy Families (TANF) financial assistance is terminated due to the receipt of 24 months of assistance as specified in § 63.2-612, Code of Virginia, or due to the closure of the TANF case prior to the completion of 24 months of TANF assistance, excluding cases closed with a sanction for noncompliance with the Virginia Initiative for Education and Work program, shall be eligible to receive employment and training assistance for up to 12 months after termination, if needed, in addition to other transitional services provided pursuant to § 63.2-611, Code of Virginia.

G. The Department of Social Services, in conjunction with the Department of Correctional Education, shall identify and apply for federal, private and faith-based grants for pre-release parenting programs for non-custodial incarcerated parent offenders committed to the Department of Corrections, including but not limited to the following grant programs: Promoting Responsible Fatherhood and Healthy Marriages, State Child Access and Visitation Block Grant, Serious and Violent Offender Reentry Initiative Collaboration, Special Improvement Projects, § 1115 Social Security Demonstration Grants, and any new grant programs authorized under the federal Temporary Assistance for Needy Families (TANF) block grant program.

H. Out of this appropriation, \$2,647,305 the first year and \$2,647,305 the second year from the general fund shall be provided to support state child care programs.

I. Out of this appropriation, the Department of Social Services shall use \$4,800,000 the first year and \$4,800,000 the second year from the federal Temporary Assistance to Needy Families (TANF) block grant to provide to each TANF recipient with two or more

| ITEM 341. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|---------------|--------------------------------|--------------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | children in the assistance unit a monthly TANF supplement equal to the amount the Division of Child Support Enforcement collects up to \$200, less the \$100 disregard passed through to such recipient. The TANF child support supplement shall be paid within two months following collection of the child support payment or payments used to determine the amount of such supplement. For purposes of determining eligibility for medical assistance services, the TANF supplement described in this paragraph shall be disregarded. In the event there are sufficient federal TANF funds to provide all other assistance required by the TANF State Plan, the Commissioner may use unobligated federal TANF block grant funds in excess of this appropriation to provide the TANF supplement described in this paragraph. | | | |
| J. | The Board of Social Services shall combine Groups I and II for the purposes of Temporary Assistance to Needy Families cash benefits and use the Group II rates for the new group. | | | |
| K. | The Department of Social Services shall develop a plan to increase the standards of assistance by 10 percent annually until they equal 50 percent of the federal poverty level. | | | |
| L.1. | The Department of Social Services (DSS) and the Department of Education (DOE) shall ensure that the Temporary Assistance for Needy Families (TANF) Virginia Initiative for Employment and Work (VIEW) mandated child care forecast is funded through a combination of general fund, TANF, and Child Care Development Fund (CCDF) grant dollars. The amount of needed CCDF dollars identified in the Memorandum of Agreement (MOA) between the agencies shall be transferred from DOE to DSS within the first thirty days of the fiscal year. DSS shall notify DOE of the required amount of the next fiscal year transfer upon the enrollment of the budget. This amount shall reflect the need identified in the official forecast as well as changes resulting from actions in the final budget. | | | |
| 2. | The MOA shall reflect the full cost of the VIEW mandated child care program. From this amount, \$38,707,424 the first year and \$38,707,424 \$46,350,487 the second year is appropriated at DSS and the balance shall be transferred from DOE from the CCDF grant to support the VIEW mandated child care program as specified in L.1. | | | |
| M. | Out of this appropriation, \$2,120,420 the first year and \$2,120,420 the second year from the Temporary Assistance to Needy Families (TANF) block grant shall be provided for the Department of Social Services to implement a program so that TANF-eligible individuals may save funds in an individual development account established for the purposes of home purchase, education, starting a business, transportation, or self-sufficiency. The TANF funds shall be deposited to the individual development accounts at a match rate determined by the department. | | | |
| N. | The Department of Social Services shall increase the Temporary Assistance for Needy Families (TANF) cash benefits and income eligibility threshold by five percent effective July 1, 2022. | | | |
| 342. | Financial Assistance for Local Social Services Staff (46000)..... | | \$552,763,472 | \$552,916,954 \$596,113,324 |
| | Local Staff and Operations (46010)..... | \$552,763,472 | \$552,916,954 \$596,113,324 | |
| | Fund Sources: General..... | \$148,475,202 | \$148,628,684 \$151,298,430 | |
| | Dedicated Special Revenue..... | \$9,374,916 | \$9,374,916 \$10,060,474 | |
| | Federal Trust..... | \$394,913,354 | \$394,913,354 \$434,754,420 | |

Authority: Title 63.2, Chapters 1 through 7 and 9 through 16, Code of Virginia; P.L. 104-193, Titles IV A, XIX, and XXI, Social Security Act, Federal Code, as amended.

A. The amounts in this Item shall be expended under regulations of the Board of Social Services to reimburse county and city welfare/social services boards pursuant to § [63.2-401](#), Code of Virginia, and subject to the same percentage limitations for other administrative services performed by county and city public welfare/social services boards and superintendents of public welfare/social services pursuant to other provisions of the Code of Virginia, as amended.

| ITEM 342. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|--------------|--------------------|--------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| B. Pursuant to the provisions of §§ 63.2-403 , 63.2-406 , 63.2-407 , 63.2-408 , and 63.2-615 Code of Virginia, all moneys deducted from funds otherwise payable out of the state treasury to the counties and cities pursuant to the provisions of § 63.2-408 , Code of Virginia, shall be credited to the applicable general fund account. | | | | |
| C. Included in this appropriation are funds to reimburse local social service agencies for eligibility workers who interview applicants to determine qualification for public assistance benefits which include but are not limited to: Temporary Assistance for Needy Families (TANF); Supplemental Nutrition Assistance Program (SNAP); and Medicaid. | | | | |
| D. Included in this appropriation are funds to reimburse local social service agencies for social workers who deliver program services which include but are not limited to: child and adult protective services complaint investigations; foster care and adoption services; and adult services. | | | | |
| E. Out of the federal fund appropriation for local social services staff, amounts estimated at \$83,200,000 the first year and \$83,200,000 \$87,500,000 the second year shall be set aside for allowable local costs which exceed available general fund reimbursement and amounts estimated at \$24,000,000 the first year and \$24,000,000 \$28,100,000 the second year shall be set aside to reimburse local governments for allowable costs incurred in administering public assistance programs. | | | | |
| F. Out of this appropriation, \$562,260 the first year and \$562,260 \$712,062 the second year from the general fund and \$540,211 the first year and \$540,211 \$684,138 the second year from nongeneral funds shall be provided to cover the cost of the health insurance credit for retired local social services employees. | | | | |
| G. The Department of Social Services shall work with local departments of social services on a pilot project in the western region of the state to evaluate the available data collected by local departments on facilitated care arrangements. The department shall, based on the findings from the pilot project, determine the most appropriate mechanism for collecting and reporting such data on a statewide basis. | | | | |
| H.1. Out of this appropriation, \$4,527,969 the first year and \$4,527,969 the second year from the general fund shall be available for the reinvestment of adoption general fund savings as authorized in Title IV, parts B and E of the federal Social Security Act (P.L. 110-351). | | | | |
| 2. Of the amount in paragraph H.1. above, \$1,333,031 the first year and \$1,333,031 the second year from the general fund shall be used to provide Child Protective Services (CPS) assessments and investigations in response to all reports of children born exposed to controlled substances regardless of whether the substance had been prescribed to the mother when she has sought or gained substance abuse counseling or treatment. | | | | |
| I. Out of this appropriation, \$594,713 the first year and \$594,713 the second year from the general fund and \$4,734,573 the first year and \$4,734,573 the second year from nongeneral funds shall be provided to implement the Virginia Facilitated Enrollment Program. | | | | |
| J. Out of this appropriation, \$200,000 the second year from the general fund shall be provided to the Buchanan County and Tazewell County Departments of Social Services for administrative costs associated with providing flood relief to the residents of Buchanan County and Tazewell County, as provided for in Item 114, paragraph K and paragraph O. | | | | |
| 343. Not set out. | | | | |
| 344. Adult Programs and Services (46800)..... | | | \$48,227,762 | \$55,477,762 |
| Auxiliary Grants for the Aged, Blind, and Disabled (46801)..... | \$26,398,009 | \$33,648,009 | | |
| Adult In-Home and Supportive Services (46802).... | \$6,822,995 | \$6,822,995 | | |
| Domestic Violence Prevention and Support Activities (46803)..... | \$15,006,758 | \$15,006,758 | | |
| Fund Sources: General..... | \$31,022,734 | \$38,272,734 | | |

| ITEM 344. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--------------------|--------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | Federal Trust..... | \$17,205,028 | \$17,205,028 | |

Authority: Title 63.2, Chapters 1, 16 and 22, Code of Virginia; Title XVI, federal Social Security Act, as amended.

A.1. Effective January 1, 2022, the Department of Social Services, in collaboration with the Department for Aging and Rehabilitative Services, is authorized to base approved licensed assisted living facility rates for individual facilities on an occupancy rate of 85 percent of licensed capacity, not to exceed a maximum rate of \$1,609 per month, which rate is also applied to approved adult foster care homes, unless modified as indicated below. The department may add a 15 percent differential to the maximum amount for licensed assisted living facilities and adult foster care homes in Planning District Eight.

2. Effective January 1, 2013, the monthly personal care allowance for auxiliary grant recipients who reside in licensed assisted living facilities and approved adult foster care homes shall be \$82 per month, unless modified as indicated below.

3. The Department of Social Services, in collaboration with the Department for Aging and Rehabilitative Services, is authorized to increase the assisted living facility and adult foster care home rates and/or the personal care allowance cited above on January 1 of each year in which the federal government increases Supplemental Security Income or Social Security rates or at any other time that the department determines that an increase is necessary to ensure that the Commonwealth continues to meet federal requirements for continuing eligibility for federal financial participation in the Medicaid program. Any such increase is subject to the prior concurrence of the Department of Planning and Budget. Within thirty days after its effective date, the Department of Social Services shall report any such increase to the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees with an explanation of the reasons for the increase.

4. Effective January 1, 2024, the Department of Social Services, in collaboration with the Department for Aging and Rehabilitative Services, is authorized to base approved licensed assisted living facility rates for individual facilities on an occupancy rate of 85 percent of licensed capacity, not to exceed a maximum rate of \$2,055 \$2,079 per month, the rate that is also applied to approved adult foster care homes, unless modified as indicated above. The department may add a 15 percent differential to the maximum amount for licensed assisted living facilities and adult foster care homes in Planning District Eight. The Department of Planning and Budget is authorized to transfer up to \$2,000,000 from the general fund in this Item, if such funding is not required to fund the Auxiliary Grant Rate increase, to cover any increase in Medicaid costs that results from the rate change.

5. *Effective January 1, 2024, the monthly personal care allowance for auxiliary grant recipients who reside in licensed assisted living facilities and approved adult foster care homes shall be \$87 per month.*

B. Out of this appropriation, \$4,185,189 the first year and \$4,185,189 in the second year from the federal Social Services Block Grant shall be allocated to provide adult companion services for low-income elderly and disabled adults.

C. The toll-free telephone hotline operated by the Department of Social Services to receive child abuse and neglect complaints shall also be publicized and used by the department to receive complaints of adult abuse and neglect.

D. Out of this appropriation, \$248,750 the first year and \$248,750 the second year from the general fund and \$1,346,792 the first year and \$1,346,792 the second year from federal Temporary Assistance for Needy Families (TANF) funds shall be provided as a grant to local domestic violence programs for purchase of crisis and core services for victims of domestic violence, including 24-hour hotlines, emergency shelter, emergency transportation, and other crisis services as a first priority.

E. Out of this appropriation, \$75,000 the first year and \$75,000 the second year from the general fund and \$400,000 the first year and \$400,000 the second year from nongeneral funds shall be provided for the purchase of services for victims of domestic violence as stated in § [63.2-1615](#), Code of Virginia, in accordance with regulations promulgated by the Board of Social Services.

| ITEM 344. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|--------------------------------|--------------------|--------------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| F. Out of this appropriation \$1,100,000 the first year and \$1,100,000 the second year from the general fund and \$2,500,000 the first year and \$2,500,000 the second year from federal Temporary Assistance to Needy Families (TANF) funds shall be provided as a grant to local domestic violence programs for services. | | | | |
| G. Out of this appropriation, \$2,650,000 the first year and \$2,650,000 the second year from the general fund shall be transferred to the Virginia Sexual and Domestic Violence Prevention Fund. Notwithstanding § 63.2-2300 of the Code of Virginia, the Department of Social Services shall solicit applications for funding by August 1 of each year and shall award the funds by no later than October 1 of each year. Funding shall be awarded for evidence-based services. The department shall report on the allocation of these funds to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 1 of each year. | | | | |
| H. The Director, Department of Planning and Budget, shall, on or before June 30, 2024, unallow \$3,000,000 \$7,000,000 from the general fund in this item, which reflects unused balances in the auxiliary grants program. | | | | |
| 345. Child Welfare Services (46900)..... | | | \$298,006,080 | \$300,254,160 \$291,749,374 |
| Foster Care Payments (46901)..... | \$56,429,721 | \$44,021,750 \$40,302,005 | | |
| Supplemental Child Welfare Activities (46902)..... | \$52,374,711 | \$59,595,156 | | |
| Adoption Subsidy Payments (46903)..... | \$162,580,548 | \$169,153,334 \$164,368,293 | | |
| Prevention Services (46905)..... | \$26,621,100 | \$27,483,920 | | |
| Fund Sources: General..... | \$143,143,135 | \$146,094,459 \$143,983,517 | | |
| Special..... | \$2,434,593 | \$2,434,593 | | |
| Dedicated Special Revenue..... | \$585,265 | \$585,265 | | |
| Federal Trust..... | \$151,843,087 | \$151,139,843 \$144,745,999 | | |

Authority: Title 63.2, Chapters 1, 2, 4 and 8 through 15, Code of Virginia; P.L. 100-294, P.L. 101-126, P.L. 101-226, P.L. 105-89, P.L. 110-351, P.L. 111-320, as amended, Federal Code.

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 under applicable state policy, including local staffing, shall continue to require local match. The commissioner shall ensure that local social service boards obtain reimbursement for all children eligible for Title IV-E coverage.

B. The Commissioner, Department of Social Services, in cooperation with the Department of Planning and Budget, shall establish a reasonable, automatic adjustment for inflation each year to be applied to the room and board maximum rates paid to foster parents. However, this provision shall apply only in fiscal years following a fiscal year in which salary increases are provided for state employees.

C. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the general fund shall be provided for the purchase of services for victims child abuse and neglect prevention activities as stated in § 63.2-1502, Code of Virginia, in accordance with regulations promulgated by the Board of Social Services.

D. Out of this appropriation, \$180,200 the first year and \$180,200 the second year from the general fund and \$99,800 the first year and \$99,800 the second year from nongeneral funds shall be provided to continue respite care for foster parents.

E. Notwithstanding the provisions of §§ 63.2-1300 through 63.2-1303, Code of Virginia, adoption assistance subsidies and supportive services shall not be available for children adopted through parental placements, except parental placements where the legal guardian is a child placing agency at the time of the adoption. This restriction does not apply to existing adoption assistance agreements.

| ITEM 345. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| F.1. Out of this appropriation, \$1,500,000 the first year and \$1,500,000 the second year from the general fund shall be provided to implement pilot programs that increase the number of foster care children adopted. | | | | |
| 2. Beginning July 1, 2017, the department shall provide an annual report, not later than 45 days after the end of the state fiscal year, on the use and effectiveness of this funding including, but not limited to, the additional number of special needs children adopted from foster care as a result of this effort and the types of ongoing supportive services provided, to the Governor, Chairmen of House Appropriations and Senate Finance and Appropriations Committees, and the Director, Department of Planning and Budget. | | | | |
| G. Out of this appropriation, \$9,485,711 the first year and \$9,485,711 \$9,630,922 the second year from the general fund and \$7,000,000 the first year and \$7,000,000 the second year from nongeneral funds shall be provided for special needs adoptions. | | | | |
| H. Out of this appropriation \$71,392,849 the first year and \$71,392,849 \$70,795,748 the second year from the general fund and \$71,392,848 the first year and \$71,392,848 \$76,941,623 the second year from nongeneral funds shall be provided for Title IV-E adoption subsidies. | | | | |
| I. The Commissioner, Department of Social Services, shall ensure that local departments that provide independent living services to persons between 18 and 21 years of age make certain information about and counseling regarding the availability of independent living services is provided to any person who chooses to leave foster care or who chooses to terminate independent living services before his twenty-first birthday. Information shall include the option for restoration of independent living services following termination of independent living services, and the processes whereby independent living services may be restored should he choose to seek restoration of such services in accordance with § 63.2-905.1 of the Code of Virginia. | | | | |
| J.1. Notwithstanding the provisions of § 63.2-1302, Code of Virginia, the Department of Social Services shall negotiate all adoption assistance agreements with both existing and prospective adoptive parents on behalf of local departments of social services. This provision shall not alter the legal responsibilities of the local departments of social services set out in Chapter 13 of Title 63.2, Code of Virginia, nor alter the rights of the adoptive parents to appeal. | | | | |
| 2. Out of this appropriation, \$342,414 the first year and \$342,414 the second year from the general fund and \$215,900 the first year and \$215,900 the second year from nongeneral funds shall be provided for five positions to execute these negotiations. | | | | |
| K.1. The Department of Social Services shall partner with Patrick Henry Family Services to implement a pilot program in the area encompassing Planning District 11 (Amherst, Appomattox, Bedford, Campbell Counties and the City of Lynchburg) for the temporary placements of children for children and families in crisis. The pilot program will allow a parent or legal custodian of a minor, with the assistance of Patrick Henry Family Services, to delegate to another person by a properly executed power of attorney any powers regarding care, custody, or property of the minor for a temporary placement for a period that is not greater than 90 days. The program will allow for an option of a one-time 90 day extension. | | | | |
| 2. The department shall ensure that this pilot program meets the following specific programmatic and safety requirements outlined in 22 VAC 40-131 and 22 VAC 40-191: | | | | |
| (i) The pilot program organization shall meet the background check requirements described in 22 VAC 40-191. | | | | |
| (ii) The pilot program organization shall develop and implement written policies and procedures for governing active and closed cases, admissions, monitoring the administration of medications, prohibiting corporal punishment, ensuring that children are not subjected to abuse or neglect, investigating allegations of misconduct toward children, implementing the child's back-up emergency care plan, assigning designated casework staff, management of all records, discharge policies, and the use of seclusion and restraint (22 VAC 40-131-90). | | | | |
| (iii) The pilot program organization shall provide pre-service and ongoing training for temporary placement providers and staff (22 VAC 40-131-210 and 22 VAC 40-131-150). | | | | |

| ITEM 345. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 3. The agency shall provide a report on the implementation status of the pilot to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and Director, Department of Planning and Budget by September 30, 2022. | | | | |
| L.1. Out of this appropriation, \$10,017,668 the first year and \$10,017,668 the second year from the general fund and \$2,500,000 the first year and \$2,500,000 the second year from nongeneral funds shall be available for the reinvestment of adoption general fund savings as authorized in title IV, parts B and E of the federal Social Security Act (P.L. 110-351). | | | | |
| 2. Of the amounts in paragraph L.1. above, \$3,078,595 the first year and \$3,078,595 the second year from the general fund shall be used to develop a case management module for a comprehensive child welfare information system (CCWIS). | | | | |
| M.1. Out of this appropriation, \$3,460,195 the first year and \$7,121,181 the second year from the general fund and \$3,460,195 the first year and \$7,121,181 the second year from nongeneral funds shall be available for the development of a compliant comprehensive child welfare information system (CCWIS). <i>Any unexpended balance in this paragraph at the close of business on June 30 of the fiscal year shall not revert to the general fund, but shall be carried forward and reappropriated for this purpose.</i> | | | | |
| 2. In the development of the CCWIS, the department shall not create any future obligation that will require the appropriation of general fund in excess of that provided in this Act. Should additional appropriation, in excess of the amounts identified in this paragraph and paragraph L.2., be needed to complete development of this or any other module for the CCWIS, the department shall notify the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, and Director, Department of Planning and Budget. | | | | |
| 3. Beginning September 1, 2018, the department shall also provide semi-annual progress reports that includes current project summary, implementation status, accounting of project expenditures and future milestones. All reports shall be submitted to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, and Director, Department of Planning and Budget. | | | | |
| N. Out of this appropriation, \$1,009,563 the first year and \$1,009,563 the second year from nongeneral funds shall be used to fund 10 positions that support the child protective services hotline. | | | | |
| O. Out of this appropriation, \$50,000 the first year and \$50,000 the second year from the general fund and \$50,000 the first year and \$50,000 the second year from nongeneral funds shall be used to fund one position that supports Virginia Fosters. | | | | |
| P. Out of this appropriation, \$851,000 the first year and \$851,000 the second year from the general fund is provided for training, consultation and technical support, and licensing costs associated with establishing evidence-based programming as identified in the federal Family First Prevention Services Act (FFPSA) Evidence-Based Programs Clearinghouse. | | | | |
| Q. The Department of Social Services shall develop a plan to provide access statewide to a Kinship Navigator Program which will provide services to kinship caregivers who are having trouble finding assistance for their unique needs and to help these caregivers navigate their locality's service system, as well as federal and state benefits. | | | | |
| R. The Department of Social Services shall create an emergency approval process for kinship caregivers and develop foster home certification standards for kinship caregivers using as a guide the Model Family Foster Home Licensing Standards developed by the American Bar Association Center on Children and the Law, the Annie E. Casey Foundation, Generations United, and the National Association for Regulatory Administration. The adopted standards should align, as much as reasonably possible, to the Model Family Foster Home Licensing Standards, and should ensure that children in foster care: (i) live in safe and appropriate homes under local department of social services and court oversight; (ii) receive monthly financial assistance and supportive services to help meet their needs; and (iii) can access the permanency options offered by Virginia's Kinship Guardianship Assistance Program. | | | | |

| ITEM 345. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|--------------|------------------------------|------------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | S. Out of this appropriation, \$3,002,400 the first year and \$4,408,800 the second year from the general fund is provided to make relative maintenance payments. | | | |
| | T. Out of this appropriation, \$50,000 the first year from the general fund shall be provided to implement a public awareness campaign and outreach for the implementation of the Chapter 174, 2022 Acts of Assembly, that provides for the relinquishment of an infant, infant relinquishment locations, and support and resources for parents and the public. The Department of Social Services shall contract with the National Safe Haven Alliance to implement a toll-free 24-hour hotline as required by statute. | | | |
| 346. | Not set out. | | | |
| 347. | Financial Assistance to Community Human Services Organizations (49200)..... | | \$68,514,789 | \$65,590,789 \$65,090,789 |
| | Community Action Agencies (49201)..... | \$22,763,048 | \$22,763,048 | |
| | Volunteer Services (49202)..... | \$3,866,340 | \$3,866,340 | |
| | Other Payments to Human Services Organizations (49203)..... | \$41,885,401 | \$38,961,401 \$38,461,401 | |
| | Fund Sources: General..... | \$6,288,500 | \$3,274,500 | |
| | Federal Trust..... | \$62,226,289 | \$62,316,289 \$61,816,289 | |

Authority: Title 2.2, Chapter 54; Title 63.2, Code of Virginia; Title VI, Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, Federal Code.

A.1. All increased state or federal funds distributed to Community Action Agencies shall be distributed as follows: The funds shall be distributed to all local Community Action Agencies according to the Department of Social Services funding formula (75 percent based on low-income population, 20 percent based on number of jurisdictions served, and five percent based on square mileage served), adjusted to ensure that no agency receives less than 1.5 percent of any increase.

2. Out of this appropriation, \$185,725 the first year and \$185,725 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with the Virginia Community Action Partnership to provide outreach, education and tax preparation services via the Virginia Earned Income Tax Coalition and other community non-profit organizations to citizens who may be eligible for the federal Earned Income Tax Credit (EITC). The contract shall require the Virginia Community Action Partnership to report on its efforts to expand the number of Virginians who are able to claim the federal EITC, including the number of individuals identified who could benefit from the credit, the number of individuals counseled on the availability of federal EITC, and the number of individuals assisted with tax preparation to claim the federal EITC. The annual report from the Virginia Community Action Partnership shall also detail actual expenditures for the program including the sub-contractors that were utilized. This report shall be provided to the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees by December 1 each year.

3. Out of this appropriation, \$9,250,000 the first year and \$9,250,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with local Community Action Agencies to provide an array of services designed to meet the needs of low-income individuals and families, including the elderly and migrant workers. Services may include, but are not limited to, child care, community and economic development, education, employment, health and nutrition, housing, and transportation.

4. Out of this appropriation, \$1,125,000 the first year and \$1,125,000 the second year from the Temporary Assistance to Needy Families (TANF) block grant shall be provided for competitive grants to Community Action Agencies for a Two-Generation/Whole Family Pilot Project and for evaluation of the pilot project. Applicants selected for the pilot project shall provide a match of no less than 20 percent of the grant, including in-kind services. The Department of Social Services shall report to the General Assembly annually on the progress of the pilot project and shall complete a final report on the project no later than six years after

| ITEM 347. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

the commencement of the project.

B. The department shall continue to fund from this Item all organizations recognized by the Commonwealth as community action agencies as defined in §2.2-5400 et seq.

C. Out of this appropriation, \$9,035,501 the first year and \$9,035,501 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with programs that follow the evidence-based Healthy Families America home visiting model that promotes positive parenting, improves child health and development, and reduces child abuse and neglect. The Department of Social Services shall use a portion of the funds from this item to contract with the statewide office of Prevent Child Abuse Virginia for providing the coordination, technical support, quality assurance, training and evaluation of the Virginia Healthy Families programs.

E. Out of this appropriation, \$100,000 the first year and \$100,000 the second year from nongeneral funds shall be provided for the Child Abuse Prevention Play (the play) administered by Virginia Repertory Theatre. The contract shall include production and live performances of the play that teach child safety awareness to prevent child abuse.

F. Out of this appropriation, \$70,000 the first year and \$70,000 the second year from the general fund shall be provided to contract with the Virginia Alzheimer's Association Chapters to provide dementia-specific training to long-term care workers in licensed nursing facilities, assisted living facilities and adult day care centers who deal with Alzheimer's disease and related disorders.

G.1. Out of this appropriation, \$2,000,000 the first year and \$2,000,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with Northern Virginia Family Services (NVFS) to provide supportive services that address the basic needs of families in crisis, including the provision of food, financial assistance to prevent homelessness, access to health services, and adult workforce development programs. The contract shall require NVFS to provide an intake process that identifies the needs and appropriate services for those in crisis. Outcomes will be measured utilizing surveys provided to those who receive services and NVFS will report quarterly on survey results.

2. In addition to the amounts in paragraph G. 1., \$500,000 the first year and \$500,000 the second year from the TANF block grant shall be provided out of the appropriation in this item to Northern Virginia Family Services to deploy a neighborhood-based, mobile service delivery and outreach program.

H. Out of this appropriation, \$405,500 the first year and \$405,500 the second year from the general fund and \$2,136,500 the first year and \$2,136,500 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with child advocacy centers (CAC) to provide a comprehensive, multidisciplinary team response to allegations of child abuse in a dedicated, child-friendly setting. The contracts shall require CACs to provide forensic interviews, victim support and advocacy services, medical evaluations, and mental health services to victims of child abuse and neglect with the expected outcome of reducing child abuse and neglect. The department shall allocate four percent to Children's Advocacy Centers of Virginia (CACVA), the recognized chapter of the National Children's Alliance for Virginia's Child Advocacy Centers, for the purpose of assisting and supporting the development, continuation, and sustainability of community-coordinated, child-focused services delivered by children's advocacy centers (CACs). Of the remaining 96 percent, (i) 65 percent shall be distributed to a baseline allocation determined by the accreditation status of the CAC: (a) developing and associate centers 100 percent of base; (b) accredited centers 150 percent of base; and (c) accredited centers with satellite facilities 175 percent of base; and (ii) 35 percent shall be allocated according to established criteria to include: (a) 25 percent determined by the rate of child abuse per 1,000; (b) 25 percent determined by child population; and (c) 50 percent determined by the number of counties and independent cities serviced.

I.1. Out of this appropriation, \$1,250,000 the first year and \$1,250,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with the Virginia Early Childhood Foundation (VECF) to support the health and school readiness of Virginia's young children prior to school entry. These funds shall

| ITEM 347. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

be matched with local public and private resources with a goal of leveraging a dollar for each state dollar provided.

2. Of the amounts in paragraph I.1. above, \$1,250,000 the first year and \$1,250,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be used to provide information and assistance to parents and families and to facilitate partnerships with both public and private providers of early childhood services. VECF will track and report statewide and local progress on a biennial basis. The Foundation shall account for the expenditure of these funds by providing the Governor, Secretary of Health and Human Resources, and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees with a certified audit and full report on Foundation initiatives and results not later than October 1 of each year for the preceding fiscal year ending June 30.

3. On or before October 1 of each year, the foundation shall submit to the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees a report on the actual amount, by fiscal year, of private and local government funds received by the foundation.

J. Out of this appropriation \$2,000,000 the first year and \$2,000,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to the Virginia Alliance of Boys and Girls Clubs to expand community-based prevention and mentoring programs.

K.1. Out of this appropriation, \$4,500,000 the first year and \$4,500,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided for competitive grants for community employment and training programs designed to move low-income individuals out of poverty through programs designed to assist TANF recipients in obtaining and retaining competitive employment with the prospect of a career path and wage growth and other supportive services designed to break the cycle of poverty and permanently move individuals out of poverty. Of this amount, \$2,000,000 each year shall be provided for competitive grants provided through Employment Services Organizations (ESOs).

2.a. Out of this appropriation, \$3,000,000 the first year and \$3,000,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided for a second round of grants for community employment and training programs designed to move low-income individuals out of poverty by obtaining and retaining competitive employment with the prospect of a career path and wage growth. The local match requirement shall be reduced to 10 percent, including in-kind services, for grant recipients located in Virginia counties or cities with high fiscal stress as defined by the Commission on Local Government fiscal stress index.

b. Out of the amounts in 2.a., at least \$300,000 the first year and \$300,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided through a contract with the City of Richmond, Office of Community Wealth for services provided through the Center for Workforce Innovation.

3. Out of this appropriation, \$1,500,000 the first year and \$1,500,000 the second year from the Temporary Assistance to Needy Families (TANF) block grant shall be provided for a third round of competitive grants for community employment and training programs. Out of this amount, \$450,000 each year shall be provided for competitive grants through Employment Services Organizations. The department may encourage applicants to consider developing programs that align or coordinate with the Medicaid Referral program to be developed pursuant to language in Item 304 of this act.

4. The Department of Social Services shall award grants to qualifying programs through a memorandum of understanding which articulates performance measures and outcomes including the number of individuals participating in services, number of individuals hired into employment, the number of unique employers hiring individuals through organizational programs and activities, the average starting wage of individuals hired, reductions in the rate of poverty, as well as process measures such as how the program targets improvement in poverty over a three to five year period and fits in with long term community goals for reducing poverty. Grants shall require local matching funds of at least 25 percent, including in-kind services.

| ITEM 347. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 5. Community employment and training programs and ESOs shall report on annual program performance and outcome measures contained in the memorandum of understanding with the Department of Social Services. The department shall report on the implementation of the programs and any performance and outcome data collected through the memorandum of understanding by June 1 of each year. | | | | |
| L. Out of this appropriation, \$100,000 the first year and \$200,000 the second year from the general fund shall be provided to contract with Youth for Tomorrow (YFT) to provide comprehensive residential, education and counseling services to at-risk youth of the Commonwealth of Virginia who have been sexually exploited, including victims of sex trafficking. The contract shall require YFT to provide individual assessments/individual service planning; individual and group counseling; room and board; coordination of medical and mental health services and referrals; independent living services for youth transitioning out of foster care; active supervision; education; and family reunification services. Youth for Tomorrow shall submit monthly progress reports on activities conducted and progress achieved on outputs, outcomes and other functions/activities during the reporting period. On October 1 of each year, YFT shall provide an annual report to the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees that details program services, outputs and outcomes. | | | | |
| M. Out of this appropriation, \$150,000 the first year and \$150,000 the second year from the federal Temporary Assistance for Needy Families block grant shall be provided to contract with Visions of Truth Community Development Corporation in Portsmouth, Virginia. The funding will support the Students Taking Responsibility in Valuing Education (STRIVE) suspension/dropout prevention program. | | | | |
| N. Out of this appropriation, \$600,000 the first year and \$600,000 the second year from the federal Temporary Assistance for Needy Families block grant shall be provided to contract with Early Impact Virginia to continue its work in support of Virginia's voluntary home visiting programs. These funds may be used to hire three full-time staff, including a director and an evaluator, and to continue Early Impact Virginia's training partnerships. Early Impact Virginia shall have the authority and responsibility to determine, systematically track, and report annually on the key activities and outcomes of Virginia's home visiting programs; conduct systematic and statewide needs assessments for Virginia's home visiting programs at least once every three years; and to support continuous quality improvement, training, and coordination across Virginia's home visiting programs on an ongoing basis. Early Impact Virginia shall report on its findings to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees by July 1, 2019 and annually thereafter. | | | | |
| O. Out of this appropriation, \$1,250,000 the first year and \$1,250,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with the Laurel Center in Winchester to provide services to survivors of domestic abuse and sexual violence in Winchester, Frederick County, Clarke County, and Warren County. | | | | |
| P. Out of this appropriation, \$50,000 the first year and \$50,000 the second year from the general fund shall be provided for the Department of Social Services to contract with Adoption Share, Inc. for the purpose of a pilot program to operate the Family-Match application, which is an online matching tool for state case workers to use in matching foster care children with the best families. | | | | |
| Q. Out of this appropriation, \$350,000 the first year and \$350,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to FACETS to provide homeless assistance services in Northern Virginia. | | | | |
| R. Out of this appropriation, \$3,000,000 the first year and \$3,000,000 the second year from the Temporary Assistance for Needy Families block grant shall be provided to contract with the Virginia Federation of Food Banks to provide child nutrition programs. | | | | |
| S. Out of this appropriation, \$500,000 the first year and \$500,000 the second year for the Temporary Assistance for Needy Families block grant shall be provided to the Virginia Transit Association to offer competitive grants for public transportation (as defined in Virginia Code §33.2-100) and public transportation demand management service fare | | | | |

| ITEM 347. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | passes. The Virginia Transit Association shall report on annual program performance and outcome measures contained in the memorandum of understanding with the Department of Social Services. The department shall report on any performance and outcome data collected through the memorandum of understanding by July 1 of each year. This report shall be provided to the Governor, Director of the Department of Planning and Budget, and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, by September 1 each year. | | | |
| T. | Out of this appropriation, \$1,200,000 the first year and \$1,200,000 the second year from the Temporary Assistance for Needy Families block grant shall be provided to United Community to offer wrap-around services for low-income families. United Community shall report on annual program performance and outcome measures contained in the memorandum of understanding with the Department of Social Services. The department shall report on any performance and outcome data collected through the memorandum of understanding by July 1 of each year. This report shall be provided to the Governor, Director of the Department of Planning and Budget, and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, by September 1 each year. | | | |
| U. | Out of this appropriation, \$100,000 the first year and \$190,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to the Lighthouse Community Center, a nonprofit organization in Planning District 11, to provide housing assistance, or other eligible services, for individuals transitioning out of the criminal justice system and domestic violence situations contingent on contracting for services eligible under the TANF block grant. | | | |
| V. | Out of this appropriation, \$750,000 the first year and \$750,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with Cornerstones to provide wrap-around services that solve urgent or on-going requirements for housing, childcare, food or financial assistance that address the needs of families. The contract shall require Cornerstones to report annually on outcomes. | | | |
| W. | Out of this appropriation, \$250,000 the first year and \$250,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with Portsmouth Volunteers for the Homeless to provide wrap-around services for homeless individuals. | | | |
| X. | Out of this appropriation, \$125,000 the first year and \$125,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with Menchville House to provide supportive services for homeless individuals. | | | |
| Y. | Out of this appropriation, \$125,000 the first year and \$125,000 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract with Family Restoration Services of Hampton to provide supportive services to families in need. | | | |
| Z. | Out of this appropriation, \$500,000 the first year from the general fund shall be provided to support the establishment of the Judge Swett Learning Center to promote vocational and educational classes for ex-offenders. | | | |
| AA. | Out of this appropriation, \$5,000,000 from the general fund the first year shall be provided to Fairfax County for a CASA vocational welcome center in Fairfax County. The funding may be used for capital, programming, and general operating purposes. Matching funds of \$2,500,000 equaling 50% of this funding shall come from private and other nonprofit or governmental funding on a cash or in-kind basis. This funding is to be distributed before the end of fiscal year 2023 and utilized before the end of fiscal year 2027. Funding shall not be distributed for this purpose until Fairfax County has consulted with and received approval from the Secretary of Health and Human Resources. | | | |
| BB. | Out of this appropriation, \$114,000 from the general fund the first year shall be provided to the Eastern Shore Coalition Against Domestic Violence for operational support and infrastructure of the organization for its programs and administrative operations. | | | |
| CC. | Out of this appropriation, \$200,000 the first year and \$200,000 the second year from the federal Temporary Assistance to Needy Families block grant shall be provided to Good | | | |

| ITEM 347. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|------------------------------|--------------------|--------------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| Shepherd Housing and Family Services for housing, emergency services, children's services, budgeting, counseling and other resources for low-income families. | | | | |
| DD. Out of this appropriation the \$2,500,000 the second year from the general fund is provided to the Department of Social Services for state agencies to facilitate and improve language access. The Department of Social Services, in cooperation with the Office of the Secretary of Health and Human Resources, shall develop a process for receiving requests and administering the grants to state agencies for such purposes. | | | | |
| 348. Not set out. | | | | |
| 349. Not set out. | | | | |
| 350. Administrative and Support Services (49900)..... | | | \$131,597,625 | \$131,597,625 \$131,902,625 |
| General Management and Direction (49901)..... | \$9,680,483 | \$9,680,483 | | |
| Information Technology Services (49902)..... | \$89,374,741 | \$89,374,741 \$89,679,741 | | |
| Accounting and Budgeting Services (49903)..... | \$9,177,113 | \$9,177,113 | | |
| Human Resources Services (49914)..... | \$6,028,212 | \$6,028,212 | | |
| Planning and Evaluation Services (49916)..... | \$4,466,011 | \$4,466,011 | | |
| Procurement and Distribution Services (49918)..... | \$4,456,552 | \$4,456,552 | | |
| Public Information Services (49919)..... | \$4,084,766 | \$4,084,766 | | |
| Financial and Operational Audits (49929)..... | \$4,329,747 | \$4,329,747 | | |
| Fund Sources: General..... | \$51,423,909 | \$51,423,909 \$51,726,409 | | |
| Special..... | \$175,000 | \$175,000 | | |
| Dedicated Special Revenue..... | \$2,000,000 | \$2,000,000 | | |
| Federal Trust..... | \$77,998,716 | \$77,998,716 \$78,001,216 | | |

Authority: Title 63.2, Chapter 1; § [2.2-4000](#) et seq., Code of Virginia; P.L. 98-502, P.L. 104-156, P.L. 104-193, P.L. 104-327, P.L. 105-33, as amended, P.L. 105-89, Federal Code; Titles IV-A, IV-B, IV-D, IV-E, XIX, XX, XXI of the federal Social Security Act, as amended.

A. The Department of Social Services shall require localities to report all expenditures on designated social services, regardless of reimbursement from state and federal sources. The Department of Social Services is authorized to include eligible costs in its claim for Temporary Assistance for Needy Families Maintenance of Effort requirements.

B. It is the intent of the General Assembly that the Commissioner, Department of Social Services shall work with localities that seek to voluntarily merge and consolidate their respective local departments of social services. No funds appropriated under this act shall be used to require a locality to merge or consolidate local departments of social services.

C.1. Out of this appropriation, \$836,149 the first year and \$836,149 the second year from the general fund and \$1,331,847 the first year and \$1,331,847 the second year from nongeneral funds shall be provided to support the statewide 2-1-1 Information and Referral System which provides resource and referral information on many of the specialized health and human resource services available in the Commonwealth, including child day care availability and providers in localities throughout the state, and publish consumer-oriented materials for those interested in learning the location of child day care providers.

2. The Department of Social Services shall request that all state and local child-serving agencies within the Commonwealth be included in the Virginia Statewide Information and Referral System as well as any agency or entity that receives state general fund dollars and provides services to families and youth. The Secretary of Health and Human Resources, the Secretary of Education and Workforce, and the Secretary of Public Safety and Homeland Security shall assist in this effort by requesting all affected agencies within their secretariats to submit information to the statewide Information and Referral System

| ITEM 350. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-------------|--------------------|-----------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | and ensure that such information is accurate and updated annually. Agencies shall also notify the Virginia Information and Referral System of any changes in services that may occur throughout the year. | | | |
| 3. | The Department of Social Services shall communicate with child-serving agencies within the Commonwealth about the availability of the statewide Information and Referral System. This information shall also be communicated via the Department of Social Services' broadcast system on their agency-wide Intranet so that all local and regional offices can be better informed about the Statewide Information and Referral System. Information on the Statewide Information and Referral System shall also be included within the department's electronic mailings to all local and regional offices at least biannually. | | | |
| D.1. | Within 30 days of awarding or amending any contract related to the Virginia Case Management System (VaCMS), the Department of Social Services (DSS) shall provide the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, and Director, Department of Planning and Budget with a copy of the contract, including any fiscal implications. | | | |
| 2. | Prior to the award of any contract that will potentially obligate the Commonwealth to future unappropriated spending, the department shall receive prior written concurrence from Director, Department of Planning and Budget. Any approved increases in funding requests shall be reported by DSS to the Chairmen of House Appropriations and Senate Finance and Appropriations Committees within 30 days. | | | |
| E. | At least 60 days prior to the modification of any public guidance document, handbook, manual, or state plan, the Department of Social Services (DSS) shall provide written notification to the Governor and the Director of the Department of Planning and Budget as to the purpose of such change. This notice shall also assess whether the amendment may require any 1) future state regulatory action; 2) increase in local costs; and/or 3) any state expenditure beyond that which is appropriated in this Act. This notice does not exempt the agency from any requirements set forth within § 4-5.03 of this Act. | | | |
| F. | The Department of Social Services shall report a detailed accounting, annually, of the agency's organization and operations. This report shall include an organizational chart that shows all full- and part-time positions (by job title) employed by the agency as well as the current management structure and unit responsibilities. The report shall also provide a summary of organization changes implemented over the previous year. The report shall be made available on the department's website by August 15 of each year. | | | |
| G. | The Department of Social Services shall design, for consideration by the 2023 General Assembly, a program that provides a fixed reimbursement, which shall not exceed \$15 monthly, for broadband service costs for select households currently participating in the Supplemental Nutrition Assistance Program. The reimbursement payments under the program shall be structured as a direct payment to a broadband provider selected by the qualifying program participant household, provided that the selected broadband provider offers a low-cost broadband service for low-income households within its service area in the Commonwealth. The department shall develop program guidelines in coordination with the Commonwealth Broadband Chief Advisor to govern eligibility for participation in the program and disbursement of program funds. The department shall report on the program design and structure, administrative cost estimates, program guidelines, and other relevant information related to implementing the program to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1, 2022. | | | |
| H. | Out of this appropriation, \$100,000 the first year and \$100,000 the second year from the general fund is provided for the Department of Social Services to increase interpretation and translation services to help immigrants in Virginia access local resources through 2-1-1, including healthcare, housing, and other social services. | | | |
| 351. | Not set out. | | | |
| 352. | Not set out. | | | |
| | Total for Department of Social Services..... | | \$2,266,418,556 | \$2,326,367,461 |
| | | | | \$2,363,635,935 |

| ITEM 352. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|--------------------------------------|----------------------|--------------------------------------|
| | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| | General Fund Positions..... | 674.00 | 671.50 672.00 | | |
| | Nongeneral Fund Positions..... | 1,086.50 | 1,084.00 1,084.50 | | |
| | Position Level..... | 1,760.50 | 1,755.50 1,756.50 | | |
| | Fund Sources: General..... | \$521,761,251 | \$519,198,878 \$521,086,284 | | |
| | Special..... | \$705,977,963 | \$706,085,947 | | |
| | Dedicated Special Revenue..... | \$71,727,903 | \$134,227,903 \$134,913,461 | | |
| | Federal Trust..... | \$966,951,439 | \$966,854,733 \$1,001,550,243 | | |
| 353. | Not set out. | | | | |
| 354. | Not set out. | | | | |
| 355. | Not set out. | | | | |
| 356. | Not set out. | | | | |
| 357. | Not set out. | | | | |
| 358. | Not set out. | | | | |
| 359. | Not set out. | | | | |
| 360. | Not set out. | | | | |
| 361. | Not set out. | | | | |
| 362. | Not set out. | | | | |
| | TOTAL FOR OFFICE OF HEALTH AND HUMAN RESOURCES..... | | | \$26,373,225,775 | \$28,903,136,299 \$28,600,119,696 |
| | General Fund Positions..... | 8,685.05 | 8,680.05 8,680.55 | | |
| | Nongeneral Fund Positions..... | 6,392.72 | 6,398.72 6,399.22 | | |
| | Position Level..... | 15,077.77 | 15,078.77 15,079.77 | | |
| | Fund Sources: General..... | \$8,156,200,422 | \$8,620,173,336 \$8,497,636,549 | | |
| | Special..... | \$1,028,016,724 | \$1,038,934,748 | | |
| | Enterprise..... | \$64,407,956 | \$64,407,956 | | |
| | Trust and Agency..... | \$1,728,674 | \$1,728,674 | | |
| | Dedicated Special Revenue..... | \$1,917,958,869 | \$2,016,656,789 \$2,564,593,501 | | |
| | Federal Trust..... | \$15,204,913,130 | \$17,161,234,796 \$16,432,818,268 | | |

| ITEM 363. | | Item Details(\$) | | Appropriations(\$) | |
|---------------------------------------|--------------|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| OFFICE OF LABOR | | | | | |
| 363. | Not set out. | | | | |
| 364. | Not set out. | | | | |
| 365. | Not set out. | | | | |
| 366. | Not set out. | | | | |
| 367. | Not set out. | | | | |
| 368. | Not set out. | | | | |
| 369. | Not set out. | | | | |
| 370. | Not set out. | | | | |
| 371. | Not set out. | | | | |
| 372. | Not set out. | | | | |
| TOTAL FOR OFFICE OF LABOR..... | | | | \$768,382,626 | \$691,999,774 |
| General Fund Positions..... | | 147.90 | 147.90 | | |
| Nongeneral Fund Positions..... | | 1,133.10 | 1,133.10 | | |
| Position Level..... | | 1,281.00 | 1,281.00 | | |
| Fund Sources: General..... | | \$18,278,458 | \$15,278,458 | | |
| Special..... | | \$14,604,274 | \$14,355,812 | | |
| Trust and Agency..... | | \$704,401,003 | \$631,266,613 | | |
| Dedicated Special Revenue..... | | \$24,141,603 | \$24,141,603 | | |
| Federal Trust..... | | \$6,957,288 | \$6,957,288 | | |

| ITEM 373. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

OFFICE OF NATURAL AND HISTORIC RESOURCES

§ 1-19. SECRETARY OF NATURAL RESOURCES (183)

| | | | | |
|---|-----------|--------------------------|-----------|--------------------------|
| 373. Administrative and Support Services (79900)..... | | | \$783,240 | \$783,240 \$1,283,240 |
| General Management and Direction (79901)..... | \$783,240 | \$783,240 \$1,283,240 | | |
| Fund Sources: General..... | \$669,542 | \$669,542 \$1,169,542 | | |
| Federal Trust..... | \$113,698 | \$113,698 | | |

Authority: Title 2.2, Chapter 2, Article 7; and § 2.2-201, Code of Virginia.

A. The Secretary of Natural and Historic Resources shall report to the Chairs of the Senate Committees on Finance and Appropriations, and Agriculture, Conservation, and Natural Resources, and the House Committees on Appropriations and Conservation and Natural Resources, by November 4 of each year on implementation of the Chesapeake Bay nutrient reduction strategies. The report shall include and address the progress and costs of point source and nonpoint source pollution strategies. The report shall include, but not be limited to, information on levels of dissolved oxygen, acres of submerged aquatic vegetation, computer modeling, variety and numbers of living resources, and other relevant measures for the General Assembly to evaluate the progress and effectiveness of the tributary strategies. In addition, the Secretary shall include information on the status of all of Virginia's commitments to the Chesapeake Bay Agreements.

B. It is the intent of the General Assembly that a reserve be created within the Virginia Water Quality Improvement Fund to support the purposes delineated within the Virginia Water Quality Improvement Act of 1997 (WQIA 1997) when year-end general fund surpluses are unavailable. Consequently, 15 percent of any amounts appropriated to the Virginia Water Quality Improvement Fund due to annual general fund revenue collections in excess of the official estimates contained in the general appropriation act shall be withheld from appropriation, unless otherwise specified. When annual general fund revenue collections do not exceed the official revenue estimates contained in the general appropriation act, the reserve fund may be used for WQIA 1997 purposes as directed by the General Assembly within the general appropriation act.

C. The Secretary of Natural and Historic Resources, with the assistance of the Directors of the Department of Conservation and Recreation, the Department of Environmental Quality, the Department of Wildlife Resources, and the Department of Historic Resources, shall provide an annual report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees of all projects undertaken pursuant to a settlement or mitigation agreement upon which the Secretary of Natural and Historic Resources is an authorized signatory on behalf of the Governor by November 15 each year until all terms of the settlement or mitigation agreement are satisfied. In addition, whenever a settlement or mitigation agreement is finalized, the Secretary shall provide a copy of, and explanation of, the terms of such settlement to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 15 days.

D. Included in the appropriation for this Item is \$500,000 the second year from the general fund to consider and assess strategies and policies for the Commonwealth to improve intergovernmental and interagency coordination and to maximize federal funding opportunities in planning for and implementing flood resilience of both human and natural systems and infrastructures throughout the Commonwealth.

| | | | | |
|---|-----------|--------------------------|-----------|--------------------------|
| Total for Secretary of Natural Resources..... | | | \$783,240 | \$783,240 \$1,283,240 |
| General Fund Positions..... | 5.00 | 5.00 | | |
| Position Level..... | 5.00 | 5.00 | | |
| Fund Sources: General..... | \$669,542 | \$669,542 \$1,169,542 | | |

ITEM 373.

| | | Item Details(\$) | | Appropriations(\$) | |
|--|--------------------|------------------|-------------|--------------------|-------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| | Federal Trust..... | \$113,698 | \$113,698 | | |

§ 1-20. DEPARTMENT OF CONSERVATION AND RECREATION (199)

| | | | | | |
|------|--|---------------|---------------|---------------|---------------|
| 374. | Land and Resource Management (50300)..... | | | \$483,960,272 | \$600,035,140 |
| | Soil and Water Conservation (50301)..... | \$327,239,500 | \$353,714,368 | | |
| | Dam Inventory, Evaluation and Classification and Flood Plain Management (50314)..... | \$124,095,999 | \$214,095,999 | | |
| | Natural Heritage Preservation and Management (50317)..... | \$6,227,682 | \$6,227,682 | | |
| | Financial Assistance to Soil and Water Conservation Districts (50320)..... | \$11,847,091 | \$11,447,091 | | |
| | Technical Assistance to Soil and Water Conservation Districts (50322)..... | \$5,850,000 | \$5,850,000 | | |
| | Agricultural Best Management Practices Cost Share Assistance (50323)..... | \$8,700,000 | \$8,700,000 | | |
| | Fund Sources: General..... | \$353,228,401 | \$494,303,269 | | |
| | Special..... | \$1,040,887 | \$1,040,887 | | |
| | Dedicated Special Revenue..... | \$122,251,202 | \$97,251,202 | | |
| | Federal Trust..... | \$7,439,782 | \$7,439,782 | | |

Authority: Title 10.1, Chapters 1, 2, 5, 6, 7, and 21.1; Title 62.1, Chapter 3.1, Code of Virginia.

A.1. Out of the amounts appropriated for Financial Assistance to Virginia Soil and Water Conservation Districts, \$11,347,091 the first year and \$10,947,091 the second year from the general fund shall be provided to soil and water conservation districts for administrative and operational support. These funds shall be distributed upon approval by the Virginia Soil and Water Conservation Board to the districts in accordance with the Board's established financial allocation policy. Of this amount, \$9,965,091 the first year and \$9,565,091 \$9,809,091 the second year from the general fund shall be distributed to the districts for core administrative and operational expenses (personnel, training, travel, rent, utilities, office support, and equipment) based on identified budget projections and in accordance with the Board's financial allocation policy; \$468,000 the first year and \$468,000 the second year from the general fund shall be distributed at a rate of \$4,500 per dam for maintenance; \$500,000 the first year and \$500,000 the second year from the general fund for small dam repairs of known or suspected deficiencies; \$400,000 the first year from the general fund for the purchase and installation of remote monitoring equipment for District-owned dams; and \$170,000 the first year and \$170,000 the second year to the department to provide district support in accordance with Board policy, including, but not limited to, services related to auditing, bonding, contracts, and training. The amount appropriated for small dam repairs of known or suspected deficiencies and the purchase and installation of remote monitoring equipment is authorized for transfer to the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund.

2. Out of the appropriation in this Item, \$4,550,000 the first year and \$4,550,000 the second year shall be provided for base technical assistance support for the Virginia Soil and Water Conservation Districts. These funds shall be distributed upon approval by the Virginia Soil and Water Conservation Board to the districts in accordance with the Board's established financial allocation policy. These amounts shall be in addition to any other funding provided to the districts for technical assistance pursuant to subsections B and C of this Item for appropriations in excess of \$35,000,000. *The Virginia Soil and Water Conservation Board is authorized to utilize previous years' unobligated cost-share funds to provide technical assistance funding to Virginia Soil and Water Conservation Districts at a rate no higher than the technical assistance rate percentage funded in the current Appropriation Act.*

3. The department shall provide a semi-annual report on or before February 15 and August 15 of each year to the Chairmen of the House Appropriations and Senate and Appropriations Finance Committees on each Virginia soil and water conservation district's budget, revised budget, previous year's balance budget, and expenditure for the following: (i) the federal Conservation Reserve Enhancement Program, (ii) the use of Agricultural Best Management Cost-Share Program funds within the Chesapeake Bay watershed, (iii) the use of Agricultural

| ITEM 374. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

Best Management Cost-Share Program funds within the Southern Rivers area, and (iv) the amount of Technical Assistance funding. The August 15 report shall reflect cumulative amounts.

4. As part of the semi-annual report, the department shall assess the impact of settlement agreements with the Commonwealth entered into between July 1, 2017, and June 30, 2022, on achieving an effective level of Soil and Water Conservation District technical assistance funding and the implementation of agricultural best management practices pursuant to § 10.1-546.1, Code of Virginia. The department shall include in its report any amounts from the settlements including: 1) estimation of the timeline and amount for each fiscal year to implement agricultural best management practices; and 2) estimation of the timeline and amount for each fiscal year of additional technical assistance provided as a result of the additional funding from the settlements.

B.1. Notwithstanding § 10.1-2129 A., Code of Virginia, \$313,013,000 the first year from the general fund shall be deposited to the Virginia Water Quality Improvement Fund established under the Water Quality Improvement Act of 1997. Of this amount in the first year, \$40,610,000 shall be appropriated to the Department for the following specified statewide uses: \$7,000,000 to the Department to support the Small Herd Initiative as approved by the Virginia Soil and Water Conservation Board, \$6,000,000 shall be used for the Commonwealth's match for participation in the Federal Conservation Reserve Enhancement Program (CREP); \$5,000,000 to the Department of Environmental Quality to support ~~newly~~ regulated municipal separate storm sewer system (MS4) localities; \$3,500,000 shall be provided the Department of Environmental Quality, collaborating with the Department of Health, to conduct studies of Harmful Algal Blooms occurring in the Shenandoah River and Lake Anna; \$4,560,000 shall be allocated for special nonpoint source reduction projects to include, but not be limited to, poultry litter transport, grants related to the development and certification of Resource Management Plans developed pursuant to §10.1-104.7, and, in the Chesapeake Bay watershed, grants related to the development and implementation of nutrient management plans developed in accordance with the regulations adopted pursuant to §10.1-104.2; \$4,000,000 shall be transferred to the Virginia Association of Soil and Water Conservation Districts to be used for the Virginia Conservation Assistance Program (VCAP); \$4,000,000 shall be transferred to the Department of Forestry for the Virginia Trees for Clean Water program; \$2,000,000 shall be provided to the Department to provide additional incentives for the maintenance of riparian buffers by agricultural producers; \$1,000,000 shall be provided to the Department of Environmental Quality to assist with the implementation of best management practices in accordance with the State Lands Watershed Implementation Plan; \$1,500,000 shall be provided to the Department for the development and continued maintenance of the Conservation Application Suite including costs related to servers and necessary software licenses; \$700,000 shall be provided to the Virginia Cooperative Extension, collaborating with the Department, to provide enhanced and targeted outreach, education, and technical assistance for agricultural and residential landowners in the Chesapeake Bay watershed; \$1,000,000 shall be transferred to the Department of Forestry for water quality grants; \$250,000 to the Department for the Small Farm Outreach Program; and \$100,000 shall be transferred to the Department of Health, collaborating with the Virginia Institute of Marine Sciences, to conduct analysis on statewide septic hot spots and map communities with failing or failed onsite wastewater treatment. \$15,895,679 is designated for deposit to the reserve within the Virginia Water Quality Improvement Fund.

2. Of the remaining amount in the first year, \$256,507,321 is authorized for transfer to the Virginia Natural Resources Commitment Fund, a sub fund of the Water Quality Improvement Fund. Notwithstanding any other provision of law, the funds transferred to the Virginia Natural Resources Commitment Fund shall be distributed by the Department upon approval of the Virginia Soil and Water Conservation Board in accordance with the board's developed policies, as follows: \$164,744,889 shall be used for matching grants for Agricultural Best Management Practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed, \$70,604,953 shall be used for matching grants for Agricultural Best Management Practices on lands in the Commonwealth exclusively outside the Chesapeake Bay watershed, and an additional \$21,157,479 in addition to the base funding provided in A.1. shall be appropriated for Technical Assistance for Virginia Soil and Water Conservation Districts.

| ITEM 374. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 3. Of the funds that are provided in paragraph B.1. to be used for the Virginia Conservation Assistance Program (VCAP) and for the Virginia Trees for Clean Water program, no less than 25 percent shall be used for projects in low-income geographic areas as defined by §10.1-603.24. | | | | |
| D. The appropriations made in paragraph B. meet the mandatory deposit requirements associated with the FY 2021 excess general fund revenue collections and discretionary year-end general fund balances. | | | | |
| E. It is the intent of the General Assembly, that notwithstanding the provisions of § 10.1-2132 , Code of Virginia, the department is authorized to make Water Quality Improvement Grants to state agencies. | | | | |
| F.1 Out of the appropriation in this Item, \$10,000,000 the first year and \$10,000,000 the second year from the Virginia Natural Resources Commitment Fund, a subfund of the Virginia Water Quality Improvement Fund, is hereby appropriated. The funds shall be dispersed by the department pursuant to § 10.1-2128.1 , Code of Virginia. | | | | |
| 2. The source of an amount estimated at \$10,000,000 the first year and \$10,000,000 the second year to support the nongeneral fund appropriation to the Virginia Natural Resources Commitment Fund shall be the recordation tax fee established in Part 3 of this act. | | | | |
| 3. Out of this amount, a total of thirteen percent, or \$1,300,000, whichever is greater, shall be appropriated to Virginia Soil and Water Conservation Districts for technical assistance to farmers implementing agricultural best management practices, and \$8,700,000 for Agricultural Best Management Practices Cost-Share Assistance. Of the amount deposited for Cost-Share Assistance, seventy percent shall be used for matching grants for agricultural best management practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed, and thirty percent shall be used for matching grants for agricultural best management practices on lands in the Commonwealth exclusively outside of the Chesapeake Bay watershed. | | | | |
| G.1. Out of the appropriation in this Item, \$2,583,531 in the first year and \$2,583,531 in the second year from the funds designated in Item 3-1.01.C. of this act are hereby appropriated to the Virginia Water Quality Improvement Fund and designated for deposit to the reserve fund established pursuant to paragraph B of Item 373. It is the intent of the General Assembly that all interest earnings of the Water Quality Improvement Fund shall be spent only upon appropriation by the General Assembly, after the recommendation of the Secretary of Natural and Historic Resources, pursuant to § 10.1-2129 , Code of Virginia. | | | | |
| 2. Notwithstanding the provisions of §§ 10.1-2128 , 10.1-2129 and 10.1-2128.1 , Code of Virginia, it is the intent of the General Assembly that the department use interest earnings from the Water Quality Improvement Fund and the Virginia Natural Resources Commitment Fund to support two positions to administer grants from the fund. | | | | |
| H. Out of the appropriation in this Item, \$15,000 the first year and \$15,000 the second year from the general fund is provided to support the Rappahannock River Basin Commission. The funds shall be matched by the participating localities and planning district commissions. | | | | |
| I. Notwithstanding § 10.1-552 , Code of Virginia, Soil and Water Conservation Districts are hereby authorized to recover a portion of the direct costs of services rendered to landowners within the district and to recover a portion of the cost for use of district-owned conservation equipment. Such recoveries shall not exceed the amounts expended by a district on these services and equipment. | | | | |
| J. Unless specified otherwise in this Item, it is the intent of the General Assembly that balances in Soil and Water Conservation be used first, and then balances from Agricultural Best Management Practices Cost Share Assistance be used for the Commonwealth's statewide match for participation in the federal Conservation Reserve Enhancement Program (CREP). | | | | |
| K. The Water Quality Agreement Program shall be continued in order to protect the waters of the Commonwealth through voluntary cooperation with lawn care operators across the state. The department shall encourage lawn care operators to voluntarily establish nutrient management plans and annual reporting of fertilizer application. If appropriate, then the program may be transferred to another state agency. | | | | |

| ITEM 374. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

L.1. Out of the appropriation in this Item, \$250,000 the first year and \$250,000 the second year from the general fund is provided to the department to make available competitive grants to provide Chesapeake Bay meaningful watershed educational experiences. The department may enter into two-year contracts contingent on funding being available in the second year of the biennium.

2. Out of the appropriation in this item, \$350,000 the first year and \$350,000 the second year from the general fund is provided to the Department to support two positions in the Office of Environmental Education to provide increased opportunities for education programs on environmental issues across the Commonwealth, pursuant to § [10.1-104](#), Code of Virginia. The Office of Environmental Education shall develop and implement environmental education programs and the Virginia Strategic Plan for environmental literacy in collaboration with the Department of Education, the Science Museum of Virginia STEM program, and other relevant stakeholders.

M. Out of the appropriation in this Item, \$200,000 the first year and \$200,000 the second year from the general fund is provided to the department for technical assistance to support Shoreline Erosion Advisory Services as established in § [10.1-702](#), Code of Virginia.

N. Out of the appropriation in this Item, \$500,000 the first year and \$500,000 the second year from the general fund shall be provided to the Natural Heritage Program in support of active preserve management activities across Virginia's 66 Natural Area Preserves as identified by the Board of Conservation and Recreation.

O. Notwithstanding § 54.1, Chapter 4, the U.S. Department of Agriculture's Natural Resources Conservation Service and Department of Conservation and Recreation Central Office staff may provide engineering services to the Department of Conservation and Recreation and the local Soil and Water Conservation Districts for design and construction of agriculture best management practices.

P.1. Out of the amounts appropriated for Dam Inventory, Evaluation, and Classification and Flood Plain Management, \$10,732,147 the first year and \$732,147 the second year from the general fund shall be deposited to the Dam Safety, Flood Prevention and Protection Assistance Fund, established pursuant § [10.1-603.17](#), Code of Virginia.

2. Unobligated balances in the Dam Safety, Flood Prevention and Protection Assistance Fund may be utilized in an amount not to exceed \$60,000 to perform activities necessary to update the flood protection plan for the Commonwealth and to make the plan accessible online. Once these activities are complete, the department will maintain and update the plan as needed within existing resources.

Q. Out of the appropriation in this Item, \$400,000 the first year and \$400,000 the second year from the general fund is provided to support lyngbya remediation efforts at Lake Gaston.

R. Out of the appropriation in this item, \$25,000,000 the first year from the unobligated balances of the Community Flood Preparedness Fund (09037) is provided for deposit in the Resilient Virginia Revolving Loan Fund.

S.1. Notwithstanding § [10.1-2129](#) A., Code of Virginia, and any other provision of law, \$131,029,312 the second year from the general fund shall be deposited to the Virginia Water Quality Improvement Fund established under the Water Quality Improvement Act of 1997. Of this amount in the second year, \$19,654,397 is designated for deposit to the reserve within the Virginia Water Quality Improvement Fund; and, \$1,000,000 is provided to support the upgrade, development, and continued maintenance of the Conservation Application Suite including costs related to servers and necessary software licenses.

2. Of the remaining amount in the second year, \$110,374,915 is authorized for transfer to the Virginia Natural Resources Commitment Fund, a sub fund of the Water Quality Improvement Fund. Notwithstanding any other provision of law, the funds transferred to the Virginia Natural Resources Commitment Fund shall be distributed by the Department upon approval of the Virginia Soil and Water Conservation Board in accordance with the board's developed policies, as follows: \$67,218,323 shall be used for matching grants for

| ITEM 374. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

Agricultural Best Management Practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed, \$28,807,853 shall be used for matching grants for Agricultural Best Management Practices on lands in the Commonwealth exclusively outside the Chesapeake Bay watershed, and an additional \$14,348,739 in addition to the base funding provided in A.1. shall be appropriated for Technical Assistance for Virginia Soil and Water Conservation Districts.

3. This appropriation meets the mandatory deposit requirements associated with the fiscal year 2022 excess general fund revenue collections and discretionary year-end general fund balances.

T.1. Notwithstanding § 10.1-2129 A., Code of Virginia, and any other provision of law, \$207,458,556 the second year from the general fund shall be deposited to the Virginia Water Quality Improvement Fund established under the Water Quality Improvement Act of 1997. Of this amount in the second year, \$31,118,783 is designated for deposit to the reserve within the Virginia Water Quality Improvement Fund.

2. Of the remaining amount in the second year, \$176,339,773 is authorized for transfer to the Virginia Natural Resources Commitment Fund, a sub fund of the Water Quality Improvement Fund. Notwithstanding any other provision of law, the funds transferred to the Virginia Natural Resources Commitment Fund shall be distributed by the Department upon approval of the Virginia Soil and Water Conservation Board in accordance with the board's developed policies, as follows: \$107,390,922 shall be used for matching grants for Agricultural Best Management Practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed, \$46,024,681 shall be used for matching grants for Agricultural Best Management Practices on lands in the Commonwealth exclusively outside the Chesapeake Bay watershed, and an additional \$22,924,170 in addition to the base funding provided in A.1. shall be appropriated for Technical Assistance for Virginia Soil and Water Conservation Districts.

3. This appropriation and the amounts elsewhere in this Item and Item 380 meet the mandatory deposit requirements associated with the fiscal year 2023 excess general fund revenue collections.

U. Out of the appropriation in this item, \$1,000,000 the second year from the general fund is provided to support cyanobacteria mitigation and remediation efforts at Lake Anna.

V.1. Notwithstanding § 10.1-2129 A., Code of Virginia, and any other provision of law, \$100,000,000 the second year from the general fund shall be deposited into the Resilient Virginia Revolving Loan Fund.

2. The appropriations made in subparagraph V.1. and elsewhere in this item and Item 380 meet the mandatory deposit requirements to the Water Quality Improvement Fund associated with the fiscal year 2023 excess general fund revenue collections.

W.1. Notwithstanding § 10.1-2129 A., Code of Virginia, and any other provision of law, \$25,000,000 the second year from the general fund shall be deposited into the Virginia Water Quality Improvement Fund. This amount shall be used for major modification, upgrade, or rehabilitation of dams owned or maintained by the department and the Virginia Soil and Water Conservation Districts.

2. The appropriations made in subparagraph W.1. and elsewhere in this item and Item 380 meet the mandatory deposit to the Water Quality Improvement Fund requirements associated with the fiscal year 2023 excess general fund revenue collections.

X. The Director of the Department of Planning and Budget is authorized to transfer general fund appropriation provided in Item C-43 of this act from capital to operating for deposit to the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund established in § 10.1-611.1, Code of Virginia.

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

| ITEM 375. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| 375. | Not set out. | | | | |
| 376. | Not set out. | | | | |
| | Total for Department of Conservation and Recreation..... | | | \$603,591,139 | \$703,364,423 |
| | General Fund Positions..... | 474.50 | 480.50 | | |
| | Nongeneral Fund Positions..... | 49.50 | 50.50 | | |
| | Position Level..... | 524.00 | 531.00 | | |
| | Fund Sources: General..... | \$431,138,368 | \$556,564,758 | | |
| | Special..... | \$35,041,827 | \$35,041,827 | | |
| | Dedicated Special Revenue..... | \$124,721,432 | \$99,068,326 | | |
| | Federal Trust..... | \$12,689,512 | \$12,689,512 | | |

§ 1-21. DEPARTMENT OF ENVIRONMENTAL QUALITY (440)

| | | | | | |
|------|--|--------------|---------------|---------------------|----------------------|
| 377. | Not set out. | | | | |
| 378. | Not set out. | | | | |
| 379. | Not set out. | | | | |
| 380. | Environmental Financial Assistance (51500)..... | | | \$71,439,431 | \$268,829,391 |
| | Financial Assistance for Environmental Resources Management (51502)..... | \$10,425,868 | \$8,425,868 | | |
| | Virginia Water Facilities Revolving Fund Loans and Grants (51503)..... | \$31,714,797 | \$231,104,757 | | |
| | Financial Assistance for Coastal Resources Management (51507)..... | \$1,924,500 | \$1,924,500 | | |
| | Litter Control and Recycling Grants (51509)..... | \$2,039,509 | \$2,039,509 | | |
| | Petroleum Tank Reimbursement (51511)..... | \$25,334,757 | \$25,334,757 | | |
| | Fund Sources: General..... | \$12,479,534 | \$209,869,494 | | |
| | Trust and Agency..... | \$25,504,646 | \$25,504,646 | | |
| | Dedicated Special Revenue..... | \$26,194,606 | \$26,194,606 | | |
| | Federal Trust..... | \$7,260,645 | \$7,260,645 | | |

Authority: Title 10.1, Chapters 11.1, 14, 21.1, and 25 and Title 62.1, Chapters 3.1, 22, 23.2, and 24, Code of Virginia.

A. To the extent available, the authorization included in Chapter 781, 2009 Acts of Assembly, Item 368, paragraph E, is hereby continued for the Virginia Public Building Authority to issue revenue bonds in order to finance Virginia Water Quality Improvement Grants, pursuant to Chapter 851, 2007 Acts of Assembly.

B. To the extent available, the authorization included in Chapter 806, 2013 Acts of Assembly, Item C-39.40, is hereby continued for the Virginia Public Building Authority to issue revenue bonds in order to finance the Stormwater Local Assistance Fund, the Combined Sewer Overflow Matching Fund, Nutrient Removal Grants, and the Hopewell Regional Wastewater Treatment Authority. The administration of several of the water quality programs, including the Stormwater Local Assistance Fund, transferred to the Department of Environmental Quality per Chapter 756, 2013 Acts of Assembly.

C.1. The State Comptroller is authorized to continue the Stormwater Local Assistance Fund as established in Item 360, Chapter 806, 2013 Acts of Assembly. The fund shall consist of bond proceeds from bonds authorized by the General Assembly and issued pursuant to Item C-39.40 in Chapter 806, 2013 Acts of Assembly, Item C-43 of Chapter 665, 2015 Acts of Assembly, Chapter 759, 2016 Acts of Assembly, Item C-48.10 in Chapter 854, 2019 Acts of Assembly, Item C-70, Chapter 1289, 2020 Acts of Assembly, and Item C-80 of this Act; sums appropriated to it by the General Assembly; and other

| ITEM 380. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| grants, gifts, and moneys as may be made available to it from any other source, public or private. Interest earned on the moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. | | | | |
| 2. The purpose of the Fund is to provide matching grants to local governments for the planning, design, and implementation of stormwater best management practices that address cost efficiency and commitments related to reducing water quality pollutant loads. Moneys in the Fund shall be used to meet: i) obligations related to the Chesapeake Bay total maximum daily load (TMDL) requirements; ii) requirements for local impaired stream TMDLs; iii) water quality requirements of the Chesapeake Bay Watershed Implementation Plan (WIP); and iv) water quality requirements related to the permitting of small municipal stormwater sewer systems. The grants shall be used only for the acquisition of certified nonpoint nutrient credits and capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration. | | | | |
| 3. Notwithstanding § 10.1-2129 A., Code of Virginia, and any other provision of law, \$30,000,000 the second year from the general fund shall be deposited into the Stormwater Local Assistance Fund. | | | | |
| 4. The appropriations made in subparagraph C.3. and elsewhere in this item and Item 374 meet the mandatory deposit requirements to the Water Quality Improvement Fund associated with the fiscal year 2023 excess general fund revenue collections. | | | | |
| 5. Of the amounts in this item, up to \$1,000,000 from the Stormwater Local Assistance Fund shall be provided by the department to York County for wetlands restoration, stormwater best management practices, and erosion control in the Queen's Lake Area. | | | | |
| 6. Of the amounts in this item, up to \$9,000,000 from the Stormwater Local Assistance Fund shall be provided by the Department of Environmental Quality to the City of Falls Church for completion of the Harrison Branch Improvement Project, Greening of Lincoln, Nutrient Loading Reduction, City Hall/Police Station Campus Parking Lot, Robert's Park, Hillwood Avenue East, and Sherrow Avenue Stormwater Improvement Projects. | | | | |
| D. The grants shall be used only for the acquisition of certified nonpoint nutrient credits and capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration. Such grants shall be in accordance with eligibility determinations made by the State Water Control Board under the authority of the Department of Environmental Quality. | | | | |
| E. The Department of Environmental Quality shall use an amount not to exceed \$3,000,000 from the Water Quality Improvement Fund to conduct the James River chlorophyll study pursuant to the approved Virginia Chesapeake Bay Total Maximum Daily Load, Phase I Watershed Implementation Plan. This amount shall be used solely for contractual support for water quality monitoring and analysis and computer modeling. No portion of this funding may be used for administrative costs of the department. | | | | |
| F. Out of such funds available in this Item, the Department shall provide funding to the Virginia Geographic Information Network in an amount necessary to implement statewide digital orthography to improve land coverage data necessary to assist localities in planning and implementing stormwater management programs. As part of this authorization, the Department shall also include data to update prior LIDAR surveys of elevations along coastal areas to support activities related to management of recurrent coastal flooding. | | | | |
| G. Out of the amounts appropriated for Financial Assistance for Environmental Resources Management, \$3,292,479 the first year and \$3,292,479 the second year from federal funds is provided to implement stormwater management activities. | | | | |
| H.1. Each locality establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to § 15.2-2114, Code of Virginia, shall | | | | |

| ITEM 380. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

provide to the Auditor of Public Accounts by October 1 of each year, in a format specified by the Auditor, a report as to each program funded by these fees and the expected nutrient and sediment reductions for each of these programs. The Department of Environmental Quality shall, at the request of the Auditor of Public Accounts, offer assistance to the Auditor's office in the review of the submitted reports.

2. The Auditor of Public Accounts shall include in the Specifications for Audits of Counties, Cities, and Towns regulations for all local governments establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to § 15.2-2114, Code of Virginia, a requirement to ensure that each impacted local government is in compliance with the provisions of § 15.2-2114 A., Code of Virginia. Any such adjustment to the Specifications for Audits of Counties, Cities, and Towns regulations shall be exempt from the Administrative Process Act and shall be required for all audits completed after July 1, 2014.

I. Out of the amounts in this Item, \$8,125,920 the first year and \$9,515,880 the second year from the general fund is provided for the Department to meet matching requirements corresponding to anticipated federal funding available through the Virginia Clean Water Revolving Loan Fund as a result of the Infrastructure Investment and Jobs Act.

J. Grantee owners of Enhanced Nutrient Removal Certainty (ENRC) Program and other Water Quality Improvement Fund projects subject to a grant agreement with the Department shall submit a forecast of projected quarterly grant disbursements covering each quarter of the current fiscal year and the next fiscal year thereafter. The Department shall compile the grantee-supplied forecasts of projected quarterly grant disbursements and compare expected disbursements to available appropriations to provide advance notice of any potential shortfall. The Department shall submit each forecast to the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee on a quarterly basis.

K.1. The Department shall provide technical assistance to the City of Bristol in resolving ongoing health, environmental, and quality of life issues with its landfill and to facilitate a long-term plan for the operational status of the landfill following the completion of mitigation efforts.

2. Out of the amounts in this item, \$2,000,000 the first year from the general fund is provided for the City of Bristol to begin resolving ongoing environmental issues at the Bristol Landfill.

L. Out of the amounts in this item, \$10,000,000 the second year from the general fund is provided to the City of Virginia Beach for the design and construction of a regional stormwater management facility.

M. Out of the amounts in this item, \$7,000,000 the second year from the general fund is provided to the City of Virginia Beach for stormwater encroachment resilience activities and natural space preservation in the Southern Rivers Watershed and Chowan River Basin.

N.1. Notwithstanding § 10.1-2129 A., Code of Virginia, and any other provision of law, \$151,000,000 the second year from the general fund shall be deposited into the Virginia Water Quality Improvement Fund. This amount is provided to reimburse eligible entities for costs incurred in implementing the Enhanced Nutrient Removal Certainty Program as provided for in § 62.1-44.19:14, Code of Virginia.

2. The appropriations made in subparagraph N.1., and elsewhere in this item and Item 374 meet the mandatory deposit requirements associated with the fiscal year 2023 excess general fund revenue collections.

381. Not set out.

| | | | |
|--|--------|---------------|---------------|
| Total for Department of Environmental Quality..... | | \$217,611,868 | \$414,681,828 |
| General Fund Positions..... | 416.50 | 416.50 | |
| Nongeneral Fund Positions..... | 564.50 | 564.50 | |

| ITEM 381. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--------------------------------|------------------|---------------|--------------------|-------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| | Position Level..... | 981.00 | 981.00 | | |
| | Fund Sources: General..... | \$67,826,042 | \$264,896,002 | | |
| | Special..... | \$15,440,784 | \$15,440,784 | | |
| | Enterprise..... | \$13,540,093 | \$13,540,093 | | |
| | Trust and Agency..... | \$38,540,279 | \$38,540,279 | | |
| | Dedicated Special Revenue..... | \$52,384,010 | \$52,384,010 | | |
| | Federal Trust..... | \$29,880,660 | \$29,880,660 | | |
| 382. | Not set out. | | | | |
| 383. | Not set out. | | | | |
| 384. | Not set out. | | | | |
| 385. | Not set out. | | | | |

§ 1-22. DEPARTMENT OF HISTORIC RESOURCES (423)

| | | | | | |
|------|---|--------------|--------------|--------------|--------------|
| 386. | Historic and Commemorative Attraction Management (50200)..... | | | \$38,894,888 | \$22,472,048 |
| | Financial Assistance for Historic Preservation (50204)..... | \$27,476,940 | \$15,699,100 | | |
| | Historic Resource Management (50205)..... | \$11,417,948 | \$6,772,948 | | |
| | Fund Sources: General..... | \$35,508,009 | \$19,085,169 | | |
| | Special..... | \$1,164,349 | \$1,164,349 | | |
| | Commonwealth Transportation..... | \$210,000 | \$210,000 | | |
| | Dedicated Special Revenue..... | \$97,799 | \$97,799 | | |
| | Federal Trust..... | \$1,914,731 | \$1,914,731 | | |

Authority: Title 10.1, Chapters 22 and 23, Code of Virginia.

A. Consistent with the provisions of § 4-13.00 of this act, general fund appropriations for historic and commemorative attractions identified within this item or for the purposes stated in § 10.1-2211.1 or § 10.1-2211.2, Code of Virginia, shall be disbursed as described within this item and shall not be subject to any other restrictions or statutory requirements unless specified within this item. Any other general fund appropriations for historic and commemorative attractions shall be matched by local or private sources, either in cash or in-kind, in amounts at least equal to the appropriation and which are deemed to be acceptable to the department.

B. In emergency situations which shall be defined as those posing a threat to life, safety or property, § 10.1-2213, Code of Virginia, shall not apply.

C. Pursuant to the provisions of § 10.1-2211.1, Code of Virginia, as amended by Chapter 639, 2018 Session of the General Assembly, out of the amounts provided for Financial Preservation shall be paid \$23,100 the first year and \$23,100 the second year from the general fund grants to the Virginia Society of the Sons of the American Revolution (VASSAR) and the Revolutionary War memorial associations caring for cemeteries as set forth in subsection B of § 10.1-2211.1, Code of Virginia. Such sums shall be expended by the associations for the routine maintenance of their respective Revolutionary War cemeteries and graves and for the graves of Revolutionary War soldiers and sailors not otherwise cared for in other cemeteries, and in erecting and caring for markers, memorials, and monuments to the memory of such soldiers, sailors, and persons rendering service to the Patriot cause in the Revolutionary War.

D. Included in this appropriation is \$210,000 the first year and \$210,000 the second year in nongeneral funds from the Highway Maintenance and Operating Fund to support the Department of Historic Resources' required reviews of transportation projects.

E. The Department of Historic Resources is authorized to accept a devise of certain real property under the will of Elizabeth Rust Williams known as Clermont Farm located on Route

| ITEM 386. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

7 east of the town of Berryville in Clarke County. If, after due consideration of options, the department determines that the property should be sold or leased to a different public or private entity, and notwithstanding the provisions of § 2.2-1156, Code of Virginia, then the department is further authorized to sell or lease such property, provided such sale or lease is not in conflict with the terms of the will. The proceeds of any such sale or lease shall be deposited to the Historic Resources Fund established under § 10.1-2202.1, Code of Virginia.

F. The Department of Historic Resources shall follow and provide input on federal legislation designed to establish a new national system of recognizing and funding Presidential Libraries for those entities that are not included in the 1955 Presidential Library Act.

G.1. Included in this appropriation is \$4,500,000 the first year and \$11,500,000 the second year from the general fund to be deposited into the Virginia Battlefield Preservation Fund for grants to be made in accordance with § 10.1-2202.4, Code of Virginia. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. This appropriation shall be deemed sufficient to meet the provisions of § 2.2-1509.4, Code of Virginia.

2. From the amounts in this item, \$1,500,000 in the first year and \$4,000,000 the second year shall be granted to the battlefield preservation organizations donating property at the proposed Culpeper Battlefields State Park in order that they may expeditiously acquire up to 800 additional acres at the site and donate this acreage to the Department of Conservation and Recreation. Such grants shall be exempt from the matching fund and easement recordation requirements of § 10.1-2202.4, Code of Virginia.

3. From the amounts in this item, \$2,500,000 the first year and \$2,250,000 the second year shall be granted to the battlefield organization that manages the Shenandoah Valley Battlefields National Historic District in order that they may effectively promote heritage tourism, increase public access to preserved lands, and improve the visitor experience at already preserved battlefield sites throughout the Shenandoah Valley. Such improvements when completed shall result in the development of seven new battlefield parks across four counties. Improvements shall include highway signage, parking facilities, trailheads, restroom facilities, trails, interpretive signage, environmental protections, fencing, the completion of the Shenandoah Valley Civil War Museum, and the creation of the New Market History and Education Center. Such grants shall be exempt from the matching fund and easement recordation requirements of § 10.1-2202.4, Code of Virginia.

4. From the amounts in this item, \$3,750,000 the second year from the general fund shall be granted to the battlefield organization that manages the Shenandoah Battlefields National Historic District in order that they may expeditiously acquire for permanent preservation and public enjoyment additional acres of the New Market Battlefield; \$1.0 million of this amount shall be deposited into a maintenance fund to be administered according to terms set forth by the Director. Such grants shall be exempt from the matching fund and easement recordation requirements of § 10.1-2202.4 of the Code of Virginia.

H. The Department of Historic Resources is authorized to require applicants for tax credits for historic rehabilitation projects under § 58.1-339.2, Code of Virginia, to provide an audit by a certified public accountant licensed in Virginia, in accordance with guidelines developed by the department in consultation with the Auditor of Public Accounts. The department is also authorized to contract with tax, financial, and other professionals to assist the department with the oversight of historic rehabilitation projects for which tax credits are anticipated.

I.1. Included in this Item is \$250,000 the first year and \$250,000 the second year from the general fund to support the preservation and care of historical African American graves and cemeteries.

2. Pursuant to § 10.1-2211.2., Code of Virginia, \$34,875 the first year and \$34,875 the second year from the general fund is provided to support the preservation and care of historical African American graves at the East End Cemetery in Henrico County, Virginia and the Evergreen Cemetery in Richmond, Virginia.

| ITEM 386. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 3. Pursuant to § 10.1-2211.2 , Code of Virginia, \$960 the first year and \$960 the second year from the general fund is provided to support the preservation and care of historical African American graves at the Daughters of Zion Cemetery in Charlottesville, Virginia. | | | | |
| 4. Pursuant to § 10.1-2211.2 , Code of Virginia, \$1,330 the first year and \$1,330 the second year from the general fund is provided to support the preservation and care of historical African American graves at the Mt. Calvary Cemetery in Portsmouth, Virginia. | | | | |
| 5. Pursuant to § 10.1-2211.2 , Code of Virginia, \$385 the first year and \$385 the second year from the general fund is provided to support the preservation and care of historical African American graves at the African-American Burial Ground for the Enslaved at Belmont and Mt. Zion Old Baptist Church Cemetery in Loudoun County, Virginia. | | | | |
| 6. Pursuant to § 10.1-2211.2 , Code of Virginia, \$385 the first year and \$385 the second year from the general fund is provided to support the preservation and care of historical African American graves at the New River and West Dublin Cemeteries in Pulaski County, Virginia. | | | | |
| 7. Pursuant to § 10.1-2211.2 , Code of Virginia, \$2,340 the first year and \$2,340 the second year from the general fund is provided to support the preservation and care of historical African American graves at Oak Lawn Cemetery in Suffolk, Virginia. | | | | |
| 8. Pursuant to § 10.1-2211.2 , Code of Virginia, \$3,855 the first year and \$3,855 the second year from the general fund is provided to support the preservation and care of historical African American graves at the following cemeteries in Hampton Virginia: 212 graves at Bassonette's Cemetery, 339 graves at Elmerton Cemetery, 14 graves at Queen Street Cemetery, 29 graves at Pleasant Shade Cemetery, 15 graves at the Tucker Family Cemetery, 125 graves at Union Street Cemetery and 37 graves at Good Samaritan Cemetery. | | | | |
| 9. Pursuant to § 10.1-2211.2 , Code of Virginia, \$975 the first year and \$975 the second year from the general fund is provided to support the preservation and care of historical African American graves at Matthews, People's and Smith Street Cemeteries in Martinsville, Virginia. | | | | |
| 10. Pursuant to § 10.1-2211.2 , Code of Virginia, \$9,715 the first year and \$9,715 the second year from the general fund is provided to support the preservation and care of historical African American graves at six cemeteries in Alexandria, Virginia. | | | | |
| 11. Pursuant to § 10.1-2211.2 , Code of Virginia, \$485 the first year and \$485 the second year from the general fund is provided to support the preservation and care of historical African American graves at Wake Forest and Westview Cemeteries in Montgomery County, Virginia. | | | | |
| 12. Pursuant to § 10.1-2211.2 , Code of Virginia, \$455 the first year and \$455 the second year from the general fund is provided to support the preservation and care of historical African American graves at Mountain View Cemetery in Radford, Virginia. | | | | |
| 13. Pursuant to § 10.1-2211.2 , Code of Virginia, \$1,330 the first year and \$1,330 the second year from the general fund is provided to support the preservation and care of historical African American graves at Calloway, Lomax, and Mount Salvation Cemeteries in Arlington County, Virginia. | | | | |
| 14. Pursuant to § 10.1-2211.2 , Code of Virginia, \$2,000 the first year and \$2,000 the second year from the general fund is provided to support the preservation and care of historical African American graves at Newtown Cemetery in Harrisonburg, Virginia. | | | | |
| 15. Pursuant to § 10.1-2211.2 , Code of Virginia, \$260 the first year and \$260 the second year from the general fund is provided to support the preservation and care of historical African American graves at Cuffeytown Cemetery in Chesapeake, Virginia. | | | | |
| 16. Pursuant to § 10.1-2211.2 , Code of Virginia, \$180 the first year and \$180 the second year from the general fund is provided to support the preservation and care of historical African American graves at Stanton Family Cemetery in Buckingham County, Virginia. | | | | |
| J. The Department of Historic Resources is authorized to collect administrative fees for the provision of easement and stewardship services. Revenues generated from the easement fee schedule shall be deposited into the Preservation Easement Fund pursuant to § 10.1-2202.2 , Code of Virginia. | | | | |

| ITEM 386. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

K. The Department of Historic Resources is authorized to enter into an agreement with one or more Virginia-based Historically Black Colleges and Universities to provide paid internships to enrolled students for data collection and outreach activities to expand Virginia's historical property catalogue to include underrepresented African American and indigenous communities. Included within the amounts in this item, \$100,000 the first year and \$100,000 the second year from the general fund is provided for the internship program.

L. Consistent with the provisions of § [10.1-2214](#), Code of Virginia, \$159,479 the first year and \$159,479 the second year from the general fund is provided to maintain an underwater archaeology program.

M. Out of the amounts in this Item, \$5,000,000 the first year from the general fund shall be deposited to the *Virginia Black, Indigenous, and People of Color Historic Preservation Fund, as established in § 10.1-2202.5, Code of Virginia, a special, nonreverting fund* for the awarding of grants for the preservation of ~~archaeological~~ historic sites associated with Black, Indigenous, and People of Color (BIPOC). *Notwithstanding the provisions of § 10.1-2202.5 F, grants from the Fund may be awarded to eligible recipients provided that the grantee provides a perpetual public benefit to be determined by the Director.*

N. Out of the amounts in this Item, \$500,000 the first year from the general fund is provided to the City of Alexandria for preservation of the Douglass Memorial Cemetery.

O. Out of the amounts in this Item, \$100,000 the first year from the general fund is provided to the City of Richmond for activities undertaken by the Elegba Folklore Society.

P. Out of the amounts in this Item, \$1,000,000 the first year from the general fund is provided to the City of Norfolk for expansion of the Chrysler Museum's Perry Glass Studio.

Q. Out of the amounts in this Item, \$2,000,000 the first year from the general fund is provided to the City of Richmond for capital improvements at the Virginia Museum of History and Culture.

R. Out of the amounts in this Item, \$300,000 the first year from the general fund is provided to the City of Richmond for activities undertaken by Preservation Virginia.

S. Out of the amounts in this Item, \$1,000,000 the first year from the general fund is provided to the County of Westmoreland for expanded interpretation at Stratford Hall.

T. Out of the amounts in this Item, \$1,000,000 the first year from the general fund is provided to the County of Richmond for preservation and restoration activities undertaken by the Menokin Foundation.

U. Out of the amounts in this Item, \$1,000,000 the first year from the general fund is provided to the City of Richmond for improvements at the Valentine Museum.

V. Out of the amounts in this item, \$6,000,000 the first year from the general fund is provided to the County of Botetourt to support the site acquisition, design and construction of the new Fincastle Museum within the boundaries of the Town of Fincastle *or the County of Botetourt*. As a condition of receiving this amount, the County must provide no less than \$500,000 in local matching funds.

W. Out of the amounts in this item, \$250,000 the first year from the general fund to the County of Nelson to support planning for the development of the Vietnam War and Foreign Conflicts Museum.

X. The Department of Historic Resources is authorized to enter into an agreement with one or more indigenous Virginia tribes to identify and protect their cultural properties and to provide paid internships to students for data collection and outreach activities that expand Virginia's historical property catalogue to include underrepresented indigenous properties. Included within the amounts in this item, \$50,000 in each year from the general fund is provided for paid internships for data collection.

| ITEM 386. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| Y. Out of the amounts in this item, \$4,000,000 the first year from the general fund is provided to the City of Alexandria for development of the Senator John Warner Maritime Heritage Center. | | | | |
| Z. Out of the amounts for Financial Assistance for Historic Preservation, \$250,000 the first year from the general fund shall be provided to the City of Staunton as a one-time grant to the Woodrow Wilson Presidential Library Foundation to support necessary renovations, accessibility improvements, and educational outreach at the Woodrow Wilson Presidential Library. | | | | |
| AA. Out of the amounts in this item, \$500,000 the first year and \$275,000 the second year from the general fund is provided to the City of Roanoke for improvements at the Virginia Museum of Transportation. | | | | |
| BB. Out of the amounts in this item, \$100,000 the first year from the general fund to the City of Hopewell to support improvements at Weston Manor. | | | | |
| CC. Out of the amounts in this item, \$25,000 the first year from the general fund is provided to the City of Virginia Beach for restoration activities at the Pleasant Ridge School. | | | | |
| DD. Out of the amounts in this item, \$2,000,000 the first year from the general fund is provided to the City of Chesapeake to support Phase III projects at the Historic Village at Great Dismal Swamp. | | | | |
| EE. Out of the amounts in this item, \$650,000 the first year from the general fund is provided to the City of Chesapeake for preservation activities at the Jolliff Landing Fort site. | | | | |
| FF. Out of the amounts in this item, \$327,840 the first year from the general fund is provided to the County of Campbell for renovations and repairs at the Rosenwald Community Center-Campbell County Training School. | | | | |
| GG. Out of the amounts in this item, \$75,000 the first year from the general fund is provided to the City of Richmond for preservation of Moore Street School. | | | | |
| HH. Out of the amounts in this item, \$200,000 the second year from the general fund is provided to the City of Charlottesville for school-based public learning and engagement programs at the Jefferson School African American Heritage Center and the Center for Local Knowledge Programs. | | | | |
| II. Out of the amounts in this item, \$200,000 the second year from the general fund is provided to the County of Nelson for renovations to the Nelson Heritage Center. | | | | |
| JJ. Out of the amounts in this item, \$600,000 the second year from the general fund is provided to the City of Charlottesville in support of development of a pedestrian bridge and accessible parking area to improve pedestrian access to the Dogwood Veterans Memorial. | | | | |
| KK. Out of the amounts in this item, \$100,000 the second year from the general fund is provided to the County of Brunswick for the conservation and restoration of the James Solomon Russell/Saint Paul's College Museum and Archives. | | | | |
| LL. Out of the amounts in this item, \$200,000 the second year from the general fund is provided to the County of Fairfax to support preservation efforts of the Gum Springs Museum and Cultural Center. As a condition of receiving this amount, the County must provide no less than \$100,000 in local matching funds. | | | | |
| MM. Out of the amounts in this item, \$310,000 the second year from the general fund is provided to the County of Fluvanna for structural repair and stabilization of the historic Fluvanna County Courthouse. | | | | |
| NN. Out of the amounts in this item, \$140,000 the second year from the general fund is provided to the Town of Pocahontas for renovation of Pocahontas Cemetery. | | | | |
| OO. Out of the amounts in this item, \$100,000 the second year from the general fund is provided to the City of Hopewell to support construction of a welcome center at Weston Manor. | | | | |

| ITEM 386. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

PP. Out of the amounts in this item, \$175,000 the second year from the general fund is provided to the County of Greenville for preservation activities at the Greenville County Training School.

QQ. Out of the amounts in this item, \$500,000 the second year from the general fund is provided to the County of Botetourt to support improvements at the Buchanan Theater.

RR. Out of the amounts in this item, \$250,000 the second year from the general fund is provided to assist in the preservation of archaeological evidence in the area known as Smith's Field in the area around James Fort.

387. Not set out.

| | | | |
|---|--------------|--------------|--------------|
| Total for Department of Historic Resources..... | | \$39,924,864 | \$23,502,024 |
| General Fund Positions..... | 35.00 | 35.00 | |
| Nongeneral Fund Positions..... | 19.00 | 19.00 | |
| Position Level..... | 54.00 | 54.00 | |
| Fund Sources: General..... | \$36,310,796 | \$19,887,956 | |
| Special..... | \$1,210,554 | \$1,210,554 | |
| Commonwealth Transportation..... | \$210,000 | \$210,000 | |
| Dedicated Special Revenue..... | \$97,799 | \$97,799 | |
| Federal Trust..... | \$2,095,715 | \$2,095,715 | |

§ 1-23. MARINE RESOURCES COMMISSION (402)

388. Not set out.

389. Not set out.

390. Not set out.

| | | | |
|---|-------------|-------------|-------------|
| 391. Administrative and Support Services (59900)..... | | \$2,920,460 | \$2,920,310 |
| General Management and Direction (59901)..... | \$2,920,460 | \$2,920,310 | |
| Fund Sources: General..... | \$2,802,611 | \$2,802,461 | |
| Special..... | \$117,849 | \$117,849 | |

Authority: Title 28.2, Chapters 1 and 2, Code of Virginia.

A. The Marine Resources Commission shall recover the cost of reproduction, plus a reasonable fee per record, from persons or organizations requesting copies of computerized lists of licenses issued by the commission.

B. From the amounts collected pursuant to § 28.2-200 et seq., Code of Virginia, and deposited into the Virginia Marine Products Fund (§ 3.2-2705, Code of Virginia), the Marine Resources Commission may retain \$10,000 the first year and \$10,000 the second year for the administrative cost of issuing gear licenses.

C. The Virginia Marine Resources Commission shall report by December 15 of each year all projects and expenditures funded from the Virginia Saltwater Recreational Fishing Development Fund. The report shall be submitted to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

D. The Commission shall amend § 4 VAC 20-1270 no later than June 30, 2024, to protect Virginia's Commercial Bait Sector by establishing an amendment to facilitate the purchase and sale of purse-seine bait license and quota. This Emergency Amendment shall be adopted after a 30-day public comment period of a draft amendment. The Emergency Amendment shall be exempt from the provisions of § 28.2-201.8 of the Code of Virginia.

| | | | |
|--|--|--------------|--------------|
| Total for Marine Resources Commission..... | | \$34,564,621 | \$30,039,321 |
|--|--|--------------|--------------|

| ITEM 391. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|---------------|----------------------|------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| General Fund Positions..... | 142.50 | 142.50 | | |
| Nongeneral Fund Positions..... | 29.00 | 29.00 | | |
| Position Level..... | 171.50 | 171.50 | | |
| Fund Sources: General..... | \$21,558,834 | \$17,033,534 | | |
| Special..... | \$7,577,568 | \$7,577,568 | | |
| Commonwealth Transportation..... | \$313,768 | \$313,768 | | |
| Dedicated Special Revenue..... | \$1,624,557 | \$1,624,557 | | |
| Federal Trust..... | \$3,489,894 | \$3,489,894 | | |
| TOTAL FOR OFFICE OF NATURAL AND HISTORIC RESOURCES..... | | | \$967,459,378 | \$1,243,354,482 |
| | | | | \$1,243,854,482 |
| General Fund Positions..... | 1,075.50 | 1,081.50 | | |
| Nongeneral Fund Positions..... | 1,158.00 | 1,159.00 | | |
| Position Level..... | 2,233.50 | 2,240.50 | | |
| Fund Sources: General..... | \$557,703,582 | \$859,251,792 | | |
| Special..... | \$59,270,733 | \$59,270,733 | | |
| Commonwealth Transportation..... | \$523,768 | \$523,768 | | |
| Enterprise..... | \$13,540,093 | \$13,540,093 | | |
| Trust and Agency..... | \$38,540,279 | \$38,540,279 | | |
| Dedicated Special Revenue..... | \$233,453,881 | \$207,800,775 | | |
| Federal Trust..... | \$64,427,042 | \$64,427,042 | | |

| ITEM 392. | Item Details(\$) | | Appropriations(\$) | |
|-----------|----------------------|-----------------------|----------------------|-----------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |

OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY

§ 1-24. SECRETARY OF PUBLIC SAFETY AND HOMELAND SECURITY (187)

| | | | | |
|---|-------------|--------------------------|-------------|--------------------------|
| 392. Administrative and Support Services (79900)..... | | | \$1,223,977 | \$1,223,977 \$723,977 |
| General Management and Direction (79901)..... | \$1,223,977 | \$1,223,977 \$723,977 | | |
| Fund Sources: General..... | \$1,223,977 | \$1,223,977 \$723,977 | | |

Authority: Title 2.2, Chapter 2, Article 8, and § [2.2-201](#), Code of Virginia.

A. The Secretary of Public Safety and Homeland Security shall present revised six-year state and local juvenile and state and local responsibility adult offender population forecasts to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Chairs of the House Courts of Justice and Senate Judiciary Committees by October 15 of each year. The secretary shall ensure that the revised forecast for state-responsible adult offenders shall include an estimate of the number of probation violators included each year within the overall population forecast who may be appropriate for alternative sanctions.

B. The secretary shall continue to work with other secretaries to (i) develop services intended to improve the re-entry of offenders from prisons and jails to general society and (ii) enhance the coordination of service delivery to those offenders by all state agencies. The secretary shall provide a status report on actions taken to improve offender transitional and reentry services, as provided in § [2.2-221.1](#), Code of Virginia, including improvements to the preparation and provision for employment, treatment, and housing opportunities for those being released from incarceration. The report shall be provided to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than November 15 of each year.

C. Included in the appropriation for this item is \$500,000 the first year and \$500,000 the second year from the general fund for the Commonwealth's nonfederal cost match requirement to accomplish the United States Corps of Engineers Regional Reconnaissance Flood Control Study for both the Hampton Roads and Northern Neck regions as authorized by the U.S. Congress. Any balances not needed to complete these studies may be used to conduct a comparable study in the Northern Virginia region.

D. C. The Secretary of Public Safety and Homeland Security, or his designee, shall convene a work group to examine the costs and feasibility of the implementation of Senate Bill 134, 2022 Session of the General Assembly. The work group shall include representatives from the Department of Juvenile Justice, the Office of the Executive Secretary, Court Service Units, Juvenile Detention Centers, Juvenile and Domestic Relations District Courts, the Department of Corrections, the Department of Behavioral Health and Developmental Services, the Department of Planning and Budget, appropriate staff from the House Appropriations and Senate Finance and Appropriations Committees, and other appropriate stakeholders. The work group shall develop cost estimates and the associated efforts necessary to implement the provisions of Senate Bill 134, to include the state and local fiscal impact and any cost savings realized by reducing the number of individuals in the adult criminal justice system. In conducting this assessment, the work group shall review the experience of other states that have implemented similar legislation. The Secretary of Public Safety and Homeland Security shall submit a report of the work group's findings to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1, 2022.

E. D.1. The Secretary of Public Safety and Homeland Security, in collaboration with the Secretary of Education and the Secretary of Health and Human Resources, with the cooperation and assistance of the Department of Planning and Budget, the Virginia Association of Counties, and the Virginia Municipal League, shall evaluate and submit to the General Assembly no later than October 15, 2024, a report on juvenile detention center cost savings strategies. The report shall include a proposal to reduce state formula

| ITEM 392. | Item Details(\$) | | Appropriations(\$) | | |
|---|---|-------------|--------------------|-------------|-------------|
| | First Year | Second Year | First Year | Second Year | |
| | FY2023 | FY2024 | FY2023 | FY2024 | |
| <p>financial assistance for juvenile confinement in local facilities ("juvenile detention center block grant") in order to incentivize consolidation of juvenile detention centers in the Commonwealth. The proposal shall: (i) recommend five to eight juvenile detention centers for consolidation, identifying the five to eight facilities recommended for closure and alternative facilities recommended to house youth impacted by the closures; (ii) describe the criteria used to identify such facilities including, but not limited to, distance between the facilities recommended for closure and the recommended alternative sites of incarceration, funded and licensed capacity, historical and projected average daily population by region, age and condition of facilities and their electronic security systems, outstanding debt service, deferred maintenance and annual maintenance reserve as a percentage of the replacement asset value, potential for repurposing or sale of facilities recommended for closure, regional distribution of juvenile detention centers, and availability of programming; (iii) estimate the state savings that would result from elimination of juvenile detention center block grant funding for facilities recommended for closure, net any expected increase in block grant or per diem funding for facilities recommended to house additional youth; and (iv) recommend two to five options for reinvesting the net savings in services for youth involved or at-risk of becoming involved in the juvenile justice system.</p> <p>2. In addition, the report shall assess alternative delivery models for education services at juvenile detention centers, including: (i) determining the extent to which each juvenile detention center currently implements or could further implement cost effective staffing methods, including strategies identified in the 2021 Board of Education report entitled "Recommendations for Appropriate Staffing and Funding Levels Necessary for State Operated Programs (SOPs) in Regional and Local Detention Centers"; (ii) continuing to develop an alternative to the statutorily required 1:12 teacher to student staffing ratio; (iii) utilizing full-time special education teachers to coordinate, plan, and substitute for part-time teachers shared with either the local school division or other state operated programs; and (iv) determining and providing the feasibility and potential cost savings of each alternative delivery model, as well as specific actions to implement each model.</p> | | | | | |
| 393. | Not set out. | | | | |
| | Total for Secretary of Public Safety and Homeland Security..... | | \$1,825,060 | \$1,825,060 | \$1,325,060 |
| | General Fund Positions..... | 6.00 | 6.00 | | |
| | Nongeneral Fund Positions..... | 3.00 | 3.00 | | |
| | Position Level..... | 9.00 | 9.00 | | |
| | Fund Sources: General..... | \$1,223,977 | \$1,223,977 | \$723,977 | |
| | Federal Trust..... | \$601,083 | \$601,083 | | |
| 394. | Not set out. | | | | |
| 395. | Not set out. | | | | |
| 396. | Not set out. | | | | |
| 397. | Not set out. | | | | |
| § 1-25. DEPARTMENT OF CORRECTIONS (799) | | | | | |
| 398. | Not set out. | | | | |
| 399. | Not set out. | | | | |
| 400. | Not set out. | | | | |
| 401. | Not set out. | | | | |

| ITEM 401. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|--------------------------------|----------------------|--------------------------------|
| | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| 402. | Operation of Secure Correctional Facilities (39800)..... | | | \$867,543,295 | \$877,511,223 \$882,843,811 |
| | Supervision and Management of Inmates (39802)... | \$553,750,458 | \$561,290,746 | | |
| | Rehabilitation and Treatment Services - Prisons (39803)..... | \$51,791,209 | \$54,218,849 \$59,551,437 | | |
| | Prison Management (39805)..... | \$74,012,872 | \$74,012,872 | | |
| | Food Services - Prisons (39807)..... | \$41,065,447 | \$41,065,447 | | |
| | Agribusiness (39811)..... | \$12,783,017 | \$12,783,017 | | |
| | Correctional Enterprises (39812)..... | \$51,856,358 | \$51,856,358 | | |
| | Physical Plant Services - Prisons (39815)..... | \$82,283,934 | \$82,283,934 | | |
| | Fund Sources: General..... | \$812,361,937 | \$822,329,865 \$827,662,453 | | |
| | Special..... | \$55,181,358 | \$55,181,358 | | |

Authority: §§ [53.1-1](#), [53.1-5](#), [53.1-8](#), and [53.1-10](#), Code of Virginia.

A. Included in this appropriation is \$1,620,000 the first year and \$1,620,000 the second year from nongeneral funds for the purposes listed below. The source of the funds is commissions generated by prison commissary operations:

1. \$220,000 the first year and \$220,000 the second year for Assisting Families of Inmates, Inc., to provide transportation for family members to visit offenders in prison and other ancillary services to family members;
2. \$1,325,000 the first year and \$1,325,000 the second year for distribution to organizations that work to enhance faith-based services to inmates; and
3. \$75,000 the first year and \$75,000 the second year for the "FETCH" program.

B.1. The Department of Corrections is authorized to contract with other governmental entities to house male and female prisoners from those jurisdictions in facilities operated by the department.

2. The State Comptroller shall continue to maintain the Contract Prisoners Special Revenue Fund on the books of the Commonwealth to reflect the activities of contracts between the Commonwealth of Virginia and other governmental entities for the housing of prisoners in facilities operated by the Virginia Department of Corrections.

3. The Department of Corrections shall determine whether it may be possible to contract to house additional federal inmates or inmates from other states in space available within state correctional facilities. The department may, subject to the approval of the Governor, enter into such contracts, to the extent that sufficient bedspace may become available in state facilities for this purpose.

C. The Department of Corrections may enter into agreements with local and regional jails to house state-responsible offenders in such facilities and to affect transfers of convicted state felons between and among such jails. Such agreements shall be governed by the provisions of Item 73 of this act.

D. To the extent that the Department of Corrections privatizes food services, the department shall also seek to maximize agribusiness operations.

E. Notwithstanding the provisions of § [53.1-45](#), Code of Virginia, the Department of Corrections is authorized to sell on the open market and through the Virginia Farmers' Market Network any dairy, animal, or farm products of which the Commonwealth imports more than it exports.

F. It is the intention of the General Assembly that § [53.1-47](#), the Code of Virginia, concerning articles and services produced or manufactured by persons confined in state correctional facilities, shall be construed such that the term "manufactured" articles shall include "remanufactured" articles.

| ITEM 402. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| G.1. The Department of Corrections, in coordination with the Virginia Supreme Court, shall continue to operate a behavioral correction program. Offenders eligible for such a program shall be those offenders: (i) who have never been convicted of a violent felony as defined in § 17.1-805 of the Code of Virginia and who have never been convicted of a felony violation of §§ 18.2-248 and 18.2-248.1 of the Code of Virginia; (ii) for whom the sentencing guidelines developed by the Virginia Criminal Sentencing Commission would recommend a sentence of four years or more in facilities operated by the Department of Corrections; and (iii) whom the court determines require treatment for drug or alcohol substance abuse. For any such offender, the court may impose the appropriate sentence with the stipulation that the Department of Corrections place the offender in an intensive therapeutic community-style substance abuse treatment program as soon as possible after receiving the offender. Upon certification by the Department of Corrections that the offender has successfully completed such a program of a duration of 24 months or longer, the court may suspend the remainder of the sentence imposed by the court and order the offender released to supervised probation for a period specified by the court. | | | | |
| 2. If an offender assigned to the program voluntarily withdraws from the program, is removed from the program by the Department of Corrections for intractable behavior, fails to participate in program activities, or fails to comply with the terms and conditions of the program, the Department of Corrections shall notify the court, outlining specific reasons for the removal and shall reassign the defendant to another incarceration assignment as appropriate. Under such terms, the offender shall serve out the balance of the sentence imposed by the court, as provided by law. | | | | |
| 3. The Department of Corrections shall collect the data and develop the framework and processes that will enable it to conduct an in-depth evaluation of the program three years after it has been in operation. The department shall submit a report periodically on the program to the Chief Justice as he may require and shall submit a report on the implementation of the program and its usage to the Secretary of Public Safety and Homeland Security and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by June 30 of each year. | | | | |
| H. Included in the appropriation for this Item is \$250,000 the first year and \$250,000 the second year from nongeneral funds for a culinary arts program in which inmates are trained to operate food service activities serving agency staff and the general public. The source of the funds shall be revenues generated by the program. Any revenues so generated by the program shall not be subject to § 4-2.02 of this act and shall be used by the agency for the costs of operating the program. The State Comptroller shall continue to maintain the Inmate Culinary Arts Training Program Fund on the books of the Commonwealth to reflect the revenue and expenditures of this program. | | | | |
| I. Federal funds received by the Department of Corrections from the federal Residential Substance Abuse Treatment Program shall be exempt from payment of statewide and agency indirect cost recoveries into the general fund. | | | | |
| J. The Department of Corrections shall continue to operate a separate program for inmates under 18 years old who have been tried and convicted as adults and committed to the Department of Corrections. This separation of these offenders from the general prison population is required by the requirements of the federal Prison Rape Elimination Act. | | | | |
| K. Included within the appropriation for this item is \$214,103 the first year and \$242,923 the second year and two positions from the general fund for the Sex Offender Residential Treatment Program. | | | | |
| L. Out of this appropriation, \$471,420 the first year and \$471,420 the second year from the general fund and five positions to implement the recommendations of the Secretary of Public Safety and Homeland Security's workgroup on Access to Sex Offender Treatment. | | | | |
| M. Included in this appropriation is \$250,000 the first year and \$250,000 the second year from the general fund for the expansion and subsidization of the family video visitation services in its secure correctional facilities. | | | | |
| N. Included in the appropriation for this Item is \$2,021,037 the first year and \$2,425,245 the second year and 33 positions from the general fund to reduce the ratio of mental health | | | | |

| ITEM 402. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|------------------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| clinicians to inmates in correctional facilities. The Department of Corrections shall report on mental health screenings and assessments, monitoring, and mental health treatment plans and services provided, including but not limited to reentry services and recidivism rates for those individuals who required mental health services in correctional facilities. The report shall be submitted to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director, Department of Planning and Budget by November 1, 2023. | | | | |
| O.1. Included in the appropriation for this Item is \$26,072,637 the first year and \$30,520,519 the second year from the general fund to increase minimum salaries and to address salary compression issues for correctional officers, sergeants, captains, lieutenants, and majors effective July 10, 2022. | | | | |
| 2. The Department shall report on the allocation of these funds and their effectiveness in addressing the workforce challenges identified by the workgroup under Chapter 1, Virginia Acts of Assembly, 2021 Special Session II. The report shall detail the number of vacancies, identify and report on specific measures of effectiveness that indicate the degree to which these salary adjustments reduce the number of vacancies, and discuss other ongoing efforts implemented by the department to recruit and retain qualified and diverse correctional officer personnel. A report shall be submitted to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Director of the Department of Human Resources Management, and the Director, Department of Planning and Budget, no later than October 15, 2023. | | | | |
| 403. | Not set out. | | | |
| 404. | Not set out. | | | |
| Total for Department of Corrections..... | | | \$1,489,188,334 | \$1,501,416,013 \$1,506,748,601 |
| | | | | |
| General Fund Positions..... | | | | |
| Nongeneral Fund Positions..... | | | | |
| Position Level..... | | | | |
| Fund Sources: General..... | | | | |
| Special..... | | | | |
| Dedicated Special Revenue..... | | | | |
| Federal Trust..... | | | | |
| 405. | Not set out. | | | |
| 406. | Not set out. | | | |
| 407. | Not set out. | | | |
| 408. | Not set out. | | | |
| 409. | Not set out. | | | |
| 410. | Not set out. | | | |
| 411. | Not set out. | | | |
| 412. | Not set out. | | | |
| 413. | Not set out. | | | |
| 414. | Not set out. | | | |

| ITEM 415. | | Item Details(\$) | | Appropriations(\$) | |
|---|--------------|------------------|-----------------|------------------------|------------------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| 415. | Not set out. | | | | |
| 416. | Not set out. | | | | |
| 417. | Not set out. | | | | |
| 418. | Not set out. | | | | |
| 419. | Not set out. | | | | |
| 420. | Not set out. | | | | |
| 421. | Not set out. | | | | |
| 422. | Not set out. | | | | |
| 423. | Not set out. | | | | |
| 424. | Not set out. | | | | |
| 425. | Not set out. | | | | |
| 426. | Not set out. | | | | |
| 427. | Not set out. | | | | |
| 428. | Not set out. | | | | |
| 429. | Not set out. | | | | |
| 430. | Not set out. | | | | |
| 431. | Not set out. | | | | |
| 432. | Not set out. | | | | |
| 433. | Not set out. | | | | |
| TOTAL FOR OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY..... | | | | \$3,875,692,814 | \$3,985,607,141 |
| | | | | | \$3,990,439,729 |
| General Fund Positions..... | | 18,335.10 | 18,578.10 | | |
| Nongeneral Fund Positions..... | | 2,612.90 | 2,657.90 | | |
| Position Level..... | | 20,948.00 | 21,236.00 | | |
| Fund Sources: General..... | | \$2,445,757,226 | \$2,501,146,043 | | |
| | | | \$2,505,978,631 | | |
| Special..... | | \$185,536,186 | \$185,551,588 | | |
| Commonwealth Transportation..... | | \$10,538,520 | \$10,538,520 | | |
| Enterprise..... | | \$1,011,463,193 | \$1,065,973,301 | | |
| Trust and Agency..... | | \$4,298,130 | \$4,298,130 | | |
| Dedicated Special Revenue..... | | \$58,624,033 | \$58,624,033 | | |
| Federal Trust..... | | \$159,475,526 | \$159,475,526 | | |

| ITEM 434. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

OFFICE OF TRANSPORTATION

- 434. Not set out.
- 435. Not set out.
- 436. Not set out.
- 437. Not set out.
- 438. Not set out.
- 439. Not set out.
- 440. Not set out.
- 441. Not set out.
- 442. Not set out.
- 443. Not set out.
- 444. Not set out.
- 445. Not set out.
- 446. Not set out.
- 447. Not set out.
- 448. Not set out.
- 449. Not set out.

§ 1-26. DEPARTMENT OF TRANSPORTATION (501)

| | | | | |
|------|--|-----------------|-----------------|---------------------------------|
| 450. | Not set out. | | | |
| 451. | Not set out. | | | |
| 452. | Highway Construction Programs (60300)..... | | | \$4,374,346,266 \$4,743,972,346 |
| | Highway Construction Program Management (60315)..... | \$46,956,765 | \$48,038,665 | |
| | Virginia Highway Safety Improvement Program (60317)..... | \$63,800,454 | \$88,582,717 | |
| | Interstate Operations and Enhancement Program (60318)..... | \$219,189,678 | \$368,881,273 | |
| | State of Good Repair Program (60320)..... | \$407,807,470 | \$424,298,806 | |
| | High Priority Projects Program (60321)..... | \$446,978,496 | \$416,973,407 | |
| | Construction District Grant Programs (60322)..... | \$509,553,339 | \$513,843,256 | |
| | Specialized State and Federal Programs (60323)..... | \$2,424,943,587 | \$2,628,237,745 | |
| | Legacy Construction Formula Programs (60324)..... | \$255,116,477 | \$255,116,477 | |
| | Fund Sources: General..... | \$51,504,000 | \$260,000,000 | |
| | Commonwealth Transportation..... | \$3,647,666,793 | \$3,554,925,678 | |
| | Trust and Agency..... | \$497,079,550 | \$500,881,791 | |

| ITEM 452. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--------------------------------|---------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | Dedicated Special Revenue..... | \$178,095,923 | \$428,164,877 | |

Authority: Title 33.2, Chapter 3; Code of Virginia; Chapters 8, 9, and 12, Acts of Assembly of 1989, Special Session II.

A. From the appropriation for specialized state and federal programs funds shall be distributed as follows:

1. An estimated \$115,575,647 the first year and \$117,783,238 the second year in federal state and matching funds shall be allocated for regional Surface Transportation Block Grant Funds and distributed to applicable metropolitan planning organizations pursuant to 23 USC 133;
2. An estimated \$44,338,091 the first year and \$45,224,852 the second year in federal and state matching funds shall be allocated for the Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation Program pursuant to 23 USC 176;
3. An estimated \$83,848,855 the first year and \$208,066,648 the second year in federal and state matching funds shall be allocated for the Congestion Mitigation Air Quality program pursuant to 23 USC 149;
4. \$197,288,735 the first year and \$208,066,648 the second year shall be allocated for the Revenue Sharing Program pursuant to § [33.2-357](#), Code of Virginia;
5. An estimated \$20,265,939 the first year and \$20,087,475 the second year in federal funds shall be allocated for the Surface Transportation Block Grant Program Set-Aside to 23 USC 133(h).
6. An estimated \$1,433,969,013 the first year and \$887,356,470 the second year in appropriation represents the estimated project participation costs from localities and regional entities.
7. \$152,200,000 the second year in this appropriation represents the bond proceeds to be used for the Route 58 Corridor Development Program.
8. \$15,333,333 the first year and \$15,333,333 the second year in state funds shall be allocated to the Virginia Transportation Infrastructure Bank pursuant to § [33.2-1500](#) et seq, Code of Virginia.
9. \$10,044,671 the first year and \$10,044,011 the second year in state funds shall be allocated to the Transportation Partnership Opportunity Fund pursuant to § [33.2-1529.1](#), Code of Virginia;
10. An estimated \$34,768,959 in the first year and \$35,464,338 in the second year in federal and state matching funds shall be allocated for the Carbon Reduction Program pursuant to 23 USC 175.

B. Notwithstanding § [33.2-358](#), Code of Virginia, the proceeds from the lease or sale of surplus and residue property purchased under this program in excess of related costs shall be applied to the State of Good Repair Program pursuant to § [33.2-369](#), Code of Virginia. Proceeds must be used on Federal Title 23 eligible projects.

C. The Director of the Department of Planning and Budget is authorized to increase the appropriation as needed to utilize amounts available from prior year balances in the dedicated funds and adjust items to the most recent Commonwealth Transportation Board budget.

D. Funds appropriated for legacy formula construction programs shall be used for the purposes enumerated in subsection C of § [33.2-358](#), Code of Virginia, or as previously appropriated.

E. Included in the amounts for specialized state and federal programs is the reappropriation of \$495,800,000 the first year and \$559,900,000 the second year from bond proceeds or dedicated special revenues for anticipated expenditure of amounts collected in prior years. The amounts will be provided from balances in the Capital Projects Revenue Bond Fund, Federal Transportation Grant Anticipation Revenue Bond Fund, Northern Virginia Transportation District Fund, State Route 28 Highway Improvement District Fund, U.S. Route 58 Corridor Development Fund, Interstate 81 Corridor Improvement Program,

| ITEM 452. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

Interstate Operations and Enhancement Program, Concession Funds from the Interstate 95 Express Lanes and Interstate 66 Outside-the-Beltway Project Agreements and the Priority Transportation Fund. These amounts were originally appropriated when received or forecasted and are not related to estimated revenues of the current biennium.

F. The Director of the Department of Planning and Budget is authorized to increase the appropriation as needed to utilize amounts available from prior year balances in the Concession Payments Account to support project activities.

G. Included in the amounts for district grant programs is \$104,300,000 the first year and \$105,400,000 the second year from the regional fuels tax distributed pursuant to subsection E of § [58.1-2290.20](#).

H. In the instance where there is a reduction in the prescribed weight of any vehicle or combination of vehicles passing over any bridge, or bridges constituting a part of the interstate, primary, or secondary system of highways, in addition to posting signage in accordance with § [46.2-1104](#), Code of Virginia, the Department shall make a good faith effort to notify businesses in the surrounding area of the reduction in prescribed weight via electronic, telephone or mail as well as posting in local media in the surrounding localities. The Department shall continue to maintain an updated website, and related social media pages, and shall work with its local partners to develop an electronic communication list to facilitate seamless notification of all businesses using the route for transportation purposes in the surrounding area.

I.1 Included in these amounts, \$41,500,000 the first year from the general fund is provided for the establishment of the State Trails Office within the Department of Transportation, consistent with the recommendations of the January 2022 report on the "Virginia Multi-Use Trails Initiative." In addition, the Board shall set-aside \$7,000,000 in the first year and \$7,000,000 in the second year from funds received for the Transportation Alternatives Program pursuant to 23 USC 133(h) for regional multi-use trails. Priority shall be given by the Board to new regional trails, projects to improve connectivity of existing trail networks, and geographic diversity in the use of such funds. Funds may be awarded through a competitive solicitation conducted by the Board.

2. Prior to July 15, 2022, up to \$800,000 of these amounts shall be transferred to Item 451 to support the initial operational overhead costs of establishing the State Trails Office and for the development of a State Trails Plan and State Trails Information Clearinghouse. In developing the initial State Trails Plan, the State Trails Office shall coordinate with the State Trails Advisory Committee and the Department of Conservation and Recreation to ensure consistency with the Virginia Outdoors Plan.

3. Out of the amounts appropriated for the State Trails Office included in this paragraph, and funding carried forward from the 2020-22 biennium, allocations shall be provided as follows:

a. Up to \$35.0 million shall be allocated to the Shenandoah Valley Rail Trail for the purposes of land acquisition, initial planning, and site development. Any land acquisition by the Commonwealth as part of this trail's development shall not preclude the consideration of options to maintain rail transportation in the corridor.

b. \$12.5 million shall be allocated for the Craig Valley Trail.

c. \$1.25 million shall be allocated for the Peaks to Creeks Trail.

d. \$1.25 million shall be allocated to the Tobacco Heritage Trail.

e. \$4.0 million shall be allocated to the Eastern Shore Rail Trail.

f. Any remaining funding provided for trails shall be allocated by the Commonwealth Transportation Board to the trails listed above, as needed, the Fall Line Trail, or any other trail that has applied for funding that meets the criteria set out in subparagraph 1. above.

J. Included in these amounts, \$5,000,000 the first year from the general fund shall be transferred to Item 447 for deposit to the Transit Ridership Incentive Fund, established pursuant to § [33.2-1526.3](#), Code of Virginia, and consistent with the provisions of § 4-

| ITEM 452. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------|--------------------|-----------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | 13.00 of this act, for regional connectivity programs focused on congestion reduction and mitigation through the provision of long-distance commuter routes. | | | |
| K. | Up to \$5,000,000 from the general fund in the first year from this item is provided for deposit to the special structures share of the Transportation Trust Fund to expedite the replacement of the Robert O. Norris Bridge. | | | |
| L.1. | Up to \$260,000,000 from the general fund in the second year is provided to improve Interstate 64 between Exit 205 and Exit 234 with priority given to enhancements that provide long-term traffic flow improvements for the full 29-mile corridor. | | | |
| 2. | Of the amounts included in the second year, \$150,000,000 represents the appropriation of excess fiscal year 2022 general fund revenues reserved by the Comptroller in the Committed Fund balance pursuant to Item 485 L. of this act. | | | |
| M. | Appropriations from the general fund provided in this item shall be transferred to the appropriate nongeneral fund detail for expenditure. | | | |
| N. | Notwithstanding any other provision of law, any general fund amounts allocated by the Commonwealth Transportation Board in the Six-Year Improvement Program to a transportation project that are unspent at the end of the fiscal year shall not revert to the general fund, but shall be carried over to the next fiscal year for the identified purposes. | | | |
| O.1. | Out of the June 30, 2023, uncommitted balance in the Virginia Transportation Infrastructure Bank, \$75,000,000 shall be transferred to the Transportation Partnership Opportunity Fund to support major economic development initiatives, in accordance with Chapters 546 and 547, 2023 Acts of Assembly. | | | |
| 2. | Of the amounts in the Transportation Partnership Opportunity Fund, \$4,800,000 the second year is provided to the City of Portsmouth to be used as the local match for the Complete High Street Innovation Corridor Project to provide multi-modal, complete streets roadway improvements along High Street between Martin Luther King Expressway to Chestnut Street. As a condition of receipt of this funding, the City shall provide, to the satisfaction of the Commissioner of Highways, evidence of federal Rebuilding American Infrastructure with Sustainability and Equity discretionary grant funding totaling at least \$19.3 million for the project. | | | |
| 3. | <i>Of the amounts in the Transportation Partnership Opportunity Fund, up to \$11,000,000 the second year is provided to effectuate the purchase of a site, which is approximately 545 acres, adjacent to the NASA Wallops Flight Facility to support development and prevent encroachment at the launch pad area.</i> | | | |
| 453. | Not set out. | | | |
| 454. | Not set out. | | | |
| 455. | Not set out. | | | |
| 456. | Not set out. | | | |
| 457. | Not set out. | | | |
| 458. | Not set out. | | | |
| 459. | Not set out. | | | |
| | Total for Department of Transportation..... | | \$8,098,923,262 | \$8,450,322,412 |
| | Nongeneral Fund Positions..... | 7,748.00 | 7,748.00 | |
| | Position Level..... | 7,748.00 | 7,748.00 | |
| | Fund Sources: General..... | \$51,504,000 | \$260,000,000 | |
| | Commonwealth Transportation..... | \$7,102,414,355 | \$6,977,821,187 | |

| ITEM 459. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|------------------|-----------------|--------------------|------------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| | Trust and Agency..... | \$761,579,842 | \$779,334,607 | | |
| | Dedicated Special Revenue..... | \$178,095,923 | \$428,164,877 | | |
| | Federal Trust..... | \$5,329,142 | \$5,001,741 | | |
| 460. | Not set out. | | | | |
| | Grand Total for Department of Transportation..... | | | \$8,983,389,159 | \$9,356,311,824 |
| | Nongeneral Fund Positions..... | 7,748.00 | 7,748.00 | | |
| | Position Level..... | 7,748.00 | 7,748.00 | | |
| | Fund Sources: General..... | \$51,504,000 | \$260,000,000 | | |
| | Commonwealth Transportation..... | \$7,102,414,355 | \$6,977,821,187 | | |
| | Trust and Agency..... | \$761,579,842 | \$779,334,607 | | |
| | Dedicated Special Revenue..... | \$1,062,561,820 | \$1,334,154,289 | | |
| | Federal Trust..... | \$5,329,142 | \$5,001,741 | | |
| 461. | Not set out. | | | | |
| 462. | Not set out. | | | | |
| 463. | Not set out. | | | | |
| 464. | Not set out. | | | | |
| 465. | Not set out. | | | | |
| 466. | Not set out. | | | | |
| | TOTAL FOR OFFICE OF TRANSPORTATION... | | | \$10,998,522,561 | \$11,310,519,957 |
| | Nongeneral Fund Positions..... | 10,373.00 | 10,373.00 | | |
| | Position Level..... | 10,373.00 | 10,373.00 | | |
| | Fund Sources: General..... | \$51,534,246 | \$260,030,246 | | |
| | Special..... | \$207,114,697 | \$218,514,697 | | |
| | Commonwealth Transportation..... | \$8,581,326,306 | \$8,384,407,869 | | |
| | Trust and Agency..... | \$772,526,442 | \$790,281,207 | | |
| | Dedicated Special Revenue..... | \$1,333,761,820 | \$1,605,354,289 | | |
| | Federal Trust..... | \$52,259,050 | \$51,931,649 | | |

| ITEM 467. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

OFFICE OF VETERANS AND DEFENSE AFFAIRS

- 467. Not set out.
- 468. Not set out.
- 469. Not set out.
- 470. Not set out.
- 471. Not set out.
- 472. Not set out.
- 473. Not set out.
- 474. Not set out.

§ 1-27. DEPARTMENT OF MILITARY AFFAIRS (123)

| | | | | |
|------|--|-------------|----------------------------|----------------------------|
| 475. | Not set out. | | | |
| 476. | Not set out. | | | |
| 477. | Not set out. | | | |
| 478. | Not set out. | | | |
| 479. | Administrative and Support Services (79900)..... | | \$10,231,113 | \$9,645,113 \$9,966,587 |
| | General Management and Direction (79901)..... | \$7,294,381 | \$6,708,381 \$7,029,855 | |
| | Telecommunications (79930)..... | \$2,936,732 | \$2,936,732 | |
| | Fund Sources: General..... | \$5,818,619 | \$5,232,619 \$5,554,093 | |
| | Dedicated Special Revenue..... | \$1,037,191 | \$1,037,191 | |
| | Federal Trust..... | \$3,375,303 | \$3,375,303 | |

Authority: Title 44, Chapters 1 and 2, Code of Virginia.

A. The Department of Military Affairs shall advise and provide assistance to the Department of Accounts in administering the \$20,000 death benefit provided for certain members of the National Guard and United States military reserves killed in action in any armed conflict as of October 7, 2001, pursuant to § 44-93.1.B., Code of Virginia.

B. Included in this appropriation is \$666,000 the first year and \$80,000 the second year from the general fund to replace and maintain communication equipment for emergency operations.

C. Included in this appropriation is \$50,000 the first year and \$50,000 the second year from the general fund for a Referral Enlistment Program to qualifying individuals for the referral of applicants for service in the Virginia National Guard which result in enlistment.

D. Included in this appropriation is \$150,000 the first year and \$150,000 the second year from the general fund for the agency's National Guard Cyber Brigade to conduct cyber security audits of local governments and state agencies.

| | | | |
|---|-------|--------------|------------------------------|
| Total for Department of Military Affairs..... | | \$81,040,511 | \$80,454,511 \$80,775,985 |
| General Fund Positions..... | 86.47 | 86.47 | |

| ITEM 479. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|------------------------------|--------------------|--------------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| Nongeneral Fund Positions..... | 316.03 | 316.03 | | |
| Position Level..... | 402.50 | 402.50 | | |
| Fund Sources: General..... | \$14,283,434 | \$13,697,434 \$14,018,908 | | |
| Special..... | \$1,784,927 | \$1,784,927 | | |
| Dedicated Special Revenue..... | \$4,216,050 | \$4,216,050 | | |
| Federal Trust..... | \$60,756,100 | \$60,756,100 | | |
| TOTAL FOR OFFICE OF VETERANS AND DEFENSE AFFAIRS..... | | | \$230,244,411 | \$224,472,379 \$224,793,853 |
| General Fund Positions..... | 364.47 | 364.47 | | |
| Nongeneral Fund Positions..... | 1,428.03 | 1,428.03 | | |
| Position Level..... | 1,792.50 | 1,792.50 | | |
| Fund Sources: General..... | \$58,489,674 | \$52,717,642 \$53,039,116 | | |
| Special..... | \$49,719,423 | \$49,719,423 | | |
| Trust and Agency..... | \$2,474,892 | \$2,474,892 | | |
| Dedicated Special Revenue..... | \$5,809,050 | \$5,809,050 | | |
| Federal Trust..... | \$113,751,372 | \$113,751,372 | | |

| ITEM 480. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

CENTRAL APPROPRIATIONS

§ 1-28. CENTRAL APPROPRIATIONS (995)

| | | | | |
|------|--|--------------|------------------------------|------------------------------|
| 480. | Higher Education Academic, Fiscal, and Facility Planning and Coordination (11100)..... | | \$10,756,833 | \$10,756,833 \$22,624,641 |
| | Interest Earned on Educational and General Programs Revenue (11106)..... | \$10,756,833 | \$10,756,833 \$22,624,641 | |
| | Fund Sources: General..... | \$7,231,017 | \$7,231,017 \$10,467,019 | |
| | Higher Education Operating..... | \$3,525,816 | \$3,525,816 \$12,157,622 | |

A. The standards upon which the public institutions of higher education are deemed certified to receive the payment of interest earnings from the tuition and fees and other nongeneral fund Educational and General revenues shall be based upon the standards provided in § 4-9.01 of this act, as approved by the General Assembly.

B. The estimated interest earnings and other revenues shall be distributed to those specific public institutions of higher education that have been certified by the State Council of Higher Education for Virginia as having met the standards provided in § 4-9.01 of this act, based on the distribution methodology developed pursuant to Chapter 933, Enactment 2, Acts of Assembly of 2005 and reported to the Chairmen of the House Appropriations Committee and Senate Finance and Appropriations Committee.

C. In accordance with § 23.1-1002, Code of Virginia, this Item provides \$4,573,395 the first year and \$4,573,395 \$7,906,831 the second year from the general fund, and \$3,525,816 from nongeneral funds in the first year and \$3,525,816 \$12,157,622 from nongeneral funds in the second year for the estimated total payment to individual institutions of higher education of the interest earned on tuition and fees and other nongeneral fund Education and General Revenues deposited to the state treasury. Upon certification by the State Council of Higher Education of Virginia that all available performance benchmarks have been successfully achieved by the individual institutions of higher education, the Director, Department of Planning and Budget, shall transfer the appropriation in this Item for such estimated interest earnings to the general fund appropriation of each institution's Educational and General program.

D. This Item also includes \$2,657,622 in the first year and \$2,657,622 \$2,560,188 the second year from the general fund for the payment to individual institutions of higher education of a pro rata amount of the rebate paid to the State Commonwealth on credit card purchases not exceeding \$5,000 during the previous fiscal year. The State Comptroller shall determine the amount owed to each certified institution, net of any payments due to the federal government, using a methodology that equates a pro rata share based upon the total transactions of \$5,000 or less made by the institution using the state-approved credit card in comparison to all transactions of \$5,000 or less using said approved credit card. By October 15, or as soon thereafter as deemed appropriate, following the year of certification, the Comptroller shall reimburse each institution its estimated pro rata share.

E. Once actual financial data from the year of certification are available, the State Comptroller and the Director, Department of Planning and Budget, shall compare the actual data with estimates used to determine the distribution of the interest earnings, nongeneral fund Educational and General revenues, and the pro rata amounts to the certified institutions of higher education. In those cases where variances exist, the Governor shall include in his next introduced budget bill recommended appropriations to make whatever adjustments to each institution's distributed amount to ensure that each institution's incentive payments are accurate based on actual financial data.

481. Not set out.

482. Not set out.

| ITEM 482. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| 483. | Compensation and Benefit Adjustments (75700)..... | | | \$331,529,061 | \$684,511,129 |
| | Adjustments to Employee Compensation (75701).... | \$294,381,403 | \$592,641,615 | | |
| | Adjustments to Employee Benefits (75702)..... | \$37,147,658 | \$91,869,514 | | |
| | Fund Sources: General..... | \$331,529,061 | \$684,511,129 | | |

Authority: Discretionary Inclusion.

A. Transfers to or from this Item may be made to decrease or supplement general fund appropriations to state agencies for:

1. Adjustments to base rates of pay;
2. Adjustments to rates of pay for budgeted overtime of salaried employees;
3. Salary changes for positions with salaries listed elsewhere in this act;
4. Salary changes for locally elected constitutional officers and their employees;
5. Employer costs of employee benefit programs when required by salary-based pay adjustments;
6. Salary changes for local employees supported by the Commonwealth, other than those funded through appropriations to the Department of Education; and
7. Adjustments to the cost of employee benefits to include but not be limited to health insurance premiums and retirement and related contribution rates.

B. Transfers from this Item may be made when appropriations to the state agencies concerned are insufficient for the purposes stated in paragraph A of this Item, as determined by the Department of Planning and Budget, and subject to guidelines prescribed by the department. Further, the Department of Planning and Budget may transfer appropriations within this Item from the second year of the biennium to the first year, when necessary to accomplish the purposes stated in paragraph A of this Item.

C. Except as provided for elsewhere in this Item, agencies supported in whole or in part by nongeneral fund sources, shall pay the proportionate share of changes in salaries and benefits as required by this Item, subject to the rules and regulations prescribed by the appointing or governing authority of such agencies. Nongeneral fund revenues and balances required for this purpose are hereby appropriated.

D. Any supplemental salary payment to a state employee or class of state employees by a local governing body shall be governed by a written agreement between the agency head of the employee or class of employees receiving the supplement and the chief executive officer of the local governing body. Such agreement shall also be reviewed and approved by the Director of the State Department of Human Resource Management. At a minimum, the agreement shall specify the percent of state salary or fixed amount of the supplement, the resultant total salary of the employee or class of employees, the frequency and method of payment to the agency of the supplement, and whether or not such supplement shall be included in the employee's state benefit calculations. A copy of the agreement shall be made available annually to all employees receiving the supplement. The receipt of a local salary supplement shall not subject employees to any personnel or payroll rules and practices other than those promulgated by the State Department of Human Resource Management.

E. The Governor is hereby authorized to transfer funds from agency appropriations to the accounts of participating state employees in such amounts as may be necessary to match the contributions of the qualified participating employees, consistent with the requirements of the Code of Virginia governing the deferred compensation cash match program. Such transfers shall be made consistent with the following:

1. The maximum cash match provided to eligible employees shall not be less than \$20.00 per pay period, or \$40.00 per month, in each year of the biennium. The Governor may direct the agencies of the Commonwealth to utilize funds contained within their existing appropriations to meet these requirements.

| ITEM 483. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 2. The Governor may direct agencies supported in whole or in part with nongeneral funds to utilize existing agency appropriations to meet these requirements. Such nongeneral revenues and balances are hereby appropriated for this purpose, subject to the provisions of § 4-2.01 b of this act. The use of such nongeneral funds shall be consistent with any existing conditions and restrictions otherwise placed upon such nongeneral funds. | | | | |
| 3. The procurement of services related to the implementation of this program shall be governed by standards set forth in § 51.1-124.30 C, Code of Virginia, and shall not be subject to the provisions of Chapter 7 (§ 11-35 et seq.), Title 11, Code of Virginia. | | | | |
| F. The Secretary of Administration, in conjunction with the Secretary of Finance, may establish a program that allows for the sharing of cost savings from improved productivity, efficiency, and performance with agencies and employees. Such gain sharing programs require a management philosophy of open communication encouraging employee participation; a system which seeks, evaluates and implements employee input on increasing productivity; and a formula for measuring productivity gains and sharing these gains between employees and the agency. The Department of Human Resource Management, in conjunction with the Department of Planning and Budget, shall develop specific gain sharing program guidelines for use by agencies. The Department of Human Resource Management shall provide to the Governor, the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees an annual report no later than October 1 of each year detailing identified savings and their usage. | | | | |
| G.1. Out of the appropriation for this Item, an amount estimated at \$25,963,986 the second year from the general fund shall be transferred to state agencies and institutions of higher education to support the general fund portion of costs associated with changes in the employer's share of premiums paid for the Commonwealth's health benefit plans. | | | | |
| 2. Notwithstanding any contrary provision of law, the health benefit plans for state employees resulting from the additional funding in this Item shall allow for a portion of employee medical premiums to be charged to employees. | | | | |
| 3. The Department of Human Resource Management shall explore options within the health insurance plan for state employees to promote value-based health choices aimed at creating greater employee satisfaction with lower overall health care costs. It is the General Assembly's intent that any savings associated with this employee health care initiative be retained and used towards funding state employee salary or fringe benefit cost increases. | | | | |
| 4. Notwithstanding any other provision of law, it shall be the sole responsibility and authority of the Department of Human Resource Management to establish and enforce employer contribution rates for any health insurance plan established pursuant to §2.2-2818, Code of Virginia. | | | | |
| 5. The Department of Human Resource Management is prohibited from establishing a retail maintenance network for maintenance drugs that includes penalties for non-use of the retail maintenance network. | | | | |
| 6. The Department of Human Resource Management shall not increase the annual out-of-pocket maximum included in the plans above the limits in effect for the plan year which began on July 1, 2014. | | | | |
| 7. The Department of Human Resource Management shall include language in all contracts, signed on or after July 1, 2018, with third party administrators of the state employee health plan requiring the third party administrators to: 1) maintain policies and procedures for transparency in their pharmacy benefit administration programs; 2) transparently provide information to state employees through an explanation of benefits regarding the cost of drug reimbursement; dispensing fees; copayments; coinsurance; the amount paid to the dispensing pharmacy for the claim; the amount charged to the third party administrator for the claim by the third party administrator's pharmacy benefit manager; and the amount charged by the third party administrator to the Commonwealth; and 3) provide a report to the Department of Human Resource Management of the aggregate difference in amounts between reimbursements made to pharmacies for claims covered by the state employee insurance plan, the amount charged to the third party administrator for the claim by the third party administrator's pharmacy benefit manager, and the amount charged by the third party | | | | |

| ITEM 483. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

administrator to the Commonwealth as well as an explanation for any difference.

8. Notwithstanding the provisions of § [38.2-3418.17](#) and any other provision of law, effective October 1, 2018, the Department of Human Resource Management shall provide coverage under the state employee health insurance program for the treatment of autism spectrum disorder through the age of eighteen.

H.1. Contribution rates paid to the Virginia Retirement System for the retirement benefits of public school teachers, state employees, state police officers, state judges, and state law enforcement officers eligible for the Virginia Law Officers Retirement System shall be based on a valuation of retirement assets and liabilities that are consistent with the provisions of Chapters 701 and 823, Acts of Assembly of 2012.

2. Retirement contribution rates, excluding the five percent employee portion, shall be as set out below:

| | FY 2023 | FY 2024 |
|--|---------|---------|
| Public school teachers | 16.62% | 16.62% |
| State employees | 14.46% | 14.46% |
| State Police Officers' Retirement System | 29.98% | 29.98% |
| Virginia Law Officers' Retirement System | 24.60% | 24.60% |
| Judicial Retirement System | 30.67% | 30.67% |

3. Payments of all required contributions and insurance premiums to the Virginia Retirement System and its third-party administrators, as applicable, shall be made no later than the tenth day following the close of each month of the fiscal year.

4. Out of the appropriation for this Item, amounts estimated at \$13,231,876 the first year and \$13,807,183 the second year, from the general fund shall be transferred to state agencies and institutions of higher education, to support the general fund portion of costs associated with changes in employer contributions for state employee retirement as provided for in this paragraph.

5. The funding necessary to support the cost of reimbursements to Constitutional Officers for retirement contributions are appropriated elsewhere in this act under the Compensation Board.

6. The funding necessary to support the cost of the employer retirement contribution rate for public school teachers is appropriated elsewhere in this act under Direct Aid to Public Education.

I. Rates paid to the Virginia Retirement System on behalf of employees of participating (i) counties, (ii) cities, (iii) towns, (iv) local public school divisions (only to the extent that the employer contribution rate is not otherwise specified in this act), and (v) other political subdivisions shall be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to § [51.1-145](#)(I), Code of Virginia.

J.1. Contribution rates paid to the Virginia Retirement System for other employee benefits to include the public employee group life insurance program, the Virginia Sickness and Disability Program, the state employee retiree health insurance credit, and the public school teacher retiree health insurance credit, shall be based on a valuation of assets and liabilities that assume an investment return of 6.75 percent and an amortization period of 30 years.

2. Contribution rates paid on behalf of public employees for other programs administered by the Virginia Retirement System shall be:

| | FY 2023 | FY 2024 |
|--|---------|---------|
| State employee retiree health insurance credit | 1.12% | 1.12% |
| Public school teacher retiree health | 1.21% | 1.21% |

| ITEM 483. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| insurance credit | | | | |
| State employee group life insurance program | 1.34% | | 1.34% | |
| Employer share of the public school teacher group life insurance program | 0.54% | | 0.54% | |
| Virginia Sickness and Disability Program | 0.61% | | 0.61% | |

3. Funding for the Virginia Sickness and Disability Program is calculated on a rate of 0.56 percent of total payroll.

4. The funding necessary to support the cost of reimbursements to Constitutional Officers for public employee group life insurance contributions is appropriated elsewhere in this act under the Compensation Board.

5. The funding necessary to support the cost of the employer public school teacher group life insurance and retiree health insurance credit rates is appropriated elsewhere in this act under Direct Aid to Public Education.

K.1. Notwithstanding the provisions of § [2.2-3205](#)(A), Code of Virginia, the terminating agency shall not be required to pay the Virginia Retirement System the costs of enhanced retirement benefits provided for in § [2.2-3204](#)(A), Code of Virginia for employees who are involuntarily separated from employment with the Commonwealth if the Director of the Department of Planning and Budget certifies that such action results from 1. budget reductions enacted in the Appropriation Act, 2. budget reductions executed in response to the withholding of appropriations by the Governor pursuant to §4-1.02 of the Act, 3. reorganization or reform actions taken by state agencies to increase efficiency of operations or improve service delivery provided such actions have been previously approved by the Governor, or 4. downsizing actions taken by state agencies as the result of the loss of federal or other grants, private donations, or other nongeneral fund revenue, and if the Director of the Department of Human Resource Management certifies that the action comports with personnel policy. Under these conditions, the entire cost of such benefits for involuntarily separated employees shall be factored into the employer contribution rates paid to the Virginia Retirement System.

2. Notwithstanding the provisions of § [2.2-3205](#)(A), Code of Virginia, the terminating agency shall not be required to pay the Virginia Retirement System the costs of enhanced retirement benefits provided for in § [2.2-3204](#)(A), Code of Virginia, for employees who are involuntarily separated from employment with the Commonwealth if the Speaker of the House of Delegates and the Chairman of the Senate Committee on Rules have certified on or after July 1, 2016, that such action results from 1. budget reductions enacted in the Appropriation Act pertaining to the Legislative Department; 2. reorganization or reform actions taken by agencies in the legislative branch of state government to increase efficiency of operations or improve service delivery provided such actions have been approved by the Speaker of the House of Delegates and the Chairman of the Senate Committee on Rules; or 3. downsizing actions taken by agencies in the legislative branch of state government as the result of the loss of federal or other grants, private donations, or other nongeneral fund revenue and if the applicable agency certifies that the actions comport with the provisions of and related policies associated with the Workforce Transition Act. Under these conditions, the entire cost of such benefits for involuntarily separated employees shall be factored into the employer contribution rates paid to the Virginia Retirement System.

L. The purpose of this paragraph is to provide a transitional severance benefit, under the conditions specified, to eligible city, county, school division or other political subdivision employees who are involuntarily separated from employment with their employer.

1.a. "Involuntary separation" includes, but is not limited to, terminations and layoffs from employment with the employer, or being placed on leave without pay-layoff or equivalent status, due to budget reductions, employer reorganizations, workforce downsizings, or other causes not related to the job performance or misconduct of the employee, but shall not include voluntary resignations. As used in this paragraph, a "terminated employee" shall mean an employee who is involuntarily separated from employment with his employer.

| ITEM 483. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| b. The governing authority of a city, county, school division or other political subdivision electing to cover its employees under the provisions of this paragraph shall adopt a resolution, as prescribed by the Board of Trustees of the Virginia Retirement System, to that effect. An election by a school division shall be evidenced by a resolution approved by the Board of such school division and its local governing authority. | | | | |
| 2.a. Any (i) "eligible employee" as defined in § 51.1-132 , (ii) "teacher" as defined in § 51.1-124.3 , and (iii) any "local officer" as defined in § 51.1.124.3 except for the treasurer, commissioner of the revenue, attorney for the Commonwealth, clerk of a circuit court, or sheriff of any county or city, and (a) for whom reemployment with his employer is not possible because there is no available position for which the employee is qualified or the position offered to the employee requires relocation or a reduction in salary and (b) whose involuntary separation was due to causes other than job performance or misconduct, shall be eligible, under the conditions specified, for the transitional severance benefit conferred by this paragraph. The date of involuntary separation shall mean the date an employee was terminated from employment or placed on leave without pay-layoff or equivalent status. | | | | |
| b. Eligibility shall commence on the date of involuntary separation. | | | | |
| 3.a. On his date of involuntary separation, an eligible employee with (i) two years' service or less to the employer shall be entitled to receive a transitional severance benefit equivalent to four weeks of salary; (ii) three years through and including nine years of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to four weeks of salary plus one additional week of salary for every year of service over two years; (iii) ten years through and including fourteen years of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to twelve weeks of salary plus two additional weeks of salary for every year of service over nine years; or (iv) fifteen years or more of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to two weeks of salary for every year of service, not to exceed thirty-six weeks of salary. | | | | |
| b. Transitional severance benefits shall be computed by the terminating employer's payroll department. Partial years of service shall be rounded up to the next highest year of service. | | | | |
| c. Transitional severance benefits shall be paid by the employer in the same manner as normal salary. In accordance with § 60.2-229 , transitional severance benefits shall be allocated to the date of involuntary separation. The right of any employee who receives a transitional severance benefit to also receive unemployment compensation pursuant to § 60.2-100 et seq. shall not be denied, abridged, or modified in any way due to receipt of the transitional severance benefit; however, any employee who is entitled to unemployment compensation shall have his transitional severance benefit reduced by the amount of such unemployment compensation. Any offset to a terminated employee's transitional severance benefit due to reductions for unemployment compensation shall be paid in one lump sum at the time the last transitional severance benefit payment is made. | | | | |
| d. For twelve months after the employee's date of involuntary separation, the employee shall continue to be covered under the (i) health insurance plan administered by the employer for its employees, if he participated in such plan prior to his date of involuntary separation, and (ii) group life insurance plan administered by the Virginia Retirement System pursuant to Chapter 5 (§ 51.1-500 et seq.) of Title 51.1, or such other group life insurance plan as may be administered by the employer. During such twelve months, the terminating employer shall continue to pay its share of the terminated employee's premiums. Upon expiration of such twelve month period, the terminated employee shall be eligible to purchase continuing health insurance coverage under COBRA. | | | | |
| e. Transitional severance benefit payments shall cease if a terminated employee is reemployed or hired in an individual capacity as an independent contractor or consultant by the employer during the time he is receiving such payments. | | | | |
| f. All transitional severance benefits payable pursuant to this section shall be subject to applicable federal laws and regulations. | | | | |
| 4.a. In lieu of the transitional severance benefit provided in subparagraph 3 of this paragraph, any otherwise eligible employee who, on the date of involuntary separation, is | | | | |

| ITEM 483. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | also (i) a vested member of a defined benefit plan within the Virginia Retirement System, including the hybrid retirement program described in § 51.1-169, and including a member eligible for the benefits described in subsection B of § 51.1-138, and (ii) at least fifty years of age, may elect to have the employer purchase on his behalf years to be credited to either his age or creditable service or a combination of age and creditable service, except that any years of credit purchased on behalf of a member of the Virginia Retirement System, including a member eligible for the benefits described in subsection B of § 51.1-138, who is eligible for unreduced retirement shall be added to his creditable service and not his age. The cost of each year of age or creditable service purchased by the employer shall be equal to fifteen percent of the employee's present annual compensation. The number of years of age or creditable service to be purchased by the employer shall be equal to the quotient obtained by dividing (i) the cash value of the benefits to which the employee would be entitled under subparagraphs 3.a. and 3.d. of this paragraph by (ii) the cost of each year of age or creditable service. Partial years shall be rounded up to the next highest year. Deferred retirement under the provisions of subsection C of §§ 51.1-153 and disability retirement under the provisions of § 51.1-156 et seq., shall not be available under this paragraph. | | | |
| b. | In lieu of the (i) transitional severance benefit provided in subparagraph 3 of this paragraph and (ii) the retirement program provided in this subsection, any employee who is otherwise eligible may take immediate retirement pursuant to §§ 51.1-155.1 or 51.1-155.2. | | | |
| c. | The retirement allowance for any employee electing to retire under this paragraph who, by adding years to his age, is between ages fifty-five and sixty-five, shall be reduced on the actuarial basis provided in subdivision A. 2. of § 51.1-155. | | | |
| d. | The retirement program provided in this subparagraph shall be otherwise governed by policies and procedures developed by the Virginia Retirement System. | | | |
| e. | Costs associated with the provisions of this subparagraph shall be factored into the employer contribution rates paid to the Virginia Retirement System. | | | |
| f. | Notwithstanding the foregoing, the provisions of this paragraph N shall apply to an otherwise eligible employee who is a person who becomes a member on or after July 1, 2010, a person who does not have 60 months of creditable service as of January 1, 2013, or a person who is enrolled in the hybrid retirement program described in § 51.1-169, mutatis mutandis. | | | |
| M.1. a. | In order to address the potential for stranded liability in the Virginia Retirement System, notwithstanding any other contrary provisions of the Appropriation Act or of § 51.1-145, institutions of higher education that have established their own optional retirement plan under § 51.1-126(B) shall pay, effective July 1, 2019, contributions to the employer's retirement allowance account in an amount equal to that portion of the state employer contribution rate designated to pay down the total unfunded accrued liability, for any positions existing as of December 31, 2011 that are subsequently converted from non-Optional Retirement Plan for Higher Education (ORPHE) eligible positions to ORPHE-eligible positions on or after January 1, 2012 and that are filled by an employee who elects to participate in the ORPHE. In meeting this obligation, each institution shall provide to the Virginia Retirement System by April 1 of each year a list of all positions converted from non-ORPHE eligible positions to ORPHE-eligible positions since January 1, 2012, and whether current employees in such positions have elected ORPHE participation. | | | |
| b. | Such contributions shall not be required for any new position established by the institution after January 1, 2012, that may be eligible for participation in the Optional Retirement Plan for Higher Education. | | | |
| 2. | Furthermore, the Department of Accounts, the Virginia Retirement System, and the universities of higher education shall work to develop a methodology to identify and report separately personnel services expenditures for university personnel in positions that used to be classified positions but have been transitioned to university staff positions. | | | |
| O.1.a. | The Director, Department of Planning and Budget, shall withhold and transfer to this Item general fund amounts estimated at \$441,519 the first year from state agencies and institutions of higher education and shall transfer from this item general fund amounts estimated at \$409,300 the second year to state agencies and institutions of higher education to support the general fund portion of costs of Line of Duty Act premiums based on the latest | | | |

| ITEM 483. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

enrollment update from the Virginia Retirement System.

2. Notwithstanding the provisions of § 9.1-401(C), Code of Virginia, any disabled person, as defined in § 9.1-400(B), Code of Virginia, who was injured in the line-of-duty in February 2016 but whose date of disability for purposes of the Line-of-Duty Act is in March 2019, shall not be subject to subdivision 4 of such subsection. Also, the spouse of such person as of the date of disability shall be considered an "eligible spouse" for purposes of continued health coverage pursuant to § 9.1-401, Code of Virginia, and will not be subject to the provisions of that definition that disqualify a spouse who ceases to be married to a disabled person, as defined in § 9.1-400, Code of Virginia, or the spouse of a deceased person who remarries at any time.

P. The Director, Department of Planning and Budget, shall withhold and transfer to this Item, general fund amounts estimated at \$951,700 the first year and \$3,410,955 the second year from state agencies and institutions of higher education to recognize the general fund portion of savings associated with the latest workers' compensation premiums provided by the Department of Human Resource Management.

Q. The following agency heads, at their discretion, may utilize agency funds to implement the provisions of new or existing performance-based pay plans:

1. The heads of agencies in the Legislative and Judicial Departments;
2. The Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission;
3. The Attorney General;
4. The Director of the Virginia Retirement System;
5. The Executive Director of the Virginia Lottery;
6. The Director of the University of Virginia Medical Center;
7. The Chief Executive Officer of the Virginia College Savings Plan;
8. The Executive Director of the Virginia Port Authority; and
9. The Chief Executive Officer of the Virginia Alcoholic Beverage Control Authority.

R. Out of the amounts included in this item, amounts estimated at \$4,238,857 the first year and \$8,468,250 the second year from the general fund is available for transfer to state agencies and institutions of higher education to fund the increase in the Virginia minimum wage scheduled for January 1, 2023.

S.1. Out of the appropriation for this item, \$169,565,843 the first year and \$434,487,994 the second year from the general fund is provided to increase the base salary of the following employees by five percent on July 10, 2022, except those employees who will be receiving a targeted salary increase at or above 7.5 percent in fiscal year 2023 based on funding authorized in this act and are not employees of the Department of Behavioral Health and Developmental Services shall receive a 2.5 percent increase on July 10, 2022, an additional five percent increase on June 10, 2023, and an additional two percent on December 10, 2023:

- a. Full-time and other classified employees of the Executive Department subject to the Virginia Personnel Act;
- b. Full-time employees of the Executive Department not subject to the Virginia Personnel Act, except officials elected by popular vote;
- c. Any official whose salary is listed in § 4-6.01 of this act, subject to the ranges specified in the agency head salary levels in § 4-6.01 c;
- d. Full-time staff of the Governor's Office, the Lieutenant Governor's Office, the Attorney General's Office, Cabinet Secretaries' Offices, including the Deputy Secretaries, the Virginia Liaison Office, and the Secretary of the Commonwealth's Office;

| ITEM 483. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| e. Heads of agencies in the Legislative Department; | | | | |
| f. Full-time employees in the Legislative Department, other than officials elected by popular vote; | | | | |
| g. Legislative Assistants as provided for in Item 1 of this act; | | | | |
| h. Judges and Justices in the Judicial Department; | | | | |
| i. Heads of agencies in the Judicial Department; | | | | |
| j. Full-time employees in the Judicial Department; | | | | |
| k. Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission, the Chief Executive Officer of the Virginia College Savings Plan, and the Directors of the Virginia Lottery, and the Virginia Retirement System. | | | | |
| l. Full-time employees of the State Corporation Commission, the Virginia College Savings Plan, the Virginia Lottery, Virginia Workers' Compensation Commission, and the Virginia Retirement System. | | | | |
| 2.a. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the salary increases authorized in this paragraph only if they attained at least a rating of "Contributor" on their latest performance evaluation. | | | | |
| b. Salary increases authorized in this paragraph for employees in the Judicial and Legislative Departments, employees of Independent agencies, and employees of the Executive Department not subject to the Virginia Personnel Act shall be consistent with the provisions of this paragraph, as determined by the appointing or governing authority. However, notwithstanding anything herein to the contrary, the governing authorities of those state institutions of higher education with employees not subject to the Virginia Personnel Act may implement salary increases for such employees that may vary based on performance and other employment-related factors. The appointing or governing authority shall certify to the Department of Human Resource Management that employees receiving the awards are performing at levels at least comparable to the eligible employees as set out in subparagraph 2.a. of this paragraph. | | | | |
| 3. The Department of Human Resource Management shall increase the minimum and maximum salary for each band within the Commonwealth's Classified Compensation Plan by five percent on July 10, 2022 and on June 10, 2023, and two percent on December 10, 2023. No salary increase shall be granted to any employee as a result of this action. The department shall develop policies and procedures to be used in instances when employees fall below the entry level for a job classification due to poor performance. Movement through the revised pay band shall be based on employee performance. | | | | |
| 4. The following agency heads, at their discretion, may utilize agency funds or the funds provided pursuant to this paragraph to implement the provisions of new or existing performance-based pay plans: | | | | |
| a. The heads of agencies in the Legislative and Judicial Departments; | | | | |
| b. The Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission; | | | | |
| c. The Attorney General; | | | | |
| d. The Director of the Virginia Retirement System; | | | | |
| e. The Director of the Virginia Lottery; | | | | |
| f. The Director of the University of Virginia Medical Center; | | | | |
| g. The Chief Executive Officer of the Virginia College Savings Plan; and | | | | |
| h. The Executive Director of the Virginia Port Authority. and | | | | |
| i. The Chief Executive Officer of the Virginia Alcoholic Beverage Control Authority | | | | |

| ITEM 483. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

5. The base rates of pay, and related employee benefits, for wage employees may be increased by up to five percent no earlier than July 10, 2022, an additional five percent no earlier than June 10, 2023, and an additional two percent on December 10, 2023. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency.

6. The governing authorities of the state institutions of higher education may provide a salary adjustment based on performance and other employment-related factors, as long as the increases do not exceed the five percent increase on average for faculty and university staff.

T.1. The appropriations in this item include funds to increase the base salary of the following employees by five percent on August 1, 2022, except those employees who will be receiving a targeted salary increase at or above 7.5 percent in fiscal year 2023 based on funding authorized in this act shall receive a 2.5 percent increase on August 1, 2022, by an additional five percent on July 1, 2023, and an additional two percent on December 1, 2023 provided that the governing authority of such employees use such funds to support salary increases for the following listed employees.

a. Locally-elected constitutional officers;

b. General Registrars and members of local electoral boards;

c. Full-time employees of locally-elected constitutional officers and,

d. Full-time employees of Community Services Boards, Centers for Independent Living, secure detention centers supported by Juvenile Block Grants, juvenile delinquency prevention and local court service units, local social services boards, local pretrial services act and Comprehensive Community Corrections Act employees, and local health departments where a memorandum of understanding exists with the Virginia Department of Health.

2. Out of the appropriation for Supplements to Employee Compensation is included \$44,556,991 the first year and \$127,484,138 the second year from the general fund to support the costs associated with the salary increases provided in this paragraph.

U. Included in the appropriation for this item is \$6,591,337 the first year and \$16,326,153 the second year from the general fund to provide a five percent increase in base pay effective July 10, 2022, an additional five percent effective June 10, 2023, and an additional two percent on December 10, 2023 for adjunct faculty at Virginia two-year and four-year public colleges and higher education institutions.

V. Included in the appropriation for this item is \$2,371,941 the first year and \$5,875,080 the second year from the general fund to provide a five percent increase in base pay effective July 10, 2022, an additional five percent effective June 10, 2023, and an additional two percent on December 10, 2023 for graduate teaching assistants at Virginia two-year and four-year public colleges and higher education institutions.

W.1. In addition to the amounts provided for the compensation actions authorized in paragraphs S.1., U., and V., up to \$66,517,107 the first year from the general fund shall be used to provide a one-time bonus payment of \$1,000 on December 1, 2022 to all classified employees of the Executive Branch and other full-time employees of the Commonwealth, except elected officials, who were employed on or before August 10, 2022 and remained employed until at least November 10, 2022.

2. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the bonus payment authorized in this paragraph only if they have attained an equivalent rating of at least "Contributor" on their performance evaluation and have no active written notices under the Standards of Conduct within the preceding twelve-month period.

X. On or before June 30, 2023, the State Comptroller shall deposit \$25,309,001 from the

| ITEM 483. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| | general fund into the Virginia Retirement System trust fund to address the unfunded liabilities for the retiree health care plans. The Virginia Retirement System shall allocate these funds in the following manner in an effort to address the unfunded liabilities associated with the plans: | | | |
| 1. | An amount estimated at \$24,318,170 to the health insurance credit plan for state employees; and | | | |
| 2. | An amount estimated at \$990,831 to the health insurance credit plan for local social services employees. | | | |
| Y. | On or before June 30, 2024, the State Comptroller shall deposit \$55,100,000 from the general fund into the Virginia Retirement System trust fund to address the unfunded liabilities for the retiree health care plans. The Virginia Retirement System shall allocate these funds in the following manner in an effort to address the unfunded liabilities associated with the plans: | | | |
| 1. | An amount estimated at \$52,800,000 to the health insurance credit plan for state employees; | | | |
| 2. | An amount estimated at \$1,576,017 to the health insurance credit plan for Constitutional Officers and their employees; and | | | |
| 3. | An amount estimated at \$723,983 to the health insurance credit plan for local social services employees. | | | |
| Z.1 | In addition to the amounts provided for compensation actions authorized in this Item, \$539,327 the first year from the general fund shall be used to provide a one-time bonus payment of \$3,000 on December 1, 2022 to all sworn law-enforcement employees of the Department of Conservation and Recreation and the Marine Resources Commission, who were employed on or before August 10, 2022 and remained employed until at least November 10, 2022. | | | |
| 2. | Such employees shall receive the bonus payment authorized in this paragraph only if they have attained an equivalent rating of at least "Contributor" on their performance evaluation and have no active written notices under the Standards of Conduct within the preceding twelve-month period. | | | |
| AA.1 | <i>The base salary of the following employees shall be increased by three percent on June 10, 2024:</i> | | | |
| a. | <i>Full-time and other classified employees of the Executive Department subject to the Virginia Personnel Act;</i> | | | |
| b. | <i>Full-time employees of the Executive Department not subject to the Virginia Personnel Act, except officials elected by popular vote;</i> | | | |
| c. | <i>Any official whose salary is listed in § 4-6.01 of this act, subject to the ranges specified in the agency head salary levels in § 4-6.01 c;</i> | | | |
| d. | <i>Full-time staff of the Governor's Office, the Lieutenant Governor's Office, the Attorney General's Office, Cabinet Secretaries' Offices, including the Deputy Secretaries, the Virginia Liaison Office, and the Secretary of the Commonwealth's Office;</i> | | | |
| e. | <i>Heads of agencies in the Legislative Department;</i> | | | |
| f. | <i>Full-time employees in the Legislative Department, other than officials elected by popular vote;</i> | | | |
| g. | <i>Legislative Assistants as provided for in Item 1 of this act;</i> | | | |
| h. | <i>Judges and Justices in the Judicial Department;</i> | | | |
| i. | <i>Heads of agencies in the Judicial Department;</i> | | | |
| j. | <i>Full-time employees in the Judicial Department;</i> | | | |
| k. | <i>Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission, the Chief Executive Officer of the Virginia College Savings Plan,</i> | | | |

| ITEM 483. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

and the Directors of the Virginia Lottery, and the Virginia Retirement System.

1. Full-time employees of the State Corporation Commission, the Virginia College Savings Plan, the Virginia Lottery, Virginia Workers' Compensation Commission, and the Virginia Retirement System.

2.a. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the salary increases authorized in this paragraph only if they attained at least a rating of "Contributor" on their latest performance evaluation.

b. Salary increases authorized in this paragraph for employees in the Judicial and Legislative Departments, employees of Independent agencies, and employees of the Executive Department not subject to the Virginia Personnel Act shall be consistent with the provisions of this paragraph, as determined by the appointing or governing authority. However, notwithstanding anything herein to the contrary, the governing authorities of those state institutions of higher education with employees not subject to the Virginia Personnel Act may implement salary increases for such employees that may vary based on performance and other employment-related factors. The appointing or governing authority shall certify to the Department of Human Resource Management that employees receiving the awards are performing at levels at least comparable to the eligible employees as set out in subparagraph 2.a. of this paragraph.

3. The Department of Human Resource Management shall increase the minimum and maximum salary for each band within the Commonwealth's Classified Compensation Plan by three percent on June 10, 2024. No salary increase shall be granted to any employee as a result of this action. The department shall develop policies and procedures to be used in instances when employees fall below the entry level for a job classification due to poor performance. Movement through the revised pay band shall be based on employee performance.

4. The following agency heads, at their discretion, may utilize agency funds or the funds provided pursuant to this paragraph to implement the provisions of new or existing performance-based pay plans:

a. The heads of agencies in the Legislative and Judicial Departments;

b. The Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission;

c. The Attorney General;

d. The Director of the Virginia Retirement System;

e. The Director of the Virginia Lottery;

f. The Director of the University of Virginia Medical Center;

g. The Chief Executive Officer of the Virginia College Savings Plan; and

h. The Executive Director of the Virginia Port Authority. and

i. The Chief Executive Officer of the Virginia Alcoholic Beverage Control Authority.

5. The base rates of pay, and related employee benefits, for wage employees may be increased by up to three percent no earlier than June 10, 2024. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency.

6. The governing authorities of the state institutions of higher education may provide a salary adjustment based on performance and other employment-related factors, as long as the increases do not exceed the three percent increase on average for faculty and university staff.

484. Not set out.

485. Not set out.

| ITEM 486. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|------------------|-------------|--------------------------------|--------------------------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| 486. | Disaster Planning and Operations (72200)..... | | | \$1,053,644,384 | \$163,294,602 \$163,304,910 |
| | Pandemic Response (72211)..... | \$1,053,644,384 | | \$163,294,602 \$163,304,910 | |
| | Fund Sources: Federal Trust..... | \$1,053,644,384 | | \$163,294,602 \$163,304,910 | |

A.1. The appropriation for this Item includes an amount estimated at \$902,022,198 in the first year and \$201,931,214 \$201,941,522 in the second year from the revenues to be received from distributions of the federal State and Local Recovery Fund (SLRF) pursuant to the American Rescue Plan Act of 2021 (ARPA).

2. The following appropriations shall be transferred from this Item for the following purposes:

a. Unemployment Assistance

1) \$17,600,000 in the first year and \$1,734,000 in the second year to the Virginia Employment Commission (182) for the continuation of funding for information technology modernization, call center improvements, security, and claims adjudication. Information technology improvements shall include a customer relationship management system and other such communication tools to better serve Unemployment Insurance clients.

2) \$10,639,456 in the second year to the Virginia Employment Commission (182) to support current appeals staffing loads.

b. Broadband

1) \$750,000 in the first year to the Department of General Services (194) for the continuation of funding for legal and real estate transaction support for agencies that own property to support broadband expansion.

2) \$8,000,000 in the first year to the Department of Housing and Community Development (165) for the continuation of funding for a Line Extension Customer Assistance Program to support the extension of existing broadband networks to low-to-moderate income residents.

c. Dairy Industry Support

1) \$2,000,000 in the first year to the Department of Agriculture and Consumer Services (301) to provide dairy industry support to mitigate pandemic losses.

2) \$1,000,000 in the first year to the Department of Agriculture and Consumer Services (301) to support the business operations of 4-H Educational Centers across the Commonwealth.

d. Other small business

1) \$27,600,000 in the first year to the Department of Housing and Community Development (165) for the continuation of funding to support the Virginia Removal or Rehabilitation of Derelict Structures Fund program. Notwithstanding § 36-155, Code of Virginia, for the purposes of this funding, the maximum grant amount shall be \$5,000,000 for projects in economically distressed areas, and any grant award in excess of \$1,000,000 for projects in economically distressed areas shall be conditioned upon a 100 percent match of local and/or private funds by the local government. The funds shall be managed and awarded through the Industrial Revitalization Fund process; however, the department may adjust the criteria to reflect the provisions established by the U.S. Department of the Treasury's rules and regulations regarding the Coronavirus State and Local Fiscal Recovery Funds established under the American Rescue Plan Act. Pursuant to these provisions, DHCD shall increase project cap amounts and consider updates to program guidelines that make more projects viable, especially in communities disproportionately impacted by the pandemic. Where the proposed project's end user is a private business, DHCD shall include evaluation criteria that incentivizes significant private investment. Included in these amounts \$1,700,000 is hereby directed to an eligible grantee for a community revitalization project. An eligible grantee for the purposes of this paragraph is a locality in the Crater Planning District Commission awarded a grant during the 2022 Industrial Revitalization Fund grant round, announced in October of 2021. As a condition of the release of these funds, the eligible grantee must enter into a Memorandum of Understanding (MOU) with the Department of Housing and

| ITEM 486. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| Community Development that guarantees a lien against the property equivalent to the total amount of state grants and awards used to demolish or renovate the structures associated with this project and further testify to its legal authority to demolish or renovate the structures associated with the project. | | | | |
| 2) \$4,000,000 in the first year and \$750,000 in the second year to the Department of Housing and Community Development (165) to support the Virginia Main Street program in providing assistance to businesses recovering from the COVID-19 pandemic. The second year amounts provided in this paragraph shall be used to support special initiatives in a locality in the Crater Planning District Commission. | | | | |
| 3) \$250,000 in the second year to the Department of Housing and Community Development (165) for an award to an eligible grantee for a community revitalization project. An eligible grantee for the purposes of this paragraph is a locality in the Crater Planning District Commission awarded a grant during the 2022 Industrial Revitalization Fund grant round, announced in October of 2021. Such funds may be expended to offset the acquisition cost of a property due for demolition previously purchased by the eligible grantee. The project must be in compliance with the provisions established by the U.S. Department of the Treasury's rules and regulations regarding the Coronavirus State and Local Fiscal Recovery Funds established under the American Rescue Plan Act. | | | | |
| e. Food Access | | | | |
| 1) \$11,000,000 in the first year to the Department of Agriculture and Consumer Services (301) for the continuation of the Virginia Agriculture Food Assistance Program established in § 3.2-4783, Code of Virginia, and to expand the capacity of Virginia's network of food providers to accept, store, and distribute food products. | | | | |
| 2) \$3,500,000 in the first year to the Department of Social Services (765) for the Virginia Federation of Food Banks for the purchase of food to be distributed through food banks across the Commonwealth. | | | | |
| f. Drinking Water, Wastewater, and CSOs | | | | |
| 1) \$1,600,000 in the first year and \$4,150,000 in the second year to the Department of Health (601) for the continuation of funding to provide improvement funds for well and septic systems for homeowners at or below 200 percent of the federal poverty guidelines. | | | | |
| 2) \$165,000,000 in the first year to the Department of Environmental Quality (440) for additional grants to the City of Alexandria, Virginia Sanitation Authority and the cities of Lynchburg and Richmond to pay a portion of the costs of combined sewer overflow control projects. The City of Alexandria, Virginia Sanitation Authority is to receive \$40,000,000; the City of Lynchburg is to receive \$25,000,000; and the City of Richmond is to receive \$100,000,000. | | | | |
| 3) \$75,900,000 in the first year to the Department of Environmental Quality (440) for grants to the City of Fredericksburg and King George County Service Authority for wastewater projects; to the Towns of Wachapreague, Accomac, Parksley, and Exmore for sewer projects; to the Town of Quantico for water and sewer improvements; and to the City of Falls Church for stormwater improvements. The City of Fredericksburg is to receive \$27,000,000; the King George County Service Authority is to receive \$16,000,000; the Town of Wachapreague is to receive \$2,400,000; the Town of Exmore is to receive \$3,500,000; the Town of Accomac is to receive \$4,500,000; the Town of Parksley is to receive \$1,500,000; the Town of Quantico is to receive \$17,000,000; and the City of Falls Church is to receive \$4,000,000. | | | | |
| 4) \$25,000,000 in the first year and \$25,000,000 in the second year to the Department of Health (601) for the continuation of funding to support equal access to drinking water at small and disadvantaged community waterworks. These funds shall be limited in their use to qualifying municipal and private drinking water projects and shall not be used for improvements to the department's internal systems or processes. | | | | |
| 5) \$5,700,000 in the first year to the Department of Environmental Quality (440) for grants to the Town of Colonial Beach for water and sewer improvements. | | | | |

| ITEM 486. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 6) \$29,551,500 in the first year and \$5,000,000 in the second year to the Department of Environmental Quality (440) for grants to the City of Petersburg for water and wastewater upgrades at Poor Creek Pump Station. | | | | |
| 7) \$10,000,000 in the first year to the Department of Conservation and Recreation (199) for improvements to identified high hazard water impounding structures consistent with the provisions of the Dam Safety, Flood Prevention, and Protection Assistance Fund established pursuant to § 10.1-603.17 , Code of Virginia. | | | | |
| 8) \$150,000 in the first year to the Department of Health (601) for the Town of Goshen for repairs to their water storage tank. | | | | |
| 9) \$325,000 the first year to the Department of Environmental Quality (440) for a grant to the Town of Occoquan for outfall sediment removal projects and for stormwater dredging activities. | | | | |
| 10) \$3,000,000 the first year to the Department of Environmental Quality (440) for a grant to the Town of Dumfries to support Municipal Separate Storm Sewer System permit activities. | | | | |
| 11) \$3,000,000 the first year to the Department of Environmental Quality (440) for a grant to the County of Prince William to assist with the connection of Bristow Manor to the Prince William County wastewater collection system. | | | | |
| 12) a) \$71,055,032 in the second year to the Department of Environmental Quality (440) to reimburse eligible entities for costs incurred for implementation of the Enhanced Nutrient Removal Certainty Program, as provided for in § 62.1-44.19:14 , Code of Virginia. | | | | |
| b) Funds authorized in paragraph B.2.k.4), Item 479.20 of Chapter 1, 2021 Acts of Assembly, Special Session I, may be used to reimburse eligible entities for costs incurred for implementation of the Enhanced Nutrient Removal Certainty Program, as provided for in § 62.1-44.19:14 , Code of Virginia. | | | | |
| <i>13) American Rescue Plan Act of 2021 (ARPA) funds authorized in paragraphs A.2.f. 12) a) and b), Item 486 of Chapter 1, 2023 Acts of Assembly, Special Session I, and paragraph B.2.k.4), Item 479.20 of Chapter 1, 2021 Acts of Assembly, Special Session II, which have been authorized by the Department of Environmental Quality prior to January 1, 2024, to individual facilities listed in the Enhanced Nutrient Removal Certainty Program under § 62.1-44.19:14, Code of Virginia, may be used to reimburse such facilities for costs incurred for nutrient removal and other wastewater treatment facility improvements approved by the Department of Environmental Quality as within the allowed scope of wastewater infrastructure projects under ARPA and applicable federal implementing regulations.</i> | | | | |
| g. Mental Health | | | | |
| 1) \$45,719,411 in the first year to Mental Health Treatment Centers (792) for salary adjustments for direct care staff at state behavioral health facilities and intellectual disability training centers. | | | | |
| 2) \$700,000 in the first year to Mental Health Treatment Centers (792) to expand Telehealth Capability at DBHDS State Facilities. | | | | |
| 3) \$6,695,369 in the first year to Intellectual Disabilities Training Centers (793) for salary adjustments for direct care staff at state behavioral health facilities and intellectual disability training centers. | | | | |
| 4) \$5,370,806 in the first year to the Virginia Center for Behavioral Rehabilitation (794) for salary adjustments for direct care staff at state behavioral health facilities and intellectual disability training centers. | | | | |
| 5) \$20,000,000 in the first year to Grants to Localities (790) for the continued expansion of community-based crisis services. | | | | |
| 6) \$1,200,000 in the first year to the Department of Behavioral Health and Developmental Services (720) for the continuation of funding for the purchase of personal protective equipment at state facilities. | | | | |

| ITEM 486. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 7) \$1,650,000 in the first year to the Department of Behavioral Health and Developmental Services (720) for the continuation of funding to continue an expanded pilot program in FY 2023 to serve approximately 60 additional individuals with a primary diagnosis of dementia who are ready for discharge from state geriatric behavioral health hospitals to the community and who are in need of nursing facility level care. Funding for the pilot program shall be dependent upon an agreement between the department and the Community Services Board in the jurisdiction the pilot program is located. | | | | |
| 8) \$1,500,000 in the first year to the Department of Criminal Justice Services (140) for the continuation of funding to provide resources for crisis intervention team training to law-enforcement officers and dispatchers, and one position to provide technical assistance in support of the mental health awareness response and community understanding services (Marcus) alert system. | | | | |
| 9) \$22,245,501 in the first year to Grants to Localities (790) for the continued support of STEP-VA community-based mental health services. | | | | |
| h. Substance Use Disorder | | | | |
| 1) \$2,000,000 in the first year and \$3,000,000 in the second year to the Department of Health (601) for the continuation of funding for substance misuse and suicide prevention efforts. | | | | |
| 2) \$5,000,000 in the first year to Grants to Localities (790) for the continuation of funding to expand community-based substance use disorder treatment services. | | | | |
| 3) \$250,000 in the first year to the Department of Health (601) to contract with the Carilion Clinic for a pilot program to study, operationalize, determine barriers, and report on Opioid Education and Naloxone Distribution in the emergency department (ED) to high-risk opioid use disorder and opioid overdose patients who present in the ED. | | | | |
| i. Public Health Initiatives | | | | |
| 1) \$2,378,000 in the first year and \$2,375,000 \$2,017,316 in the second year to the Department of General Services (194) for the continuation of funding to include customer support upgrades and Laboratory Information Management System (LIMS) infrastructure, development, and improvement. | | | | |
| 2) \$3,750,000 in the first year to the Department of Housing and Community Development (165) for the continuation of funding for a dedicated lead rehabilitation program to address childhood lead poisoning in residential properties. | | | | |
| 3) \$10,000,000 in the first year and \$10,000,000 in the second year to the Department of Health (601) for the continuation of funding for the procurement and deployment of an electronic health records system. | | | | |
| 4) \$15,000,000 in the first year and \$25,000,000 in the second year to the Department of Health (601) for the continuation of funding for the modernization of administrative systems and software in order to create response capacity during future emergencies <i>procurement and deployment of administrative systems and software</i> . | | | | |
| 5) \$10,000,000 in the first year and \$10,000,000 in the second year to the Department of Health (601) for the continuation of funding for a records management system that will digitize and automate records processes. | | | | |
| 6) \$5,000,000 in the first year to the Department of Health (601) to contract with the Virginia Association of Free and Charitable Clinics for pandemic-related costs incurred by free and charitable clinics in Virginia. | | | | |
| 7) \$5,000,000 in the first year to the Department of Medical Assistance Services (602) for the continuation of funding to address operational backlogs by hiring contractors to assist with eligibility re-evaluations and member appeals. Funding may be used to perform COVID-19 related outreach and engagement activities, make information technology system changes, and to support overtime costs at local departments of social services. | | | | |
| 8) \$5,000,000 in the first year to the Department of Social Services (765) to upgrade | | | | |

| ITEM 486. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|--|--------------------|--|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| mission critical network infrastructure. | | | | |
| 9) | \$1,587,200 | in the first year and \$1,892,500 | \$1,196,500 | in the second year to the Department for Aging and Rehabilitative Services (262) for the continuation of funding fund HVAC/air quality systems and physical plant improvements in assisted living facilities that serve a disproportionate share of auxiliary grant residents. |
| 10) | \$34,000,000 | the first year to the Department of Medical Assistance Services to make payments to Virginia hospitals for COVID-19 related auditable costs including vaccine clinic and additional workforce expenses that have not been reimbursed through other federal relief programs available for this purpose. | | |
| 11) | \$7,175,000 | the first year to the Eastern Virginia Medical School for HVAC renovations at Lewis Hall. | | |
| 12) | \$9,718,539 | in the first year to the Department of Medical Assistance Services (602) to reimburse local government-owned nursing homes for unreimbursed expenses and lost revenue due to the impact of COVID-19. | | |
| j. Addressing Community Violence | | | | |
| 1) | \$75,000 | in the first year to the Department of State Police (156) for the continuation of funding for the purchase of equipment used to analyze firearms evidence. | | |
| 2) | \$6,000,000 | the first year and \$3,000,000 the second year to the Department of Criminal Justice Services (140) to support services to victims of crime including, but not limited to, services for victims of sexual assault and domestic violence. The department shall use these funds to support sexual assault and domestic violence applicants of the Victims Services Grant Program to include at least \$190,000 in nongeneral funds the second year for the contract with the Virginia Sexual and Domestic Violence Action Alliance for the management and operation of statewide crisis services to survivors of sexual and domestic violence through a designated confidential hotline that includes a virtual platform and is linked to the network of local sexual and domestic violence service providers. | | |
| 3) | \$200,000 | in the first year to the Department of Criminal Justice Services (140) for a one-time appropriation to the City of Chesapeake for the purchase of equipment used to analyze firearms evidence. | | |
| k. Public Safety | | | | |
| 1) | \$532,086 | in the first year and \$532,086 in the second year to the Department of Corrections (799) for the continuation of funding for five staff positions to support COVID-19 project management activities. | | |
| 2) | \$45,000 | in the first year and \$45,000 in the second year to the Department of Corrections (799) for the continuation of funding to reimburse the contractor that operates the Lawrenceville Correctional Center for the cost of personal protective equipment (PPE). | | |
| 3) | \$3,055,000 | in the first year to the Department of Corrections (799) to expand video visitation in correctional facilities. | | |
| 4) | \$418,121 | in the first year to the Department of Emergency Management (127) for the continuation of funding for Virginia Emergency Support Team (VEST) COVID-19 recovery activities and four support staff. | | |
| 5) | \$600,000 | in the first year to the Department of Juvenile Justice (777) for the continuation of funding for mobile smartphones for agency staff. | | |
| 6) | \$1,380,000 | in the first year to the Department of State Police (156) for the continuation of funding to support live scan fingerprinting machines for the agency's area offices. | | |
| 7) | \$75,000,000 | in the first year to the Department of Criminal Justice Services (140) to make one-time grants to state and local law enforcement agencies located in the Commonwealth, including colleges and universities, local and regional jails for the purpose of training and purchasing equipment and supplies to support law enforcement related activities, excluding equipment for which one-time equipment grants were appropriated from the general fund in | | |

| ITEM 486. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

Item 406, Chapter 552, 2021 Acts of Assembly. Of the amount provided, no less than \$60,000,000 shall be provided for the support of local law enforcement agencies. Of the amount provided, the Director, Department of Criminal Justice Services, is authorized to recover reasonable, one-time costs related to administering this grant program. Any distribution made to a local law enforcement agency shall not require a local match. The Department shall report on the distributions made to the Governor, the Chairs of the House Appropriations and the Senate Finance and Appropriations Committees, and the Secretary of Finance by November 1, 2023.

8) \$8,820,000 in the first year to the Department of Corrections (799) for air conditioning installation and associated costs in correctional facilities.

l. Health Care Safety Net

1) \$38,057,684 in the first year to the Department of Medical Assistance Services (602) to continue a 12.5 percent increase in rates for certain Medicaid home and community-based services that was implemented in fiscal year 2022 and is set out Item 304.

m. ARPA Reporting

1) \$500,000 in the first year and \$1,600,000 in the second year to the Department of Accounts (151) for the cost of supporting ARPA reporting requirements.

2) \$600,000 in the first year for the Secretary of Finance to engage internal or third-party assistance for additional administrative oversight of executive branch agency Coronavirus State and Local Fiscal Recovery Fund expenditures.

n. Education and Workforce

1) \$3,500,000 in the first year to Direct Aid to Public Education (197) to support a one-time grant to the United Way of Southwest of Virginia to increase childcare capacity in southwest Virginia.

2) \$4,000,000 in the first year to Direct Aid to Public Education (197) to supplement the 21st Century Community Learning Centers Program in Item 138. These funds shall be awarded to community-based organizations partnering with school divisions for after-school, before-school, and summer learning programs to provide additional instructional opportunities to combat learning loss for school-age children attending high-poverty, low-performing schools. The Department may contract with the Virginia Partnership for Out-of-School Time to assist applicants with obtaining the required licensure and to provide best practices and support to grantees.

3) \$10,000,000 the first year shall be transferred to Direct Aid to Public Education (197) to support recruitment efforts through incentive payments to individuals hired to fill instructional positions between August 15, 2022, and November 30, 2022. Local school divisions desiring to participate in this program shall report to the Department of Education the number of instructional position vacancies on August 15, 2022, no later than August 31, 2022. The Department of Education shall report the August 15, 2022 instructional vacancy data to the Secretary of Education and the General Assembly by October 1, 2022. Based on this information, the Department shall communicate to each school division its available allocation from these funds, and school divisions shall communicate the availability of these funds in their recruitment. Such payments shall be based on \$2,500 per individual; however, for individuals hired in hard-to-fill positions or hard-to-staff schools, as defined by the Department of Education, the incentive payment shall be based on \$5,000 per individual. The Department of Education and the school divisions are authorized to prorate these amounts if the demand exceeds the initial allocation. School divisions shall (i) provide half of the incentive payment to the individual no earlier than January 1, 2023, and (ii) provide the balance of the full amount of the incentive payment to the individual no earlier than May 1, 2023, provided that the individual receives a satisfactory performance evaluation and provides a written commitment to return to the same school in the 2023-2024 school year. Individuals who are employed by a local school division in Virginia as of July 1, 2022, who accept an otherwise qualifying position in another local school division are not eligible for this incentive. Individuals employed by a local school division as of July 1, 2022, who transfer

| ITEM 486. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

from a non-hard-to-staff school to a hard-to-staff school, as defined by the Department of Education, within the same division are eligible for the \$5,000 incentive payment. School divisions shall report to the Department of Education, in a format specified by the Department, all instructional hires in the 2022-2023 school year who qualify for this incentive payment, no later than November 30, 2022. No later than January 5, 2023, the Department of Education shall report to the House Appropriations Committee and the Senate Finance and Appropriations Committee on the number of hires reported by each school division participating in this program and the anticipated amount of funding to be provided to each school division for payment to those individuals.

4) \$3,500,000 in the first year to the Department of Education, Central Office Operations (201), for the provision of a contract to assist public school divisions with outreach and support for disengaged, chronically absent, or struggling students in response to the COVID-19 pandemic. The statewide program shall be contracted with a provider that has experience in providing state-wide attendance recovery to at-risk students and can scale to provide multi-modal outreach and academic coaching support to over 15,000 students by the end of calendar year 2023.

5) \$5,138,000 in the second year to the Department of Education (201) to support the provision of a statewide Learning Management System to all local public school divisions in Virginia.

6) \$5,000,000 in the second year to the Department of Education (201) for continued support of the through-year growth assessment system for grades three through eight, pursuant to the provisions of Chapter 443 and Chapter 444, 2021 Special Session I.

7) \$130,122,981 to Direct Aid to Public Education (197) to provide a one-time pandemic bonus payment of \$1,000 on December 1, 2022, for funded SOQ instructional and support positions and for Academic Year Governor's School and Regional Alternative Education Program instructional and support positions, as a provision of government services pursuant to the State and Local Fiscal Recovery Funds from the American Rescue Plan Act of 2021. These funds cover the entire cost of the \$1,000 bonus for funded SOQ instructional and support positions and Academic Year Governor's School and Regional Alternative Education Program instructional and support positions. The funds for which a division is eligible to receive shall require no match by the local government. Localities are encouraged to use additional available funds to provide pandemic bonuses to other eligible school instructional and support positions.

8) \$5,000,000 in the second year to the Virginia Department of Health (601) to establish the Earn to Learn Nursing Education Acceleration program. The department shall establish criteria for making grants from the program, including application guidelines and metrics for evaluation. Grants shall be awarded for the purpose of forming collaborative clinical training arrangements between high schools, colleges and universities, hospitals, and health providers, increasing the number of nursing students receiving necessary clinical training to achieve certification, and creating and ensuring employment opportunities for nursing students. To be eligible for grants, applicants must provide employment opportunities to students at each student's current certification level with compensation consistent with other employees at identical certification levels, and must demonstrate that the grant application will increase on a net basis the number of nursing graduates achieving sufficient clinical hours to achieve higher nursing certifications when compared to averages over the past five years.

9) \$2,770,140 in the second year to the Virginia Community College System (260) for the development of a Commercial Driver's License (CDL) Training Program and Driving Range at Blue Ridge Community College.

10) \$8,000,000 in the second year to Direct Aid to Public Education (197) for school security grants as authorized in Item 138.10.

o. Other SLFRF projects

1) *\$38,996,516 in the second year to the Department of Education (201) to be used to supplement funding for the Child Care Subsidy Program included in Item 125.10 of the 2024 - 2026 Appropriations Act.*

| ITEM 486. | Item Details(\$) | | Appropriations(\$) | |
|--|---|---|--------------------|------------------------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 2) \$2,800,000 in the second year to the Department of Elections (132) to be distributed to localities as follows: (i) \$324,000 for localities that are paper-based and need to implement electronic poll books; and (ii) \$2,476,000 to provide grants to localities to upgrade and maintain their systems, if needed, to implement ballot-on-demand systems. | | | | |
| 3) Notwithstanding Item 486.10, Chapter 1, 2023 Special Session I Acts of Assembly, \$2,800,000 from the amount of funding provided for the Department of Social Services for redeterminations and appeals work shall be reallocated to the Department of Elections pursuant to the preceding paragraph. | | | | |
| <p>3.a. Prior to initiating any program, service, or spending from the appropriations listed in paragraph 2. above, the responsible agency must ensure that its intended action qualifies for the use of the funds under the ARPA criteria to support health expenditures, to address negative economic impacts caused by the public health emergency, to provide premium pay for essential workers, or to invest in water, sewer, and broadband infrastructure as described in the Interim Final Rule or the guidance issued by the U.S. Department of Treasury. Agencies shall not rely on the provisions for replacing lost public sector revenue as a qualifying criteria without receiving prior written approval from the Governor.</p> <p>b-3. Agencies must ensure compliance with all use, documentation, and reporting requirements established in state and federal guidelines and laws.</p> <p>4. The Governor is authorized to appropriate additional amounts not listed above if they must be executed before the 2024 regular session of the General Assembly June 30, 2024 to protect the public health in order to respond to a public health emergency or to prevent the emergence of a new health emergency. The Governor shall provide written notice to the chairpersons of the House Appropriations Committee and the Senate Finance and Appropriations Committee no less than five business days prior to appropriating such amounts.</p> <p>5. Amounts authorized for the projects identified below, as authorized and funded from State and Local Fiscal Recovery Funds in Chapter 1, 2022 Acts of Assembly, Special Session I, shall be reduced by the following estimated amounts. The Director, Department of Planning and Budget, shall transfer to this item such estimated amounts from the identified projects if funding has previously been distributed to the responsible agency.</p> | | | | |
| Agency | Project | Item 479.20, Chapter 1 Authorization Reference | | Amount |
| 132: Department of Elections | Voter education | B.2.t | | \$68,260 |
| 157: Compensation Board | Hazard pay for sworn officers | B.2.s | | \$5,222,889 |
| 194: Department of General Services | Legal and real estate transaction support for agencies that own property to support broadband expansion | B.2.b | | \$500,000 |
| 350: Department of Small Business and Supplier Diversity | RebuildVA | B.2.c | | \$14,200,000 \$17,621,977 |
| 121: Office of the Governor | Contractor for language access translation services planning | B.2.q | | \$201,000 |
| 720: Department of Behavioral Health and Developmental Services | Bonus payments for direct care staff | B.2.n | | \$17,453,721 |
| 720: Department of Behavioral Health and Developmental Services | Purchase personal protective equipment at state facilities | B.2.n | | \$450,000 \$1,105,150 |
| 171: State Corporation Commission | Utility assistance | B.2.e | | \$2,807,970 \$3,236,467 |
| 165: Department of Housing and Community Development | Utility assistance | B.2.e | | \$15,735,172 \$18,242,808 |
| 777: Department of Juvenile | Facility improvements for | B.2.s | | \$4,356 |

| ITEM 486. | | Item Details(\$) | | | Appropriations(\$) | |
|---|---|------------------|----------------------|-----------------------|----------------------|-----------------------|
| | | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| Justice | Central Infirmary | | | | | |
| 777: Department of Juvenile Justice | Large tents for outdoor visitation | B.2.s | | | \$5,000 | \$18,000 |
| 777: Department of Juvenile Justice | Provide hazard pay for Probation and Security staff | B.2.s | | | \$126,140 | |
| 777: Department of Juvenile Justice | Vaccination clinic costs | B.2.s | | | \$10,000 | |
| 778: Department of Forensic Science | Add equipment for three (3) additional firearms forensic scientists | B.2.r | | | \$59,159 | |
| <i>132: Department of Elections</i> | <i>Early voting/ Sunday voting support</i> | <i>B.2.t</i> | | | \$2,851,548 | |
| <i>165: Department of Housing and Community Development</i> | <i>Dedication Lead Rehabilitation Program</i> | <i>B.2.p</i> | | | \$250,000 | |
| <i>197: Direct Aid to Public Education</i> | <i>Address ventilation needs at local public school facilities</i> | <i>B.2.h</i> | | | \$544,624 | |
| <i>197: Direct Aid to Public Education</i> | <i>Support tutoring and mentoring programs in Sussex County</i> | <i>B.2.g</i> | | | \$12,417 | |
| <i>140: Department of Criminal Justice Services</i> | <i>Community-based gun violence reduction and youth and gang violence intervention grants</i> | <i>B.2.r</i> | | | \$500,000 | |
| 777: Department of Juvenile Justice | Software Purchases for Medical Programs | B.2.s | | | \$1,260 | |
| 799: Department of Corrections | COVID Vaccination teams | B.2.s | | | \$214,500 | |
| 799: Department of Corrections | Hazard pay for corrections and law enforcement staff | B.2.s | | | \$5,533,308 | |
| 799: Department of Corrections | Medical Contractors Market Rate Increase | B.2.s | | | \$1,086,000 | |
| TOTAL | | | | | \$56,843,667 | \$74,863,584 |

6. First year amounts authorized by this paragraph for the projects identified below shall be reduced by the following estimated amounts. The Director, Department of Planning and Budget, shall transfer to this Item such estimated amounts from the identified projects if funding has previously been distributed to the responsible agency.

| Agency | Project | Item 486 Authorization Reference | Amount |
|--|---|----------------------------------|------------------------------|
| 194: Department of General Services | Legal and real estate transaction support for agencies that own property to support broadband expansion | A.2.b | \$750,000 |
| 194: Department of General Services | Customer support enhancements for the Division of Consolidated Laboratory Services (DCLS) | A.2.i | \$3,000 |
| 793: Intellectual Disabilities Training Centers | Increase compensation for direct care staff at state facilities | A.2.g | \$2,515,510 \$3,414,967 |
| 792: Mental Health Treatment Centers | Increase compensation for direct care staff at state facilities | A.2.g | \$19,297,694 \$31,579,354 |
| 794: Virginia Center for Behavioral Rehabilitation | Increase compensation for direct care staff at state facilities | A.2.g | \$1,770,175 \$2,605,835 |

| ITEM 486. | | | Item Details(\$) | | Appropriations(\$) | |
|---|---|-------|----------------------|-----------------------|----------------------|-----------------------|
| | | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| 720: Department of Behavioral Health and Developmental Services | Purchase personal protective equipment at state facilities | A.2.g | | | \$1,200,000 | |
| 127: Virginia Department of Emergency Management | Virginia Emergency Support Team (VEST) COVID-19 recovery activities | A.2.k | | | \$418,121 | |
| 165: Department of Housing and Community Development | Virginia Removal or Rehabilitation of Derelict Structures Fund | A.2.d | | | \$900,000 | |
| 165: Department of Housing and Community Development | Line Extension Customer Assistance Program | A.2.b | | | \$6,000,000 | |
| 301: Department of Agriculture and Consumer Services | Dairy Industry Support | A.2.c | | | \$728,331 | |
| 165: Department of Housing and Community Development | Dedication lead Rehabilitation Program | A.2.i | | | \$3,750,000 | |
| 190: Secretary of Finance | Funding for Administrative Oversight | A.2.m | | | \$25,000 | |
| 720: Department of Behavioral Health and Developmental Services | Expand dementia program and residential treatment pilot | A.2.g | | | \$777,145 | |
| 799: Department of Corrections | COVID HR and Project Management | A.2.k | | | \$93,578 | |
| TOTAL | | | | | \$32,854,500 | |
| | | | | | | \$52,245,331 |

B.1. The appropriation in this item includes an amount estimated at \$151,622,186 in the first year and \$51,061,555 in the second year from the estimated revenues to be received pursuant to the American Rescue Plan Act of 2021 (ARPA) from grants other than the State and Local Recovery Fund (SLRF). The following appropriations shall be transferred from this item to the following:

| ARPA Fund Source / Grant | State Agency | FY 2023 Appropriation | FY 2024 Appropriation |
|---|-------------------------------------|-----------------------|-----------------------|
| Crisis Response Cooperative Agreement (CDC) | Department of Health (601) | \$25,460,480 | \$2,000,000 |
| Epidemiology and Lab Capacity for School Testing (CDC) | Department of Health (601) | \$84,838,264 | \$7,069,855 |
| Epidemiology and Lab Capacity for Confinement Settings (CDC) | Department of Health (601) | \$6,976,200 | \$6,976,200 |
| COVID-19 Vaccine Preparedness Adjustment (CDC) | Department of Health (601) | \$12,557,027 | \$12,557,027 |
| Maternal, Infant and Early Childhood Home Visiting Grant Program (HRSA) | Department of Health (601) | \$439,674 | \$109,918 |
| Disease Intervention Workforce (CDC) | Department of Health (601) | \$4,519,512 | \$4,519,512 |
| AmeriCorps (CNCS) | Department of Social Services (765) | \$2,262,662 | \$2,562,662 |
| Family Violence Prevention and Services (ACF) | Department of Social Services (765) | \$4,694,940 | \$7,434,005 |
| Homeless Service Sites & Congregate Settings (ELC) | Department of Health (601) | \$575,688 | \$575,688 |
| Strengthening HAI & AR Program Capacity (SHARP) (ELC) | Department of Health (601) | \$3,270,588 | \$3,270,588 |

| ITEM 486. | Item Details(\$) | | Appropriations(\$) | |
|--|----------------------------|-----------------------|----------------------|-----------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| Nursing Home & Long-term Care Facility Strike Teams - SNF (ELC) | Department of Health (601) | | \$2,003,832 | \$2,003,832 |
| Nursing Home & Long-term Care Facility Strike Teams - NH & LTC (ELC) | Department of Health (601) | | \$1,982,268 | \$1,982,268 |
| Travelers Health Year 2 (ELC) | Department of Health (601) | | \$277,083 | \$0 |
| Maternal, Infant and Early Childhood Homevisiting Grant Program | Department of Health (601) | | \$1,763,968 | \$0 |

2. The Director of the Department of Planning and Budget is authorized to adjust the amounts appropriated in paragraph B.1. above to reflect the actual revenues received by the Commonwealth for each grant.

3.a. Agencies are authorized to initiate spending from these appropriations in order to provide one-time services for purposes authorized and permitted under federal law and in accordance with the guidance issued by the U.S. Department of Treasury and other applicable federal agencies, or to execute requirements of federal law that must be initiated. No such spending shall be initiated for programs or services that create an ongoing commitment of state resources after the conclusion of the federal grant unless such services are required by federal law.

b. Prior to initiating any program, service, or spending from these appropriations, the responsible agency must provide written notification of its intended action to the Governor, the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee, and the Director of the Department of Planning and Budget. Such notice shall be provided no less than ten business days before an agency initiates services or incurs any costs associated with the grant. For purposes of this section, initiating a program includes any public announcement or proposal presented to constituent groups.

c. If an agency wishes to spend any amounts from these grants for purposes that create an ongoing commitment that must be maintained by state resources after the conclusion of the federal grant, it must receive prior approval and authorization of the General Assembly. Agencies must submit such proposals to the Department of Planning and Budget for consideration by the Governor and the General Assembly ~~in the 2024 session of the General Assembly at its next session.~~

d. Agencies must ensure compliance with all use, documentation, and reporting requirements established in state and federal guidelines and laws.

e. The Governor is authorized to appropriate any additional grants not listed above if they must be executed before ~~the 2024 regular session of the General Assembly June 30, 2024~~. The Governor shall provide written notice to the chairpersons of the House Appropriations Committee and the Senate Finance and Appropriations Committee no less than five business days prior to appropriating such grants.

C. Temporary nurse aides practicing in long term care facilities under the federal Public Health Emergency 1135 Waiver may be deemed eligible by the Board of Nursing while this waiver is in effect, and in the four-month period from the end of this waiver, to take the National Nurse Aide Assessment Program examination upon submission of a completed application, the employer's written verification of competency and employment as a temporary nurse aide, and provided no other grounds exist under Virginia law to deny the application.

D. Any amounts appropriated in this item that remain unspent at the end of any fiscal year shall be reallocated in the next fiscal year to be spent for the same purposes as stated in this act.

486.10 1. Notwithstanding the provisions of Item 486 of this act, the funding provided pursuant to paragraph A.2.l.1) of Item 486 shall be reallocated in the following manner:

| ITEM 486.10. | Item Details(\$) | | Appropriations(\$) | |
|---|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| 2. \$28,057,684 in the first year to the Department of Medical Assistance Services (602) to procure a one-time vendor to assist in the redetermination of Medicaid enrollees over the twelve months following the end of the federal continuous Medicaid coverage requirement. | | | | |
| 3. \$10,000,000 in the first year to the Department of Social Services (765) to cover the one-time cost of supporting local departments of social services staff with efforts to perform benefit program redeterminations and appeals work in the twelve <i>seventeen</i> months following the end of the federal continuous Medicaid coverage requirement. | | | | |
| 4. All funds allocated in paragraphs 2 and 3 shall only be used to support one-time eligibility redetermination efforts necessary to meet federal post public health emergency (unwinding) requirements. Prior to the transfer of any funds, impacted agencies shall provide the Department of Planning and Budget and Task Force on Eligibility Redetermination with an accounting of all agency unwinding activities and how any transferred funds will supplement those efforts. | | | | |

487. Not set out.

487.10 Not set out.

| | | | |
|--|--------------|--------------|--------------|
| 487.50 Miscellaneous Undistributed Appropriations (75600)..... | | \$16,000,000 | \$17,000,000 |
| Miscellaneous Undistributed Appropriations (75601)..... | \$16,000,000 | \$17,000,000 | |
| Fund Sources: General..... | \$16,000,000 | \$17,000,000 | |

A. Out of this appropriation, \$16,000,000 the first year and \$17,000,000 the second year from the general fund is designated for workforce development training. Oversight ahead of all funding transfers outlined below shall be coordinated and released by the Secretary of Education, the Secretary of Finance, the director of the Department of Planning and Budget, the director of the State Council of Higher Education for Virginia, the staff directors of the House Appropriation and Senate Finance and Appropriations Committees, and the director of the Virginia Economic Development Partnership. Additionally, the designated reviewers shall collaborate with the Superintendent of Public Instruction before approving spending plans supporting the Direct Aid to Public Education (197) funding area. Upon approval, the Department of Planning and Budget shall transfer to each agency the following amounts for this purpose:

| Institution | Fiscal Year 2023 | Fiscal Year 2024 |
|--|---------------------|---------------------|
| State Council for Higher Education of Virginia (245) | \$3,000,000 | \$10,000,000 |
| Virginia Community College System (260) | 10,000,000 | 4,500,000 |
| Direct Aid to Public Education (197) | 3,000,000 | 0 |
| Virginia Economic Development Partnership (310) | 0 | 2,500,000 |
| Total | \$16,000,000 | \$17,000,000 |

B. 1. Out of the above appropriation, \$3,000,000 the first year and \$10,000,000 the second year from the general fund supports the Innovative Internship Fund and Program, § *23.1-903.4*, Code of Virginia. This funding is designated to expand paid or credit-bearing student internships and other work-based learning experiences in collaboration with Virginia employers so that, over time, every Virginia undergraduate student who wants such an opportunity may access it without extending time to completion of undergraduate study.

2.a. Out of the above appropriation, \$8,000,000 the first year from the general fund is designated for G3 Innovation Grants.

| ITEM 487.50. | Item Details(\$) | | Appropriations(\$) | |
|--|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| b. The Virginia Community College System (VCCS), in collaboration with the Office of Education and Labor Market Alignment within the Virginia Economic Development Partnership Authority System, and in accordance with § 23.1-2911.2 D., shall award grants to community colleges in order to increase the capacity and responsiveness of colleges to meet regional labor market needs of employers, unemployed and underemployed workers, and incumbent workers. | | | | |
| 3. Out of the above appropriation, \$2,000,000 the first year and \$2,000,000 the second year from the general fund is designated for the Virginia Community College System to support the Network2Work program, connecting job seekers to training and career resources. | | | | |
| 4. Out of the above appropriation, \$2,500,000 the second year from the general fund is designated for economic development programming under the Hampton Roads Skilled Trades Rapid On-ramp Network for Growth (STRONG) initiative, as funded under VCCS. The Virginia Community College System shall collaborate with the Hampton Roads Workforce Council to support career access and training opportunities in the naval shipbuilding, offshore wind, and road and tunnel construction industries. | | | | |
| 5.a. Out of the above appropriation, \$2,500,000 the second year from the general fund is designated for the Advanced Manufacturing Talent Investment Program and Fund pilot, as established by Chapter 499 and Chapter 500, 2022 Acts of Assembly. <i>These Notwithstanding the provisions of § 23.1-1244, Code of Virginia, any unexpended amounts from these funds shall be allocated by the Virginia Economic Development Partnership in accordance with provisions established in § 23.1-1244 and shall be used to increase the number of trained individuals entering advanced manufacturing careers. Moneys in the Fund shall be used to support this effort and to improve the readiness of graduates to be employed in identified advanced manufacturing fields. Any balance remaining on June 30, 2024, shall be carried forward for the same purpose.</i> | | | | |
| b. The pilot shall be limited to existing programs that serve advanced manufacturing needs in the Hampton Roads and Southwest Virginia regions. Such programs may be operated by one or more of the following: (i) a comprehensive community college; (ii) a career and technical education program operated by a local school board or a group of school boards; (iii) the Institute of Advanced Learning and Research; (iv) the New College Institute; (v) Richard Bland College; (vi) the Roanoke Higher Education Center; (vii) the Southern Virginia Higher Education Center; or (viii) the Southwest Virginia Higher Education Center. Program applicants shall be encouraged to partner with regional businesses and industries on program development and implementation. | | | | |
| c. The existing capacity of current eligible credential programs and awards shall not duplicate underutilized existing programs within the same region. | | | | |
| d. Recipients of program funding under the pilot shall submit reports on the progress of their programming to the Governor, the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee, and relevant staff no later than June 30, 2024. | | | | |
| 6. Out of this appropriation, \$3,000,000 the first year from the general fund is provided for competitive grants to school divisions to increase the teaching of students in skilled trades that lead to earning industry-recognized certifications or credentials. These grants shall provide one-time assistance to divisions to establish, expand, or restore such programs in middle or high school. These grants shall support programs offering industry-recognized certifications or credentials that are in demand by regional employers and lead to employment. Funds shall be used to support equipment, curriculum development and instructor training. The Department of Education shall establish application guidelines, including a requirement for school divisions to provide an operational plan to maintain the program after the funds are disbursed. | | | | |
| <i>C. From such general fund revenues as are collected for fiscal year 2024 in excess of the official fiscal year 2024 revenue estimate included in the final 2022-2024 biennial appropriation act adopted in the 2024 Special Session I, the first \$575,000,000, or portion thereof, that is not required to meet a Constitutionally-mandated deposit to the Revenue Stabilization Fund, and prior to calculating the Revenue Reserve Fund and the Water Quality Improvement Fund Part A deposits, shall be reserved by the Comptroller in the Committed Fund Balance for the following purposes in priority order during the first year:</i> | | | | |

| ITEM 487.50. | Item Details(\$) | | Appropriations(\$) | |
|---|---------------------------------------|-----------------------|--------------------------------------|--------------------------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| <p>1. \$175,000,000 shall be reserved for transfer to Item 438 of this Act to support the I-81 Corridor Improvement Program; and</p> <p>2. \$400,000,000 for matching grants for Water Quality Improvement Fund eligible wastewater projects for Chesapeake Bay nutrient reductions authorized under Code of Virginia §§ 10.1-1186.01.F., 10.1-2131.C., and 62.1- 44.19:14.G.1. To the extent that general fund revenues are available to support the costs for these expenses, the Director, Department of Planning and Budget, shall reduce by an equal amount the bond proceeds for these projects authorized in Item C-53.50 of the 2024 Appropriation Act.</p> | | | | |
| 488. | Not set out. | | | |
| | Total for Central Appropriations..... | | \$1,579,579,115 | \$1,044,653,520 \$1,056,531,636 |
| | Fund Sources: General..... | \$451,066,949 | \$807,228,780 \$810,464,782 | |
| | Higher Education Operating..... | \$3,525,816 | \$3,525,816 \$12,157,622 | |
| | Trust and Agency..... | \$71,341,966 | \$70,604,322 | |
| | Federal Trust..... | \$1,053,644,384 | \$163,294,602 \$163,304,910 | |
| | TOTAL FOR CENTRAL APPROPRIATIONS..... | | \$1,579,579,115 | \$1,044,653,520 \$1,056,531,636 |
| | Fund Sources: General..... | \$451,066,949 | \$807,228,780 \$810,464,782 | |
| | Higher Education Operating..... | \$3,525,816 | \$3,525,816 \$12,157,622 | |
| | Trust and Agency..... | \$71,341,966 | \$70,604,322 | |
| | Federal Trust..... | \$1,053,644,384 | \$163,294,602 \$163,304,910 | |
| | TOTAL FOR EXECUTIVE DEPARTMENT..... | | \$79,158,189,279 | \$81,888,640,897 \$81,361,218,239 |
| | General Fund Positions..... | 50,642.35 | 50,951.35 50,955.85 | |
| | Nongeneral Fund Positions..... | 67,921.07 | 68,062.07 68,062.57 | |
| | Position Level..... | 118,563.42 | 119,013.42 119,018.42 | |
| | Fund Sources: General..... | \$28,976,939,473 | \$30,348,195,384 \$29,903,379,608 | |
| | Special..... | \$1,789,103,325 | \$1,811,924,289 | |
| | Higher Education Operating..... | \$10,125,410,256 | \$10,235,138,003 \$10,243,769,809 | |
| | Commonwealth Transportation..... | \$8,598,252,151 | \$8,401,469,644 | |
| | Enterprise..... | \$1,728,860,599 | \$1,783,395,369 | |
| | Internal Service..... | \$2,404,388,342 | \$2,413,968,065 | |
| | Trust and Agency..... | \$2,740,017,850 | \$2,710,956,383 \$2,800,444,406 | |
| | Debt Service..... | \$363,620,626 | \$363,620,626 | |
| | Dedicated Special Revenue..... | \$4,126,291,384 | \$4,470,923,667 \$5,018,860,379 | |
| | Federal Trust..... | \$18,305,305,273 | \$19,349,049,467 \$18,620,386,044 | |

| ITEM 489. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |

INDEPENDENT AGENCIES

- 489. Not set out.
- 490. Not set out.
- 491. Not set out.
- 492. Not set out.
- 493. Not set out.

§ 1-29. VIRGINIA LOTTERY (172)

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

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

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

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

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

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

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

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

F. Notwithstanding § [58.1-4123](#), Code of Virginia, for any eligible host city that has not passed a referendum on casino gaming prior to July 1, 2022, the department shall not grant

| ITEM 494. | Item Details(\$) | | Appropriations(\$) | |
|---|-------------------------------------|---------------|--------------------|-----------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| any initial license to operate a gaming operation unless a referendum is held on or after November 1, 2023 on the question of whether casino gaming shall be permitted in such city and is approved by the voters of such city. | | | | |
| <p><i>G. Prior to June 30, 2024, The Department shall renew the authorization to conduct casino gaming on a temporary basis pursuant to § 58.1-4110 for another six months beyond the second year of operation, provided a portion of the temporary gaming facility will be incorporated as a part of the permanent gaming facility, the preferred casino gaming operator has met the \$300 million minimum capital investment pursuant to subsection B of § 58.1-4108, and the Department determines that the preferred casino gaming operator has made a good faith effort to comply with the approved construction schedule.</i></p> | | | | |
| 495. | Not set out. | | | |
| | Total for Virginia Lottery..... | | \$536,725,080 | \$541,510,004 |
| | Nongeneral Fund Positions..... | 458.00 | 458.00 | |
| | Position Level..... | 458.00 | 458.00 | |
| | Fund Sources: Enterprise..... | \$514,190,767 | \$518,690,767 | |
| | Dedicated Special Revenue..... | \$22,534,313 | \$22,819,237 | |
| 496. | Not set out. | | | |
| 497. | Not set out. | | | |
| 498. | Not set out. | | | |
| 499. | Not set out. | | | |
| 500. | Not set out. | | | |
| 501. | Not set out. | | | |
| 502. | Not set out. | | | |
| 503. | Not set out. | | | |
| | TOTAL FOR INDEPENDENT AGENCIES..... | | \$1,163,448,379 | \$1,188,948,386 |
| | Nongeneral Fund Positions..... | 2,026.00 | 2,027.00 | |
| | Position Level..... | 2,026.00 | 2,027.00 | |
| | Fund Sources: General..... | \$6,781,138 | \$27,196,295 | |
| | Special..... | \$114,314,011 | \$110,603,509 | |
| | Enterprise..... | \$806,776,105 | \$812,961,016 | |
| | Trust and Agency..... | \$127,935,179 | \$130,410,194 | |
| | Dedicated Special Revenue..... | \$102,879,946 | \$103,015,372 | |
| | Federal Trust..... | \$4,762,000 | \$4,762,000 | |

| ITEM 504. | | Item Details(\$) | | Appropriations(\$) | |
|--|---|----------------------|--------------------------------------|-------------------------|-------------------------|
| | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| STATE GRANTS TO NONSTATE ENTITIES | | | | | |
| 504. | Not set out. | | | | |
| | TOTAL FOR STATE GRANTS TO NONSTATE ENTITIES..... | | | \$0 | \$0 |
| | TOTAL FOR PART 1: OPERATING EXPENSES..... | | | \$81,065,357,358 | \$83,829,224,669 |
| | | | | | \$83,302,034,202 |
| | General Fund Positions..... | 55,020.06 | 55,347.06 55,351.56 | | |
| | Nongeneral Fund Positions..... | 70,085.57 | 70,227.57 70,228.07 | | |
| | Position Level..... | 125,105.63 | 125,574.63 125,579.63 | | |
| | Fund Sources: General..... | \$29,684,401,188 | \$31,083,660,790 \$30,638,845,014 | | |
| | Special..... | \$1,918,789,522 | \$1,938,227,136 \$1,938,459,327 | | |
| | Higher Education Operating..... | \$10,125,410,256 | \$10,235,138,003 \$10,243,769,809 | | |
| | Commonwealth Transportation..... | \$8,598,252,151 | \$8,401,469,644 | | |
| | Enterprise..... | \$2,535,636,704 | \$2,596,356,385 | | |
| | Internal Service..... | \$2,404,388,342 | \$2,413,968,065 | | |
| | Trust and Agency..... | \$2,868,082,311 | \$2,841,495,859 \$2,930,983,882 | | |
| | Debt Service..... | \$363,620,626 | \$363,620,626 | | |
| | Dedicated Special Revenue..... | \$4,255,256,698 | \$4,600,024,407 \$5,147,961,119 | | |
| | Federal Trust..... | \$18,311,519,560 | \$19,355,263,754 \$18,626,600,331 | | |

| Item Details(\$) | | Appropriations(\$) | |
|------------------|-------------|--------------------|-------------|
| First Year | Second Year | First Year | Second Year |
| FY2023 | FY2024 | FY2023 | FY2024 |

PART 2: CAPITAL PROJECT EXPENSES

§ 2-0. GENERAL CONDITIONS

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

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

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

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

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

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

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

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

2. Agencies and institutions of higher education can expend up to \$2,000,000 for a single repair or project, and up to \$4,000,000 for a roof replacement project, through the maintenance reserve appropriation. Such expenditures shall be subject to rules and regulations prescribed by the Governor. To the extent an agency or institution of higher education has identified a potential project that exceeds this threshold, the Director, Department of Planning and Budget, can provide exemptions to the threshold as long as the project still meets the definition of a maintenance reserve project as defined by the Department of Planning and Budget.

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

F. Conditions Applicable to Bond Projects

1. The capital projects listed in §§ 2-30 and 2-31 for the indicated agencies and institutions of higher education are hereby authorized and sums from the sources and in the amount indicated are hereby appropriated and reappropriated. The issuance of bonds in a principal amount plus amounts needed to fund issuance costs, reserve funds, and other financing expenses, including capitalized interest for any project listed in §§ 2-30 and 2-31 is hereby authorized.

2. The issuance of bonds for any project listed in § 2-30 is to be separately authorized pursuant to Article X, Section 9 (c), Constitution of Virginia.

3. The issuance of bonds for any project listed in §§ 2-30 or 2-31 shall be authorized pursuant to § 23.1-1106, Code of Virginia.

4. In the event that the cost of any capital project listed in §§ 2-30 and 2-31 shall exceed the amount appropriated therefore, the Director, Department of Planning and Budget, is hereby authorized, upon request of the affected institution, to approve an increase in appropriation authority of not more than ten percent of the amount designated in §§ 2-30 and 2-31 for such project, from any available nongeneral fund revenues, provided that such increase shall not constitute an increase in debt issuance authorization for such capital project. Furthermore, the Director, Department of Planning and Budget, is hereby authorized to approve the expenditure of all interest earnings derived from the investment of bond proceeds in addition to the amount designated in §§ 2-30 and 2-31 for such capital project.

| Item Details(\$) | | Appropriations(\$) | |
|------------------|-------------|--------------------|-------------|
| First Year | Second Year | First Year | Second Year |
| FY2023 | FY2024 | FY2023 | FY2024 |

5. The interest on bonds to be issued for these projects may be subject to inclusion in gross income for federal income tax purposes.

6. Inclusion of a project in this act does not imply a commitment of state funds for temporary construction financing. In the absence of such commitment, the institution may be responsible for securing short-term financing and covering the costs from other sources of funds.

7. In the event that the Treasury Board determines not to finance all or any portion of any project listed in § 2-30 of this act with the issuance of bonds pursuant to Article X, Section 9 (c), Constitution of Virginia, and notwithstanding any provision of law to the contrary, this act shall constitute the approval of the General Assembly to finance all or such portion of such project under the authorization of § 2-31 of this act.

8. The General Assembly further declares and directs that, notwithstanding any other provision of law to the contrary, 50 percent of 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, 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 the books of the State Comptroller, which shall be known as the Higher Education Capital Projects Fund. Such sums shall be held in reserve, and may be used, upon appropriation, to pay debt service on bonds for the 21st Century College Program as authorized in Item C-7.10 of Chapter 924 of the Acts of Assembly of 1997.

9. Notwithstanding any other provision of law, a public institution of higher education may participate in the United States Department of Education Historically Black College and University Capital Financing Program (HBCU Program), and use federal grant and contract funds as permitted by the Program.

G. Upon certification by the Director, Department of Planning and Budget, there is hereby reappropriated the appropriations unexpended at the close of the previous biennium for all authorized capital projects which meet any of the following conditions:

1. Construction is in progress.
2. Equipment purchases have been authorized by the Governor but not received.
3. Plans and specifications have been authorized by the Governor but not completed.
4. Obligations were outstanding at the end of the previous biennium.

H. Alternative Financing

1. Any agency or institution of the Commonwealth that would construct, purchase, lease, or exchange a capital asset by means of an alternative financing mechanism, such as the Public Private Education Infrastructure Act, or similar statutory authority, shall provide a report to the Governor and the Chairs of the Senate Finance and Appropriations Committee and the House Appropriations Committees no less than 30 days prior to entering into such alternative financing agreement. This report shall provide:
 - a. a description of the purpose to be achieved by the proposal;
 - b. a description of the financing options available, including the alternative financing, which will delineate the revenue streams or client populations pledged or encumbered by the alternative financing;
 - c. an analysis of the alternatives clearly setting out the advantages and disadvantages of each for the Commonwealth;
 - d. an analysis of the alternatives clearly setting out the advantages and disadvantages of each for the clients of the agency or institution; and
 - e. a recommendation and planned course of action based on this analysis.

I. Conditions Applicable to Alternative Financing

The following authorizations to construct, purchase, lease or exchange a capital asset by means of an alternative financing mechanism, such as the Public Private Education Infrastructure Act, or similar statutory authority, are continued until revoked. Projects in this section shall be consistent with the guidelines of the Department of General Services and comply with Treasury Board Guidelines issued pursuant to § 23.1-1106 C.1.d, Code of Virginia. Furthermore, projects in this section shall be submitted for comment to the Six-Year Capital Outlay Plan Advisory Committee, established under § 2.2-1516, Code of Virginia:

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

| Item Details(\$) | | Appropriations(\$) | |
|------------------|-------------|--------------------|-------------|
| First Year | Second Year | First Year | Second Year |
| FY2023 | FY2024 | FY2023 | FY2024 |

b. The General Assembly authorizes James Madison University to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional parking, student housing, and/or operational related facilities. The facility or facilities may be located on property owned by the Commonwealth. All project proposals and approvals shall be in accordance with the guidelines cited in paragraph 1 of this item. James Madison University is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities.

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

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

2. Longwood University

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

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

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

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

3. Christopher Newport University

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

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

4. Radford University

a. Subject to the provisions of this act, the General Assembly authorizes Radford University, with the approval of the Governor, to

| Item Details(\$) | | Appropriations(\$) | |
|------------------|-------------|--------------------|-------------|
| First Year | Second Year | First Year | Second Year |
| FY2023 | FY2024 | FY2023 | FY2024 |

explore and evaluate an alternative financing scenario to provide additional parking, student housing, and/or operational related facilities. The project shall be consistent with the guidelines of the Department of General Services and comply with Treasury Board Guidelines issued pursuant to § 23.1-1106 C.1.d, Code of Virginia.

b. The General Assembly authorizes Radford University to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional parking, student housing, and/or operational related facilities. The facility or facilities may be located on property owned by the Commonwealth. All project proposals and approvals shall be in accordance with the guidelines cited in paragraph 1 of this item. Radford University is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities.

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

5. University of Mary Washington

a. Subject to the provisions of this act, the General Assembly authorizes the University of Mary Washington to enter into a written agreement or agreements with the University of Mary Washington Foundation (UMWF) to support student housing projects and/or operational-related or other facilities through alternative financing agreements including public-private partnerships and leasehold financing arrangements.

b. The University of Mary Washington is further authorized to enter into written agreements with UMW to support such student housing facilities; the support may include agreements to (i) include the student housing facilities in the University's students housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students occupied University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) seek to obtain police power over the student housing as provided by law; and (v) otherwise support the students housing facilities consistent with law, provided that the University's obligation under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

c. The General Assembly further authorizes the University of Mary Washington to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional student housing and/or operational-related facilities. The facility or facilities may or may not be located on property owned by the Commonwealth. The University of Mary Washington is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facilities. The State Treasurer is authorized to make Treasury loans to provide interim financing for planning, construction and other costs of any of the projects. Revenue bonds issued by or for UMW will provide construction and/or permanent financing.

d. The University of Mary Washington is further authorized to convey fee simple title in and to one or more parcels of land to the University of Mary Washington Foundation (UMWF) which will develop and use the land for the purpose of developing and establishing residential housing for students, faculty, or staff, recreational, athletic, and/or operational related facilities including office, retail and commercial, student services, or other auxiliary activities.

6. Norfolk State University

a. Subject to the provisions of this act, the General Assembly authorizes Norfolk State University to enter into a written agreement or agreements with a Foundation of the University for the development of one or more student housing projects on or adjacent to campus, subject to the conditions outlined in the Public-Private Education Facilities Infrastructure Act of 2002.

b. Norfolk State University is further authorized to enter into written agreements with a Foundation of the University to support such student housing facilities; the support may include agreements to (i) include the student housing facilities in the University's student housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students occupied University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) restrict construction of competing student housing projects; (v) seek to obtain police power over the student housing as provided by law; and (vi) otherwise support the student housing facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or the Commonwealth of Virginia.

7. Northern Virginia Community College - Alexandria Campus

The General Assembly authorizes Northern Virginia Community College, Alexandria Campus to enter into a written agreement either with its affiliated foundation or a private contractor to construct a facility to provide on-campus housing on College land to be leased to said foundation or private contractor for such purposes. Northern Virginia Community College, Alexandria Campus, is also authorized

| Item Details(\$) | | Appropriations(\$) | |
|------------------|-------------|--------------------|-------------|
| First Year | Second Year | First Year | Second Year |
| FY2023 | FY2024 | FY2023 | FY2024 |

to enter into a written agreement with said foundation or private contractor for the support of such student housing facilities and management of the operation and maintenance of the same.

8. Virginia State University

a. Subject to the provisions of this act, the General Assembly authorizes Virginia State University (University) to enter into a written agreement or agreements with the Virginia State University Foundation (VSUF), Virginia State University Real Estate Foundation (VSUREF), and other entities owned or controlled by the university for the development, design, construction, financing, and management of a mixed-use economic development corridor comprising student housing, parking, and dining facilities through alternative financing agreements including public-private partnerships. The facility or facilities may be located on property owned by the Commonwealth.

b. Virginia State University is further authorized to enter into a written agreement with the VSUREF, VSUF, and other entities owned or controlled by the university for the support of such a mixed-use economic development corridor comprising student housing, parking, and dining facilities by including these projects in the university's facility inventory and managing their operation and maintenance; by assigning parking authorizations, students and/or operations to the facility or facilities in preference to other university facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the university shall not be required to take any action that would constitute a breach of the university's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the university or the Commonwealth of Virginia.

9. College of William and Mary

a. Subject to the provisions of this act, the General Assembly authorizes the College of William and Mary, with the approval of the Governor, to explore and evaluate alternative financing scenarios to provide additional parking, student or faculty/staff housing, recreational, athletic and/or operational related facilities. The project shall be consistent with the guidelines of the Department of General Services and comply with Treasury Board guidelines issued pursuant to § 23.1-1106 C.1. (d), Code of Virginia.

b. The General Assembly authorizes the College of William and Mary to enter into written agreements with public or private entities to design, construct, and finance a facility or facilities to provide additional parking, student or faculty/staff housing, recreational, athletic, and/or operational related facilities. The facility or facilities may be on property owned by the Commonwealth. All project proposals and approvals shall be in accordance with the guidelines cited in paragraph 1 of this item. The College of William and Mary is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facility.

c. The General Assembly further authorizes the College of William and Mary to enter into written agreements with the public or private entities for the support and operation of such parking, student or faculty/staff housing, recreational, athletic, and /or operational related facilities by including the facilities in the College's facility inventory and managing their operation and maintenance including the assignment of parking authorizations, students, faculty or staff, and operations to the facility in preference to other university facilities, limiting construction of competing projects, and by otherwise supporting the facilities consistent with law, provided that the Collage shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the College or the Commonwealth of Virginia.

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 and Mary Real Estate Foundation (WMREF) which will develop and use the land for the purpose of developing and establishing residential housing for students, faculty, or staff, recreational, athletic, and/or operational related facilities including office, retail and commercial, student services, or other auxiliary activities.

10. Richard Bland College

a. Subject to the provisions of this act, the General Assembly authorizes Richard Bland College to enter into a ground lease, of 186 acres adjacent to the main campus, with a Foundation of the College, which may include the Richard Bland College Foundation, for the purpose of economic development or the development of campus-needed facilities, including but not limited to office, student services, auxiliary activities, athletics, and residential housing.

b. Richard Bland College is further authorized to enter into written agreements with a Foundation of the College to support facilities development. The support may include agreements to: (i) manage the operation and maintenance of the developed facilities, including collection of rental fees for occupied College-owned real estate; (ii) restrict construction of competing projects; (iii) seek to obtain police power over the facilities as provided by law; and (iv) otherwise support the facilities consistent with law, provided that the College shall not be required to take any action that would constitute a breach of the College's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the College or the Commonwealth of Virginia.

11. The following individuals, and members of their immediate family, may not engage in an alternative financing arrangement with any agency or institution of the Commonwealth, where the potential for financial gain, or other factors may cause a conflict of interest:

a. A member of the agency or institution's governing body;

| Item Details(\$) | | Appropriations(\$) | |
|------------------|-------------|--------------------|-------------|
| First Year | Second Year | First Year | Second Year |
| FY2023 | FY2024 | FY2023 | FY2024 |

b. Any elected or appointed official of the Commonwealth or its agencies and institutions who has, or reasonably can be assumed to have, a direct influence on the approval of the alternative financing arrangement; or

c. Any elected or appointed official of a participating political subdivision, or authority who has, or reasonably can be assumed to have, a direct influence on the approval of the alternative financing arrangement.

J. 1. Appropriations contained in this act for capital project planning shall be used as specified for each capital project and construction funding for the project shall be considered by the General Assembly after determining that (1) project cost is reasonable; (2) the project remains a highly-ranked capital priority for the Commonwealth; and (3) the project is fully justified from a space and programmatic perspective.

2. Appropriations reappropriated for institutions of higher education, in accordance with § 23.1-1002, Code of Virginia, may be used to fund the detailed planning authorized for projects in this act and shall be reimbursed when the project is funded to move into the construction phase.

K. Any capital project that has received a supplemental appropriation due to cost overruns is expected to be completed within the revised budget provided. If a project requires an additional supplement, the Governor should also consider reduction in project scope or cancelling the project before requesting additional appropriations. Agencies and institutions with nongeneral funds may bear the costs of additional overruns from nongeneral funds.

L. The Governor shall consider the project life cycle cost that provides the best long-term benefit to the Commonwealth when conducting capital project reviews, design and construction decisions, and project scope changes.

M. No structure, improvement or renovation shall occur on the state property located at the Carillon in Byrd Park in the City of Richmond without the approval of the General Assembly.

N. All agencies of the Commonwealth and institutions of higher education shall provide information and/or use systems and processes in the method and format as directed by the Director, Department of General Services, on behalf of the Six-Year Capital Outlay Plan Advisory Committee, to provide necessary information for state-wide reporting. This requirement shall apply to all projects, including those funded from general and nongeneral fund sources.

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

| Pool Project No. | Pool Project Title | Authorization |
|------------------|---|--|
| 17775 | Public Education Institutions Capital Account | Enactment Clause 2, § 4, Chapter 1, 2008 Acts of Assembly, Special Session I |
| 17776 | State Agency Capital Account | Enactment Clause 2, § 2, Chapter 1, 2008 Acts of Assembly, Special Session I |
| 17861 | Supplements for Previously Authorized Higher Education Capital Projects | Item C-85, Chapter 874, 2010 Acts of Assembly; amended by Item C-85, Chapter 890, 2011 Acts of Assembly |
| 17862 | Energy Conservation | Item C-86, Chapter 890, 2011 Acts of Assembly |
| 17967 | Capital Outlay Project Pool | Item C-38.10, Chapter 3, 2012 Acts of Assembly, Special Session I; amended by: Item C-38.10, Chapter 806, 2013 Acts of Assembly; Item C-38.10, Chapter 1, 2014 Acts of Assembly, Special Session I; Item C-43, Chapter 2, 2014 Acts of Assembly, Special Session I; Item C-43, Chapter 665, 2015 Acts of Assembly; and Item 48.10, Chapter 836, 2017 Acts of Assembly; and Item C-44.10, Chapter 854, 2019 Acts of Assembly. |
| 18049 | Comprehensive Capital Outlay Program | Item C-39.40, Chapter 806, 2013 Acts of Assembly; amended by: Item C-39.40, Chapter 1, 2014 Acts of Assembly, Special Session I; Item C-46.10, Chapter 2, 2014 Acts of Assembly, Special Session I, Item 46.10, Chapter 665, 2015 Acts of |

| | | Item Details(\$) | Appropriations(\$) | |
|-------|--|------------------|--|-----------------------|
| | | | First Year FY2023 | Second Year FY2024 |
| 18196 | Capital Outlay Renovation Pool | | Assembly, Item C-46, Chapter 2, 2018 Acts of Assembly, Special Session I, and Item C-77 if this act. | |
| 18300 | 2016 VPBA Capital Construction Pool | | Item C-46.15, Chapter 665, 2015 Acts of Assembly; amended by: Item C-46.10, Chapter 854, 2019 Acts of Assembly. | |
| 18301 | 2016 VCBA Capital Construction Pool | | § 1, Chapters 759 and 769, 2016 Acts of Assembly; amended by: Item C-47, Chapter 2, 2018 Acts of Assembly, Special Session I. | |
| 18371 | 2018 Capital Construction Pool | | § 2, Chapters 759 and 769, 2016 Acts of Assembly; amended by: Item C-48, Chapter 2, 2018 Acts of Assembly, Special Session I. | |
| 18382 | Supplemental funding: Capitol Complex Infrastructure and Security | | Item C-45, Chapter 2, 2018 Acts of Assembly, Special Session I; amended by: Item C-45, Chapter 854, 2019 Acts of Assembly. | |
| 18408 | 2019 Capital Construction Pool | | Item C-48.10, Chapter 854, 2019 Acts of Assembly. | |
| 18493 | 2020 VPBA Construction Pool | | Item C-67 of Chapter 1289, 2020 Acts of Assembly; amended by Item C-78 of this act. | |
| 18494 | 2020 VCBA Construction Pool | | Item C-68 of Chapter 1289, 2020 Acts of Assembly; amended by Item C-68, Chapter 552, 2021 Acts of Assembly, Special Session I. | |
| 18145 | Supplement Previously Authorized Capital Project Construction Pools | | Item C-69 of Chapter 1289, 2020 Acts of Assembly; amended by: Item C-69, Chapter 552, 2021 Acts of Assembly, Special Session I, Item C-69 of the 2022 Amendments to the 2021 Appropriation Act, and Item C- 79 of this act. | |
| 18540 | 2021 Capital Construction Pool | | Item C-68.50 of Chapter 552, 2021 Acts of Assembly, Special Session I. | |
| 18586 | 2022 Public Educational Institution Capital Account | | Item C-75 of this act. | |
| 18587 | 2022 State Agency Capital Account | | Item C-76 of this act. | |

P. On or before June 30, 2024, the Director, Department of Planning and Budget shall revert general fund appropriation from the following capital project in the amount shown.

| Agency | Project Title/Number | Amount |
|-------------------------------|---------------------------|-------------|
| Virginia Port Authority (407) | Dredging Projects (18653) | \$5,000,000 |

EXECUTIVE DEPARTMENT

OFFICE OF ADMINISTRATION

C-1. Not set out.

C-2. Not set out.

C-2.20 Not set out.

| ITEM C-2.20. | | Item Details(\$) | | Appropriations(\$) | |
|--------------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| C-2.30 | Not set out. | | | | |
| C-2.40 | Not set out. | | | | |
| C-2.50 | Not set out. | | | | |
| C-2.80 | Not set out. | | | | |
| | TOTAL FOR OFFICE OF ADMINISTRATION..... | | | \$52,959,000 | \$21,039,000 |
| | Fund Sources: General..... | \$52,959,000 | | \$21,039,000 | |

OFFICE OF AGRICULTURE AND FORESTRY

§ 2-1. DEPARTMENT OF FORESTRY (411)

| | | | | | |
|--------|--|-------------|-----------|--------------------|------------------|
| C-3. | Not set out. | | | | |
| C-3.10 | Not set out. | | | | |
| C-4. | Not set out. | | | | |
| C-4.10 | <i>Acquisition: Acquire Charlotte State Forest Tharpe Tract (18671).....</i> | | | \$0 | \$740,000 |
| | Fund Sources: Special..... | \$0 | \$70,000 | | |
| | <i>Dedicated Special Revenue.....</i> | \$0 | \$190,000 | | |
| | <i>Federal Trust.....</i> | \$0 | \$480,000 | | |
| | Total for Department of Forestry..... | | | \$4,360,000 | \$0 |
| | | | | | \$740,000 |
| | Fund Sources: General..... | \$2,500,000 | \$0 | | |
| | <i>Special.....</i> | \$0 | \$70,000 | | |
| | <i>Dedicated Special Revenue.....</i> | \$1,860,000 | \$0 | | |
| | <i>Federal Trust.....</i> | \$0 | \$480,000 | | |
| | TOTAL FOR OFFICE OF AGRICULTURE AND FORESTRY..... | | | \$4,360,000 | \$0 |
| | | | | | \$740,000 |
| | Fund Sources: General..... | \$2,500,000 | \$0 | | |
| | <i>Special.....</i> | \$0 | \$70,000 | | |
| | <i>Dedicated Special Revenue.....</i> | \$1,860,000 | \$0 | | |
| | <i>Federal Trust.....</i> | \$0 | \$480,000 | | |

OFFICE OF EDUCATION

| | |
|--------|--------------|
| C-5. | Not set out. |
| C-6. | Not set out. |
| C-6.50 | Not set out. |
| C-7. | Not set out. |
| C-8. | Not set out. |

| ITEM C-9. | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------|-------------|--------------------|-------------|
| | First Year | Second Year | First Year | Second Year |
| | FY2023 | FY2024 | FY2023 | FY2024 |
| C-9. | Not set out. | | | |
| C-10. | Not set out. | | | |
| C-11. | Not set out. | | | |
| C-12. | Not set out. | | | |
| C-13. | Not set out. | | | |
| C-14. | Not set out. | | | |
| C-15. | Not set out. | | | |
| C-15.5 | Not set out. | | | |
| C-15.60 | Not set out. | | | |
| C-15.70 | Not set out. | | | |
| C-16. | Not set out. | | | |
| C-17. | Not set out. | | | |
| C-18. | Not set out. | | | |
| C-18.50 | Not set out. | | | |
| C-19. | Not set out. | | | |
| C-19.80 | Not set out. | | | |
| C-20. | Not set out. | | | |
| C-21. | Not set out. | | | |
| C-22. | Not set out. | | | |
| C-22.10 | Not set out. | | | |
| C-23. | Not set out. | | | |
| C-24. | Not set out. | | | |
| C-24.50 | Not set out. | | | |
| C-24.70 | Not set out. | | | |
| C-25. | Not set out. | | | |
| C-25.10 | Not set out. | | | |
| C-26. | Not set out. | | | |
| C-27. | Not set out. | | | |

| ITEM C-28. | | Item Details(\$) | | Appropriations(\$) | |
|------------------------------------|--------------|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| C-28. | Not set out. | | | | |
| C-28.50 | Not set out. | | | | |
| C-29. | Not set out. | | | | |
| C-30. | Not set out. | | | | |
| C-31. | Not set out. | | | | |
| C-32. | Not set out. | | | | |
| C-33. | Not set out. | | | | |
| C-33.50 | Not set out. | | | | |
| C-34. | Not set out. | | | | |
| C-34.50 | Not set out. | | | | |
| C-35. | Not set out. | | | | |
| C-36. | Not set out. | | | | |
| C-36.50 | Not set out. | | | | |
| TOTAL FOR OFFICE OF EDUCATION..... | | | | \$365,420,715 | \$147,438,130 |
| Fund Sources: General..... | | \$168,851,536 | | \$26,506,002 | |
| Higher Education Operating..... | | \$39,273,179 | | \$57,312,128 | |
| Bond Proceeds..... | | \$157,296,000 | | \$63,620,000 | |

OFFICE OF HEALTH AND HUMAN RESOURCES

C-37. Not set out.
 C-38. Not set out.
 C-39. Not set out.

| | | |
|---|-----|-----|
| TOTAL FOR OFFICE OF HEALTH AND HUMAN RESOURCES..... | \$0 | \$0 |
|---|-----|-----|

OFFICE OF NATURAL AND HISTORIC RESOURCES

C-40. Not set out.
 C-41. Not set out.
 C-42. Not set out.
 C-42.10 Not set out.
 C-43. Not set out.
 C-44. Not set out.

| ITEM C-45. | | Item Details(\$) | | Appropriations(\$) | |
|------------|--------------|------------------|-------------|--------------------|-------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| C-45. | Not set out. | | | | |
| C-46. | Not set out. | | | | |
| C-47. | Not set out. | | | | |
| C-48. | Not set out. | | | | |
| C-49. | Not set out. | | | | |
| C-50. | Not set out. | | | | |
| C-51. | Not set out. | | | | |
| C-51.10 | Not set out. | | | | |
| C-52. | Not set out. | | | | |
| C-52.10 | Not set out. | | | | |
| C-52.20 | Not set out. | | | | |
| C-52.30 | Not set out. | | | | |
| C-52.40 | Not set out. | | | | |
| C-52.50 | Not set out. | | | | |

| | | |
|---|---------------|--------------|
| TOTAL FOR OFFICE OF NATURAL AND HISTORIC RESOURCES..... | \$153,321,350 | \$10,750,000 |
| Fund Sources: General..... | \$141,071,350 | \$0 |
| Special..... | \$1,500,000 | \$0 |
| Dedicated Special Revenue..... | \$3,750,000 | \$3,750,000 |
| Federal Trust..... | \$7,000,000 | \$7,000,000 |

OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY

- C-53. Not set out.
- C-54. Not set out.
- C-55. Not set out.
- C-56. Not set out.

| | | |
|--|--------------|-----|
| TOTAL FOR OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY..... | \$22,475,530 | \$0 |
| Fund Sources: General..... | \$22,475,530 | \$0 |

OFFICE OF TRANSPORTATION

- C-57. Not set out.
- C-58. Not set out.

| ITEM C-59. | | Item Details(\$) | | Appropriations(\$) | |
|---|--------------|------------------|-------------|--------------------|---------------|
| | | First Year | Second Year | First Year | Second Year |
| | | FY2023 | FY2024 | FY2023 | FY2024 |
| C-59. | Not set out. | | | | |
| C-60. | Not set out. | | | | |
| C-61. | Not set out. | | | | |
| C-62. | Not set out. | | | | |
| C-63. | Not set out. | | | | |
| C-64. | Not set out. | | | | |
| C-65. | Not set out. | | | | |
| C-66. | Not set out. | | | | |
| C-66.1 | Not set out. | | | | |
| TOTAL FOR OFFICE OF TRANSPORTATION..... | | | | \$931,000,000 | \$217,500,000 |
| Fund Sources: General..... | | \$271,000,000 | | \$0 | |
| Special..... | | \$452,000,000 | | \$150,000,000 | |
| Commonwealth Transportation..... | | \$208,000,000 | | \$67,500,000 | |

OFFICE OF VETERANS AND DEFENSE AFFAIRS

| | | | | | |
|---|--------------|--------------|--|---------------|---------------|
| C-67. | Not set out. | | | | |
| C-68. | Not set out. | | | | |
| C-69. | Not set out. | | | | |
| C-69.50 | Not set out. | | | | |
| C-70. | Not set out. | | | | |
| C-70.50 | Not set out. | | | | |
| C-71. | Not set out. | | | | |
| TOTAL FOR OFFICE OF VETERANS AND DEFENSE AFFAIRS..... | | | | \$35,294,503 | \$126,788,000 |
| Fund Sources: General..... | | \$9,706,461 | | \$0 | |
| Federal Trust..... | | \$25,588,042 | | \$126,788,000 | |

CENTRAL APPROPRIATIONS

§ 2-2. CENTRAL CAPITAL OUTLAY (949)

| | |
|-------|--------------|
| C-72. | Not set out. |
| C-73. | Not set out. |
| C-74. | Not set out. |
| C-75. | Not set out. |

| ITEM C-76. | | Item Details(\$) | | Appropriations(\$) | |
|------------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| C-76. | Not set out. | | | | |
| C-77. | Comprehensive Capital Outlay Program (18049)..... | | | \$3,400,000 | \$0 |
| | Fund Sources: General..... | \$3,400,000 | \$0 | | |
| | Included in this Item is \$3,400,000 from the general fund as a supplement to the Virginia State University project "Water Storage Tank and Campus Water Distribution Piping and Campus Water Sewer Upgrades (18059)" previously authorized in Item C-39.40, Chapter 806, 2013 Acts of Assembly, as "Water Storage Tank and Campus Water Distribution Piping" and amended in Item C-39.40, Chapter 1, 2014 Acts of Assembly, Special Session I, in order to complete the final elements of this project. <i>This project shall be considered a standalone umbrella project and shall no longer be subject to the pool process. Any funds appropriated in this Item and originally assumed for this project in Central Capital Outlay shall be transferred to the project and used to complete work under the original legislatively authorized scope to the extent that funding is available.</i> | | | | |
| C-78. | Not set out. | | | | |
| C-78.50 | Not set out. | | | | |
| C-79. | Not set out. | | | | |
| C-79.10 | Not set out. | | | | |
| C-79.50 | Not set out. | | | | |
| C-80. | Not set out. | | | | |
| C-80.50 | Not set out. | | | | |
| C-81. | Not set out. | | | | |
| C-82. | Not set out. | | | | |
| C-83. | Not set out. | | | | |
| | Total for Central Capital Outlay..... | | | \$1,418,481,611 | \$399,312,463 |
| | Fund Sources: General..... | \$1,389,215,611 | \$355,115,200 | | |
| | Higher Education Operating..... | \$29,266,000 | \$8,050,000 | | |
| | Federal Trust..... | \$0 | \$1,347,263 | | |
| | Bond Proceeds..... | \$0 | \$34,800,000 | | |
| C-84. | Not set out. | | | | |
| C-85. | Not set out. | | | | |
| | TOTAL FOR CENTRAL APPROPRIATIONS..... | | | \$1,418,481,611 | \$399,312,463 |
| | Fund Sources: General..... | \$1,389,215,611 | \$355,115,200 | | |
| | Higher Education Operating..... | \$29,266,000 | \$8,050,000 | | |
| | Federal Trust..... | \$0 | \$1,347,263 | | |
| | Bond Proceeds..... | \$0 | \$34,800,000 | | |
| | TOTAL FOR EXECUTIVE DEPARTMENT..... | | | \$2,983,312,709 | \$922,827,593 |
| | | | | | \$923,567,593 |
| | Fund Sources: General..... | \$2,057,779,488 | \$402,660,202 | | |
| | Special..... | \$453,500,000 | \$150,000,000 | | |
| | | | | | \$150,070,000 |

| ITEM C-85. | Item Details(\$) | | Appropriations(\$) | |
|----------------------------------|----------------------|--------------------------------|----------------------|-----------------------|
| | First Year FY2023 | Second Year FY2024 | First Year FY2023 | Second Year FY2024 |
| Higher Education Operating..... | \$68,539,179 | \$65,362,128 | | |
| Commonwealth Transportation..... | \$208,000,000 | \$67,500,000 | | |
| Dedicated Special Revenue..... | \$5,610,000 | \$3,750,000 \$3,940,000 | | |
| Federal Trust..... | \$32,588,042 | \$135,135,263 \$135,615,263 | | |
| Bond Proceeds..... | \$157,296,000 | \$98,420,000 | | |

INDEPENDENT AGENCIES

C-86. Not set out.

| | | | |
|---|-----------------|--------------------------------|--------------------------------|
| TOTAL FOR INDEPENDENT AGENCIES..... | | \$1,200,000 | \$0 |
| Fund Sources: Dedicated Special Revenue..... | \$1,200,000 | \$0 | |
| TOTAL FOR PART 2: CAPITAL PROJECT EXPENSES..... | | \$2,984,512,709 | \$922,827,593 \$923,567,593 |
| | | | |
| Fund Sources: General..... | \$2,057,779,488 | \$402,660,202 | |
| Special..... | \$453,500,000 | \$150,000,000 \$150,070,000 | |
| Higher Education Operating..... | \$68,539,179 | \$65,362,128 | |
| Commonwealth Transportation..... | \$208,000,000 | \$67,500,000 | |
| Dedicated Special Revenue..... | \$6,810,000 | \$3,750,000 \$3,940,000 | |
| Federal Trust..... | \$32,588,042 | \$135,135,263 \$135,615,263 | |
| Bond Proceeds..... | \$157,296,000 | \$98,420,000 | |

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 2023 | FY 2024 |
|--|----------------|----------------|
| 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) | \$23,613 | \$23,613 |
| For collection by Department of Taxation | | |
| 3. Peanut Fund (§ 3.2-1906 , Code of Virginia) | \$2,419 | \$2,419 |
| 4. For collection by Department of Taxation | | |
| a) Aircraft Sales & Use Tax (§ 58.1-1509 , Code of Virginia) | \$39,169 | \$39,169 |
| b) Soft Drink Excise Tax | \$1,596 | \$1,596 |
| c) Virginia Litter Tax | \$9,472 | \$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. Alcoholic Beverage Control Authority (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 |

| | | |
|--------------|---------------------|---------------------|
| TOTAL | \$74,913,243 | \$74,913,243 |
|--------------|---------------------|---------------------|

2.a. Transfers of net profits from the Alcoholic Beverage Control Enterprise Fund to the general fund shall be made four times a year, and such transfers shall be made within fifty (50) days of the close of each quarter. The transfer of fourth quarter profits shall be estimated and made in the month of June. In the event actual net profits are less than the estimate transferred in June, the difference shall be deducted from the net profits of the next quarter and the resulting sum transferred to the general fund. Distributions to localities shall be made within fifty (50) days of the close of each quarter. Net profits are estimated at \$112,082,813 the first year and \$153,560,429 the second year.

b. Notwithstanding the provisions of § 4.1-116 B, Code of Virginia, the Alcoholic Beverage Control Authority shall properly record the depreciation of all depreciable assets, including approved projects, property, plant and equipment. The State Comptroller shall be notified of the amount of depreciation costs recorded by the Alcoholic Beverage Control Authority. However, such depreciation costs shall not be the basis for reducing the quarterly transfers needed to meet the estimated profits contained in this act.

B.1. If any transfer to the general fund required by any subsections of §§ 3-1.01 through 3-6.04 is subsequently determined to be in violation of any federal statute or regulation, or Virginia constitutional requirement, the State Comptroller is hereby directed to reverse such transfer and to return such funds to the affected nongeneral fund account.

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

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 Virginia, there is hereby transferred to the general fund of the state treasury the amounts listed below. From these amounts \$2,583,531 the first year and \$2,583,531 the second year shall be deposited to the Virginia Water Quality Improvement Fund pursuant to § 10.1-2128.1, Code of Virginia, and designated for deposit to the reserve fund, for ongoing improvements of the Chesapeake Bay and its tributaries. The Department of Motor Vehicles shall be responsible for effecting the provisions of this paragraph. The amounts listed below shall be transferred on June 30 of each fiscal year.

| | | | |
|-----|------------------------------|--------------|--------------|
| 154 | Department of Motor Vehicles | \$10,000,000 | \$10,000,000 |
|-----|------------------------------|--------------|--------------|

D. The provisions of Chapter 6 of Title 58.1, Code of Virginia notwithstanding, the State Comptroller shall transfer to the general fund from the special fund titled "Collections of Local Sales Taxes" a proportionate share of the costs attributable to increased local sales and use tax compliance efforts, the Property Tax Unit, and State Land Evaluation Advisory Committee (SLEAC) services by the Department of Taxation estimated at \$6,039,405 the first year and \$6,039,405 the second year.

E. The State Comptroller shall transfer to the general fund from the Transportation Trust Fund a proportionate share of the costs attributable to increased sales and use tax compliance efforts and revenue forecasting for the Commonwealth Transportation Fund by the Department of Taxation estimated at \$2,907,380 the first year and \$2,907,380 the second year.

F.1. On or before June 30 of each year, the State Comptroller shall transfer \$9,314,242 the first year and \$9,314,242 the second year to the general fund the following amounts from the agencies and fund sources listed below, for expenses incurred by central service agencies:

| Agency Name | Fund Group | FY 2023 | FY 2024 |
|---|------------|-----------|-----------|
| Administration of Health Insurance (149) | 0500 | \$513,704 | \$513,704 |
| Department of Forestry (411) | 0900 | \$4,902 | \$4,902 |
| Department of Small Business and Supplier Diversity (350) | 0200 | \$6,249 | \$6,249 |
| Virginia Museum of Fine Arts (238) | 0200 | \$15,041 | \$15,041 |
| Virginia Museum of Fine Arts (238) | 0500 | \$13,651 | \$13,651 |
| Board of Accountancy (226) | 0900 | \$11,983 | \$11,983 |
| Department for Aging | 0200 | \$30,313 | \$30,313 |

| | | | |
|--|------|-------------|-------------|
| and Rehabilitative Services (262) | | | |
| Department for the Deaf and Hard of Hearing (751) | 0200 | \$8,344 | \$8,344 |
| Department of Behavioral Health and Developmental Services (720) | 0200 | \$81,022 | \$81,022 |
| Department of Health (601) | 0900 | \$79,883 | \$79,883 |
| Virginia Foundation for Healthy Youth (852) | 0900 | \$17,201 | \$17,201 |
| State Corporation Commission (171) | 0900 | \$2,745 | \$2,745 |
| Virginia College Savings Plan (174) | 0500 | \$292,414 | \$292,414 |
| Board of Bar Examiners (233) | 0200 | \$109 | \$109 |
| Supreme Court (111) | 0900 | \$354,019 | \$354,019 |
| Department of Professional and Occupational Regulations (222) | 0200 | \$4,415 | \$4,415 |
| Department of Conservation and Recreation (199) | 0900 | \$65,932 | \$65,932 |
| Department of Wildlife Resources (403) | 0900 | \$117,607 | \$117,607 |
| Department of Criminal Justice Services (140) | 0200 | \$23,378 | \$23,378 |
| Department of Fire Programs (960) | 0200 | \$84,660 | \$84,660 |
| Division of Community Corrections (767) | 0900 | \$16,233 | \$16,233 |
| Department of Aviation (841) | 0400 | \$79,561 | \$79,561 |
| Department of Motor Vehicles (154) | 0400 | \$3,878,102 | \$3,878,102 |
| Department of Rail and Public Transportation (505) | 0400 | \$587,577 | \$587,577 |
| Department of Transportation (501) | 0400 | \$2,721,175 | \$2,721,175 |

| | | | |
|--|------|-----------|--------------------|
| Motor Vehicle Dealer Board (506) | 0200 | \$17,152 | \$17,152 |
| Virginia Passenger Rail Authority (522) | 0400 | \$46,094 | \$46,094 |
| Virginia Port Authority (407) | 0200 | \$173,531 | \$173,531 |
| Virginia Port Authority (407) | 0400 | \$67,245 | \$67,245 |
| \$9,314,242 | | | \$9,314,242 |

2. Following the transfers authorized in paragraph F.1. of this section in the each year, the State Comptroller shall transfer \$2,787,795 each year back to the Department of Motor Vehicles to replace the anticipated loss of driving privilege reinstatement fee revenue.

G.1. The State Comptroller shall transfer to the Lottery Proceeds Fund established pursuant to § 58.1-4022.1, Code of Virginia, an amount estimated at \$784,671,715 the first year and \$850,842,423\$944,668,276 the second year, from the Virginia Lottery Fund. The transfer each year shall be made in two parts: (1) on or before January 1 of each year, the State Comptroller shall transfer from the Virginia Lottery Fund the estimated profits generated for the first five months of the fiscal year and (2) thereafter, the transfer of estimated profits will be made on a monthly basis, or until the amount estimated at \$784,671,715 the first year and \$850,842,423\$944,668,276 the second year has been transferred to the Lottery Proceeds Fund. The final annual transfer of profits necessary to reach the annual estimate noted in this section, not to exceed the amounts estimated in this paragraph, shall be initiated no later than June 20 of each year, so that the estimated profits can be transferred to the Lottery Proceeds Fund prior to June 22.

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 shall transfer to the Lottery Proceeds Fund the remaining audited balances of the Virginia Lottery Fund profits for the prior fiscal year. If such annual audit discloses that the actual revenue was less than the total transfer of estimated profits for the year, the State Comptroller shall adjust the next transfer from the Virginia Lottery Fund to account for the difference between the actual revenue and the estimate transferred to the Lottery Proceeds Fund. The State Comptroller shall take all actions necessary to effect the transfers required by this paragraph, notwithstanding the provisions of § 58.1-4022, Code of Virginia. In preparing the Comprehensive Annual Financial Report, the State Comptroller shall report the Lottery Proceeds Fund as specified in § 58.1-4022.1, Code of Virginia.

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

2.a. The State Treasurer is authorized to charge institutions of higher education participating in the pooled bond program of the Virginia College Building Authority an 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 determined by the State Treasurer. Such amounts collected from the public institutions of higher education, which are estimated to generate \$100,000 the first year and \$100,000 the second year, shall be paid into the general fund of the state treasury.

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

4. The State Treasurer is authorized to charge projects financed under Article X, Section 9(c) of the Constitution of Virginia, an 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 determined by the State Treasurer. Such amounts collected are estimated to generate \$50,000 the first year and \$50,000 the second year, and shall be paid into the general fund of the state treasury.

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

J.1. The State Comptroller shall transfer to the general fund from the Revenue Stabilization Fund in the state treasury any amounts in excess of the limitation specified in § 2.2-1829, Code of Virginia if applicable and pursuant to Item 267 of this act.

2. *The State Comptroller shall transfer to the general fund from the Revenue Reserve Fund in the state treasury any amounts in*

excess of the limitations specified in §§ 2.2-1829 and 2.2-1831.3, Code of Virginia if applicable and pursuant to Item 267 of this act.

K.1. Not later than 30 days after the close of each quarter during the biennium, the State Comptroller shall transfer, notwithstanding the allotment specified in § 58.1-1410, Code of Virginia, funds collected pursuant to § 58.1-1402, Code of Virginia, from the general fund to the Game Protection Fund. This transfer shall not exceed \$7,300,000 the first year and \$7,300,000 the second year.

2. Notwithstanding the provisions of subparagraph K.1. above, the Governor may, at his discretion, direct the State Comptroller to transfer to the Game Protection Fund, any funds collected pursuant to § 58.1-1402, Code of Virginia, that are in excess of the official revenue forecast for such collections.

L.1. On or before June 30 each year, the State Comptroller shall transfer from the general fund to the Family Access to Medical Insurance Security Plan Trust Fund the amount required by § 32.1-352, Code of Virginia. This transfer shall not exceed \$14,065,627 the first year and \$14,065,627 the second year. The State Comptroller shall transfer 90 percent of the yearly estimated amounts to the Trust Fund on July 15 of each year.

2. Notwithstanding any other provision of law, interest earnings shall not be allocated to the Family Access to Medical Insurance Security Plan Trust Fund (agency code 602, fund detail 0903) in either the first year or the second year of the biennium.

M. Not later than thirty days after the close of each quarter during the biennium, the State Comptroller shall transfer to the Game Protection Fund the general fund revenues collected pursuant to § 58.1-638 E, Code of Virginia. Notwithstanding § 58.1-638 E, this transfer shall not exceed \$11,500,000 the first year and \$11,500,000 the second year. Notwithstanding § 58.1-638 E, on or before June 30 of the first year and June 30 of the second year, the State Comptroller shall transfer to the Virginia Port Authority \$4,000,000 on or before June 30 of the first year and \$4,000,000 on or before June 30 of the second year of the general fund revenues collected pursuant to § 58.1-638 E, Code of Virginia, to enhance and improve recreation opportunities for boaters, including but not limited to land acquisition, capital projects, maintenance, and facilities for boating access to the waters of the Commonwealth pursuant to the provisions of Senate Bill 693, 2018 Session of the General Assembly.

N.1. On or before June 30 each year, the State Comptroller shall transfer from the Tobacco Indemnification and Community Revitalization Fund to the general fund an amount estimated at \$244,268 the first year and \$244,268 the second year. This amount represents the Tobacco Region Revitalization Commission's 50 percent proportional share of the Office of the Attorney General's expenses related to the enforcement of the 1998 Tobacco Master Settlement Agreement and § 3.2-4201, Code of Virginia.

2. On or before June 30 each year, the State Comptroller shall transfer from the Tobacco Settlement Fund to the general fund an amount estimated at \$48,854 the first year and \$48,854 the second year. This amount represents the Tobacco Settlement Foundation's ten percent proportional share of the Office of the Attorney General's expenses related to the enforcement of the 1998 Tobacco Master Settlement Agreement and § 3.2-4201, Code of Virginia.

O. On or before June 30 each year, the State Comptroller shall transfer to the general fund \$2,400,000 the first year and \$2,400,000 the second year from the Court Debt Collection Program Fund at the Department of Taxation.

P. On or before June 30 each year, the State Comptroller shall transfer to the general fund \$7,400,000 the first year and \$7,400,000 the second year from the Department of Motor Vehicles' Uninsured Motorists Fund. These amounts shall be from the share that would otherwise have been transferred to the State Corporation Commission.

Q. On or before June 30 each year, the State Comptroller shall transfer an amount estimated at \$5,000,000 the first year and an amount estimated at \$5,000,000 the second year to the general fund from the Intensified Drug Enforcement Jurisdictions Fund at the Department of Criminal Justice Services.

R. On or before June 30 each year, the State Comptroller shall transfer to the general fund \$3,864,585 the first year and \$3,864,585 the second year from operating efficiencies to be implemented by the Alcoholic Beverage Control Authority.

S. On or before June 30 each year, the State Comptroller shall transfer \$466,600 the first year and \$466,600 the second year to the general fund from the Land Preservation Fund (Fund 0216) at the Department of Taxation.

T. Unless prohibited by federal law or regulation or by the Constitution of Virginia and notwithstanding any contrary provision 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 balance from any nongeneral fund account that has a cash balance of less than \$100. This provision shall not apply to institutions of higher education, bond proceeds, or trust accounts. The State Comptroller shall consult with the Director of the Department of Planning and Budget in implementing this provision and, for just cause, shall have discretion to exclude certain balances from this transfer or to restore certain balances that have been transferred.

U.1. The Brunswick Correctional Center operated by the Department of Corrections shall be sold. The Commonwealth may enter into negotiations with (1) the Virginia Tobacco Region Revitalization Commission, (2) regional local governments, and

(3) regional industrial development authorities for the purchase of this property as an economic development site.

2. Notwithstanding the provisions of § [2.2-1156](#), Code of Virginia or any other provisions of law, the proceeds of the sale of the Brunswick Correctional Center shall be paid into the general fund.

V. On a monthly basis, in the month subsequent to collection, the State Comptroller shall transfer all amounts collected for the fund created pursuant to § [17.1-275.12](#) of the Code of Virginia, to Items 345, 408, and 430 of this act, for the purposes enumerated in Section 17.1-275.12.

W. On or before June 30 ~~each year~~, the State Comptroller shall transfer \$12,518,587 the first year and \$12,518,587 the second year to the general fund from the \$2.00 increase in the annual vehicle registration fee from the special emergency medical services fund contained in the Department of Health's Emergency Medical Services Program (40200).

X. The provisions of Chapter 6.2, Title 58.1, Code of Virginia, notwithstanding, on or before June 30 each year the State Comptroller shall transfer to the general fund from the proceeds of the Virginia Communications Sales and Use Tax (fund 0926), the Department of Taxation's indirect costs of administering this tax estimated at \$90,780 the first year and \$90,780 the second year.

Y. Any amount designated by the State Comptroller from the June 30, 2022, or June 30, 2023, general fund balance for transportation pursuant to § [2.2-1514B.](#), Code of Virginia, is hereby appropriated.

Z. On or before June 30, of each fiscal year, the State Comptroller shall transfer to the State Health Insurance Fund (Fund 06200) the balance from the Administration of Health Benefits Services Fund (Fund 06220) at the Department of Human Resource Management.

AA. The Department of General Services is authorized to dispose of the following property currently owned by the Department of Corrections in the manner it deems to be in the best interests of the Commonwealth: Pulaski Correctional Center and White Post Detention and Diversion Center. Such disposal may include sale or transfer to other agencies or to local government entities. Notwithstanding the provisions of § [2.2-1156](#), Code of Virginia, the proceeds from the sale of all or any part of the properties shall be deposited into the general fund.

BB. The State Comptroller shall transfer all revenues collected each year to the general fund from the Firearms Transaction, Concealed Weapons Permit, and Conservator of the Peace Programs at the Department of State Police.

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

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

EE. On or before June 30, of each fiscal year, the State Comptroller shall transfer \$154,743 from Special Funds of the Department of Behavioral Health and Developmental Services (720) to Special Funds at the Office of the State Inspector General (147).

FF. On or before June 30 of each fiscal year, the State Comptroller shall transfer to the general fund the portion of the balances of the Disaster Recovery Fund (Fund 02460) and Covid-19 Addtnl State Funding (Fund 02019) at the Virginia Department of Emergency Management that was received as a federal cost recovery. The amounts transferred represent repayment of the sum sufficient fund originally appropriated for federally-declared emergencies. The Department of Emergency Management shall report to the State Comptroller the amount of the balance to be transferred by June 1 of each year.

GG. Notwithstanding the provisions of subsection A of § [58.1-662](#), Code of Virginia, and in addition to clause (i) and (ii) of that subsection, monies in the Communications Sales and Use Tax Trust Fund shall not be allocated to the Commonwealth's counties, cities, and towns until after an amount equal to \$2,000,000 the first year is allocated to the general fund. The State Comptroller shall deposit to the general fund \$2,000,000 on or before June 30, the first year and an additional \$2,000,000 on or before June 30, the second year from the revenues received from the Communications Sales and Use Tax.

HH. The transfer of excess amounts in the Regulatory, Consumer Advocacy, Litigation, and Enforcement Revolving Trust Fund to the general fund pursuant to Item 63 of this act is estimated at \$500,000 the first year and \$500,000\$2,834,659 the second year.

II. No later than July 31, 2022, the State Comptroller shall execute a one-time transfer totaling \$25.0 million from the unobligated balances of the Community Flood Preparedness Fund (09037) to the Resilient Virginia Revolving Loan Fund, established pursuant to § [10.1-603.29](#), Code of Virginia.

JJ. The Virginia Department of Agriculture and Consumer Services (VDACS) is authorized to transfer the Eastern Shore Farmers Market, including the Market Office Building at 18491 Garey Road and the Produce Warehouse at 18513 Garey Road, Melfa, Virginia 23410, and the Seafood Market Building located at 18555 Garey Road, Melfa, Virginia 23410 for no consideration to the Industrial Authority of Accomack County (IAAC) subject to an appropriation being made satisfactory to the Virginia Department of

Treasury for the remediation of tax-advantaged bonds that financed the construction, improvement and equipping of such facilities. VDACS is further authorized to grant any and all easements necessary to complete the conveyance. IAAC will be responsible for all transaction expenses associated with the transfer.

KK. On or before June 30, 2024, the State Comptroller shall transfer to the general fund an amount estimated at \$1,000,000 from the Virginia Bioscience Health Research Corporation.

LL. On or before June 30, 2024, the State Comptroller shall transfer to the general fund an estimated \$18,934 in nongeneral fund cash balances remaining for two legislative commissions that have concluded and for which remaining funds cannot be otherwise used. While total amounts remaining for these funds are authorized for transfer, specific amounts estimated include: (i) an amount estimated at \$18,745 in balances for defunct agency 867, Virginia Bicentennial of the American War of 1812 Commission, and (ii) an amount estimated at \$189 for defunct agency 872, Virginia World War I and World War II Commemoration Commission.

MM. On or before June 30, 2024, the State Comptroller shall transfer to the general fund an amount estimated at \$250,000 from the special fund balances of the Commission on the Virginia Alcohol Safety Action Program.

NN. On or before June 30, 2024, the State Comptroller shall transfer \$4,929,426 to the general fund from the Covered Institution Interest Escrow Fund (fund 03220) from agencies in the amounts listed below:

| | |
|---|-------------|
| The College of William and Mary (204) | \$506,035 |
| University of Virginia (207) | \$2,227,936 |
| University of Virginia's College at Wise (246) | \$14,861 |
| Virginia Commonwealth University (236) | \$743,044 |
| Virginia Polytechnic Institute and State University (208) | \$1,437,550 |

OO. As required by § 4-1.05 b. of Chapter 1, 2023 Acts of Assembly, Special Session I, \$31,152 in various inactive nongeneral fund accounts were reverted by the State Comptroller to the general fund in the second year.

PP. Notwithstanding any other provision of law, on or before June 30, of the second year, the State Comptroller shall transfer all remaining balances, estimated at \$41,800,000, to the general fund from the 2023 Individual Income Tax Rebate Fund established pursuant to Item 3-5.28 of Chapter 1, 2023 Acts of Assembly, Special Session I.

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

RR. Notwithstanding any other provision of law or Item in this act, on the effective date of this act pursuant to § 4-14.00 of this act, the State Comptroller shall transfer \$25,000,000 to the general fund from the College Partnership Laboratory Schools Fund established pursuant to § 22.1-349.2, Code of Virginia.

§ 3-1.02 INTERAGENCY TRANSFERS

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

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

A. To meet the occasional short-term cash needs of the general fund during the course of the year when cumulative year-to-date disbursements exceed temporarily cumulative year-to-date revenue collections, the State Comptroller is authorized to draw cash temporarily from nongeneral fund cash balances deemed to be available, although special dedicated funds related to commodity boards are exempt from this provision. Such cash drawdowns shall be limited to the amounts immediately required by the general fund to meet disbursements made in pursuance of an authorized appropriation. However, the amount of the cash drawdown from any particular nongeneral fund shall be limited to the excess of the cash balance of such fund over the amount otherwise necessary to meet the short-term disbursement requirements of that nongeneral fund. The State Comptroller will ensure that those funds will be replenished in the normal course of business.

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

C. The Secretary of Finance, the State Treasurer and the Commonwealth Transportation Commissioner shall jointly agree on the amounts of such interfund borrowings. Such borrowed amounts shall be repaid to the Transportation Trust Fund at the earliest practical time when they are no longer needed to meet short-term cash needs of the general fund, provided, however,

that such borrowed amounts shall be repaid within the biennium in which they are borrowed. Interest shall accrue daily at the rate per annum equal to the then current one-year United States Treasury Obligation Note rate.

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

§ 3-2.00 WORKING CAPITAL FUNDS AND LINES OF CREDIT

§ 3-2.01 ADVANCES TO WORKING CAPITAL FUNDS

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

B. The State Comptroller shall provide a Working Capital Advance for up to \$16,000,000 on July 1 of the first year to the Department of Veterans Services to operate the Puller & Cabacoy Veterans Care Centers, to be repaid from revenue generated by the facilities.

§ 3-2.02 CHARGES AGAINST WORKING CAPITAL FUNDS

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

§ 3-2.03 LINES OF CREDIT

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

| | |
|--|---------------|
| Administration of Health Insurance, Health Benefits Services | \$75,000,000 |
| Administration of Health Insurance, Line of Duty Act | \$10,000,000 |
| Department of Accounts, for the Payroll Service Bureau | \$400,000 |
| Department of Accounts, Transfer Payments | \$5,250,000 |
| Alcoholic Beverage Control Authority | \$80,000,000 |
| Department of Corrections, for Virginia Correctional Enterprises | \$1,000,000 |
| Department of Corrections, for Federal Grant Processing | \$1,000,000 |
| Department of Emergency Management, for Hazardous Material Incident Response | \$150,000 |
| Department of Emergency Management, for Federal Grant Processing | \$500,000 |
| Department of Emergency Management, for Next Generation 911 service | \$15,000,000 |
| Department of Environmental Quality | \$5,000,000 |
| Department of Human Resource Management, for the Workers' Compensation Self Insurance Trust Fund | \$10,000,000 |
| Department of Behavioral Health and Developmental Services | \$30,000,000 |
| Department of Medical Assistance Services, for the Virginia Health Care Fund | \$12,000,000 |
| Department of Motor Vehicles | \$30,600,000 |
| Department of the Treasury, for the Unclaimed Property Trust Fund | \$5,000,000 |
| Department of the Treasury, for the State Insurance Reserve Trust Fund | \$25,000,000 |
| Virginia Lottery | \$56,000,000 |
| Virginia Information Technologies Agency | \$165,000,000 |
| Virginia Tobacco Settlement Foundation | \$3,000,000 |
| Department of Historic Resources | \$600,000 |
| Department of Fire Programs | \$30,000,000 |

| | |
|--|--------------|
| Compensation Board | \$8,000,000 |
| Department of Conservation and Recreation | \$4,000,000 |
| Department of Military Affairs, for State Active Duty | \$5,000,000 |
| Department of Military Affairs, for Federal Cooperative Agreements | \$30,000,000 |
| Virginia Parole Board | \$50,000 |
| Commonwealth's Attorneys' Services Council | \$200,000 |
| Department of State Police, for the Internet Crimes Against Children Grant | \$3,700,000 |
| Department of State Police, for Federal Grant Processing | \$1,500,000 |
| Department of Social Services, for timing issues related to the receipt of federal grants and other payments | \$17,000,000 |

b. The State Comptroller shall execute an agreement with each agency documenting the procedures for the line of credit, including, 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 apply to these lines of credit.

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

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 up to \$2,500,000 to the Department of State Police to be repaid from revenues provided under the federal government's establishment of Uniform Carrier Registration.

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 year and to provide cash to the Virginia Lottery Fund to meet the required transfer of estimated lottery profits to the Lottery Proceeds Fund, as specified in provisions of § 3-1.01G. of this act. The Virginia Lottery shall repay the line of credit as actual cash flows become available. The Secretary of Finance is authorized to increase the line of credit to the Virginia Lottery if necessary to meet operating needs.

f. 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 cover the actual costs of responding to State Active Duty. The line of credit will be repaid as the Department of Military Affairs is reimbursed from federal or other funds, other than Department of Military Affairs funds.

g. The Department of Human Resource Management shall repay the local health insurance option program's initial start-up costs, funded through the line of credit authorized in Chapter 836, 2017 Acts of Assembly, in fiscal years 2017 and 2018, over a period not to exceed ten years from the health insurance premiums paid by the local health insurance option program's participants.

h. The Department of Conservation and Recreation may utilize the line of credit authorized in paragraph a. to continue the development of the coastal master plan, including use of a consultant to assist in the plan's development. Any funds spent from the line of credit for this purpose shall be repaid from revenues generated by the Commonwealth's participation in the sale of allowances through the Regional Greenhouse Gas Initiative and deposited to the Virginia Community Flood Preparedness Fund pursuant to § 10.1-603.25, Code of Virginia.

i. The line of credit authorized in paragraph a. for the Virginia Department of Emergency Management, for Next Generation 911 service shall be provided to the 911 Services Board as a temporary cash flow advance. Funds received from the line of credit shall be used only to support implementation of next generation 911 service and shall be distributed in a manner consistent with § 56-484.17 (D), Code of Virginia. The request for the line of credit shall be prepared in the formats as approved by the Secretary of Finance and the Secretary of Public Safety and Homeland Security. The Secretary of Finance and the Secretary of Public Safety and Homeland Security shall approve drawdowns from the Virginia Department of Emergency Management's Next Generation 911 line of credit prior to the expenditure of funds.

§ 3-3.00 GENERAL FUND DEPOSITS

§ 3-3.01 PAYMENT BY THE STATE TREASURER

The state Treasurer shall transfer an amount estimated at \$50,000 on or before June 30, 2023 and an amount estimated at \$50,000 on or before June 30, 2024, to the general fund from excess 9(c) sinking fund balances.

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

§ 3-4.01 AUXILIARY ENTERPRISE INVESTMENT YIELDS

A. 1. The educational and general programs in institutions of higher education shall recover the full indirect cost of auxiliary enterprise programs as certified by institutions of higher education to the Comptroller subject to annual audit by the Auditor of Public Accounts. The State Comptroller shall credit those institutions meeting the requirement with the interest earned by the investment of funds of their auxiliary enterprise programs.

2. The University of Virginia's College at Wise is authorized to suspend the transfer of the recovery of the full indirect cost of auxiliary enterprise programs to the educational and general program for the 2022-2024 biennium.

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

§ 3-5.00 ADJUSTMENTS AND MODIFICATIONS TO TAX COLLECTIONS

§ 3-5.01 RETALIATORY COSTS TO OTHER STATES TAX CREDIT

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

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

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

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

Revenues deposited into the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under § [58.1-638.1](#) of the Code of Virginia pursuant to enactments of the 2004 Special Session of the General Assembly shall be transferred to the general fund and used to meet the Commonwealth's responsibilities for the Standards of Quality prescribed pursuant to Article VIII, Section 2, of the Constitution of Virginia. The Comptroller shall take all actions necessary to effect such transfers monthly, no later than 10 days following the deposit to the Fund. The amounts transferred shall be distributed to localities as specified in Direct Aid to Public Education's (197), State Education Assistance Programs (17800) of this Act. The estimated amount of such transfers are \$507,300,000 the first year and \$522,000,000\$550,898,980 the second year.

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

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

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

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, 2009, the Commonwealth shall be entitled to two-thirds of the excess fees collected by the clerks of the circuit courts as required to be reported under § [17.1-283](#).

§ 3-5.06. Omitted.

§ 3-5.07 DISCOUNTS AND ALLOWANCES

A. Notwithstanding any other provision of law, effective beginning with the return for June 2010, due July 2010, the compensation 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 [58.1-604](#), Code of Virginia, by electronic funds transfer pursuant to § [58.1-202.1](#), Code of Virginia, and the compensation available 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 [58.1-604](#), Code of Virginia:

Monthly Taxable Sales

Percentage

| | |
|-----------------------|------|
| \$0 to \$62,500 | 1.6% |
| \$62,501 to \$208,000 | 1.2% |
| \$208,001 and above | 0.8% |

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

C. Beginning with the return for June 2011, due July 2011, the compensation under § [58.1-1021.03](#) shall be reinstated.

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

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

§ 3-5.09 INTANGIBLE HOLDING COMPANY ADDBACK

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

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

(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 unrelated parties shall be limited and apply to the portion of such income received by the related member that owns the intangible property and derived from licensing agreements for which the rates and terms are comparable to the rates and terms of agreements that such related member has entered into with unrelated entities.

§ 3-5.10 REGIONAL FUELS TAX

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

§ 3-5.11 DEDUCTION FOR ABLE ACT CONTRIBUTIONS

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

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

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

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

§ 3-5.12 RETAIL SALES AND USE TAX EXEMPTION FOR RESEARCH FOR FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS

A. Notwithstanding any other provision of law or regulation, and beginning July 1, 2016 and ending June 30, 2018, the retail sales and use tax exemption provided for in subdivision 5 of § [58.1-609.3](#) of the Code of Virginia, applicable to tangible

personal property purchased or leased for use or consumption directly and exclusively in basic research or research and development in the experimental or laboratory sense, shall apply to such property used in a federally funded research and development center, regardless of whether such property is used by the purchaser, lessee, or another person or entity.

B. Notwithstanding any other provision of law, beginning July 1, 2018, tangible personal property purchased by a federally funded research and development center sponsored by the U.S. Department of Energy shall be exempt from the retail sales and use tax.

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

§ 3-5.13 ADMISSIONS TAX

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

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

A. Notwithstanding any other provision of law the General Assembly shall not advance the sunset date on any existing sales tax exemption or tax credit beyond June 30, 2025. Any new sales tax exemption or tax credit enacted by the General Assembly after the 2019 regular legislative session, but prior to the 2024 regular legislative session, shall have a sunset date of not later than June 30, 2025. However, this requirement shall not apply to tax exemptions administered by the Department of Taxation under § [58.1-609.11](#), relating to exemptions for nonprofit entities nor shall it apply to exemptions or tax credits with sunset dates after June 30, 2022, enacted or advanced during the 2016 Session of the General Assembly, *to the Virginia housing opportunity tax credit under Article 13.4 (§ 58.1-439.29 et seq.) of Chapter 3 of Title 58.1 of the Code of Virginia*, or to the Motion Picture Production Tax Credit under § [58.1-439.12:03](#), Code of Virginia.

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

§ 3-5.15 PROVIDER COVERAGE ASSESSMENT

A. The Department of Medical Assistance Services (DMAS) is authorized to levy an assessment upon private acute care hospitals operating in Virginia in accordance with this Item. Private acute care hospitals operating in Virginia shall pay a coverage assessment beginning on or after October 1, 2018. For the purposes of this coverage assessment, the definition of private acute care hospitals shall exclude public hospitals, freestanding psychiatric and rehabilitation hospitals, children's hospitals, long stay hospitals, long-term acute care hospitals and critical access hospitals.

B.1. The coverage assessment shall be used only to cover the non-federal share of the "full cost of expanded Medicaid coverage" for newly eligible individuals pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act, including the administrative costs of collecting the coverage assessment and implementing and operating the coverage for newly eligible adults which includes the costs of administering the provisions of the Section 1115 waiver.

2.a. The "full cost of expanded Medicaid coverage" shall include: 1) any and all Medicaid expenditures related to individuals eligible for Medicaid pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act, including any federal actions or repayments; and, 2) all administrative costs associated with providing coverage, which includes the costs of administering the provisions of the Section 1115 waiver, and collecting the coverage assessment.

b. The "full cost of expanded Medicaid coverage" shall be updated: 1) on November 1 of each year based on the official Medicaid forecast and latest administrative cost estimates developed by DMAS; 2) no more than 30 days after the enactment of this Act to reflect policy changes adopted by the latest session of the General Assembly; and 3) on March 1 of any year in which DMAS estimates that the most recent non-federal share of the "full cost of expanded Medicaid coverage" times 1.08 will be insufficient to pay all expenses in 2.a. for that year.

C.1. The "coverage assessment amount" shall equal the non-federal share of the "full cost of expanded Medicaid coverage" times 1.02.

2. The "coverage assessment percentage" shall be calculated quarterly by dividing (i) the "coverage assessment amount" by (ii) the total "net patient service revenue" for hospitals subject to the assessment. The coverage assessment amount used in the quarterly calculation of the "coverage assessment percentage" shall include a reconciliation of the Health Care Coverage Assessment Fund prescribed in D.1 and subtract all prior quarterly assessments paid for that fiscal year before dividing the remainder by the remaining quarters in the fiscal year.

3. Each hospital's "net patient service revenue" equals the amount reported in the most recent Virginia Health Information (VHI) "Hospital Detail Report." Hospitals shall certify that the net patient service revenue is hospital revenue and this amount shall be the assessment basis for the following fiscal year.

4. Each hospital's coverage assessment amount shall be calculated by multiplying the quarterly "coverage assessment percentage" times each hospital's net patient service revenue.

D.1. DMAS shall, at a minimum, update the "coverage assessment amount" whenever the "full cost of expanded Medicaid coverage" is updated in section B.2.b or to ensure amounts are sufficient to cover the full cost of expanded Medicaid coverage based on the latest estimate. Hospitals shall be given no less than 15 days' notice prior to the beginning of the quarter with associated calculations supporting the change in its coverage assessment amount. Prior to any change to the coverage assessment amount, DMAS shall perform and incorporate a reconciliation of the Health Care Coverage Assessment Fund through the most recent complete quarter. Any estimated excess or shortfall of revenue shall be deducted from or added to the "coverage assessment amount."

2. DMAS shall be responsible for collecting the coverage assessment amount. Hospitals subject to the coverage assessment shall make quarterly payments due no later than July 1, October 1, January 1 and April 1 of each state fiscal year.

3. Hospitals that fail to make the coverage assessment payments within 30 days of the due date shall incur a five percent penalty that shall be deposited in the Virginia Health Care Fund. Any unpaid coverage assessment or penalty will be considered a debt to the Commonwealth and DMAS is authorized to recover it as such.

E. DMAS shall submit a report, due September 1 of each year, to the Director, Department of Planning and Budget and Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Virginia Hospital and Healthcare Association. The report shall include, for the most recently completed fiscal year, the revenue collected from the coverage assessment, expenditures for purposes authorized by this Item, and the year-end coverage assessment balance in the Health Care Coverage Assessment Fund. The report shall also include a complete and itemized listing of all administrative costs included in the coverage assessment.

F. All revenue from the coverage assessment excluding penalties, shall be deposited into the Health Care Coverage Assessment Fund. Proceeds from the coverage assessment, excluding penalties, shall not be used for any other purpose than to cover the non-federal share of the full cost of expanded Medicaid coverage. Notwithstanding any other provision of law, the net state share of any prior year recovery of Medicaid expansion costs that were paid with coverage assessment revenue shall be deposited into the Health Care Coverage Assessment Fund.

G. Any provision of this Item is contingent upon approval by the Centers for Medicare and Medicaid Services if necessary.

H. The Hospital Payment Policy Advisory Council shall meet to consider the implementation and provisions of the Provider Coverage and Payment Rate Assessments in order to consider and make recommendations to ensure the collection and use of such funds are appropriate and consistent with the intent of the General Assembly. Specifically, the Council shall consider the level of detail and format necessary to develop the report pursuant to paragraph E. The Council shall recommend a format and associated level of detail, to be included in the report to the Joint Subcommittee for Health and Human Resources Oversight. The Joint Subcommittee shall approve the final format and associated level of detail of the report to be submitted by the Department of Medical Assistance Services.

§ 3-5.16 PROVIDER PAYMENT RATE ASSESSMENT

A. The Department of Medical Assistance Services (DMAS) is hereby authorized to levy a payment rate assessment upon private acute care hospitals operating in Virginia in accordance with this item. Private acute care hospitals operating in Virginia shall pay a payment rate assessment beginning on or after October 1, 2018 when all necessary state plan amendments are approved by the Centers for Medicare and Medicaid Services (CMS). For purposes of this assessment, the definition of private acute care hospitals shall exclude public hospitals, freestanding psychiatric and rehabilitation hospitals, children's hospitals, long stay hospitals, long-term acute care hospitals and critical access hospitals.

B. Proceeds from the payment rate assessment shall be used to (i) fund an increase in inpatient and outpatient payment rates paid to private acute care hospitals operating in Virginia up to the "upper payment limit gap"; and (ii) fill the "managed care organization hospital payment gap" for care provided to recipients of medical assistance services. Payments made under the provisions i and ii of this paragraph shall be referred to as "private acute care hospital enhanced payments".

C.1. The Department of Medical Assistance Services (DMAS) shall calculate each hospital's "payment rate assessment amount" by multiplying the "payment rate assessment percentage" times "net patient service revenue" as defined below.

2. The "payment rate assessment percentage" for hospitals shall be calculated as (i) the non-federal share of funding the "private acute care hospitals enhanced payments" divided by (ii) the total "net patient service revenue" for hospitals subject to the assessment.

3. Each hospital's "net patient service revenue" equals the amount reported in the most recent Virginia Health Information (VHI) "Hospital Detail Report." Hospitals shall certify that the net patient service revenue is hospital revenue and this amount shall be the assessment basis for the following fiscal year.

D. DMAS is authorized to update the payment rate assessment amount and payment rate assessment percentage on a quarterly basis to ensure amounts are sufficient to cover the non-federal share of the full cost of the private acute care hospital enhanced payments based on the department's quarterly claims and encounter data. Hospitals shall be given no less than 15 days prior notice of the new assessment amount and be provided with calculations. Prior to any change to the payment rate assessment amount, DMAS shall perform and incorporate a reconciliation of the Health Care Provider Payment Rate Assessment Fund. Any estimated excess or shortfall of revenue since the previous reconciliation shall be deducted from or added to the calculation of the private acute care hospital enhanced payments.

E.1. The "upper payment limit" means the limit on payment for inpatient services for recipients of medical assistance established in accordance with 42 C.F.R. § 447.272 and outpatient services for recipients of medical assistance pursuant to 42 C.F.R. § 447.321 for private hospitals. DMAS shall complete a calculation of the "upper payment limit" for each state fiscal year with a detailed analysis of how it was determined. The "upper payment limit payment gap" means the difference between the amount of the private hospital upper payment limit and the amount otherwise paid pursuant to the state plan for inpatient and outpatient services. The "managed care organization hospital payment gap" means the difference between the amount included in the capitation rates for inpatient and outpatient services based on historical paid claims and the amount that would be included when the projected hospital services furnished by private acute care hospitals operating in Virginia are priced for the contract year equivalent to the maximum managed care directed payment amount as allowed by CMS subject to CMS approval under 42 C.F.R. section 438.6(c). As part of the development of the managed care capitation rates, the DMAS shall calculate a "Medicaid managed care organization (MCO) supplemental hospital capitation payment adjustment". This is a distinct additional amount that shall be added to Medicaid MCO capitation rates to fund supplemental payments under this section to private acute care hospitals operating in Virginia for services to Medicaid recipients.

2. DMAS shall contractually direct Medicaid MCOs to disburse supplemental hospital capitation payment funds consistent with this section and 42 C.F.R. § 438.6(c), to ensure that all such funds are disbursed to private acute care hospitals operating in Virginia. In addition, DMAS shall contractually prohibit MCOs from making reductions to or supplanting hospital payments otherwise paid by MCOs.

3. DMAS shall make available quarterly a report of the additional capitation payments that are made to each MCO pursuant to this item. Further, DMAS shall consider recommendations of the Medicaid Hospital Payment Policy and Advisory Council in designing and implementing the specific elements of the payment rate assessment and private acute care hospital supplemental payment program authorized by this item.

F.1. DMAS shall be responsible for collecting the payment rate assessment amount. Hospitals subject to the payment rate assessment shall make quarterly payments due no later than August 15, November 15, February 15 and May 15 of each state fiscal year.

2. Hospitals that fail to make the payment rate assessment payments on or before the due date in subsection F.1. shall incur a five percent penalty that shall be deposited in the Virginia Health Care Fund. Any unpaid payment assessment or penalty will be considered a debt to the Commonwealth and DMAS is authorized to recover it as such.

G. DMAS shall submit a report due September 1 of each year to the Director, Department of Planning and Budget and Chairs of the House Appropriations and Senate Finance and Appropriations Committees. The report shall include, for the most recently completed fiscal year, the revenue collected from the payment rate assessment, expenditures for purposes authorized by this item, and the year-end assessment balance in the Health Care Provider Payment Rate Assessment Fund.

H. All revenue from the payment rate assessment shall be deposited into the Health Care Provider Payment Rate Assessment Fund, a special non-reverting fund in the state treasury. Proceeds from the payment rate assessment, excluding penalties, shall not be used for any other purpose than to fund (i) an increase in inpatient and outpatient payment rates paid to private acute care hospitals operating in Virginia up to the private hospital "upper payment limit" and "managed care organization hospital payment gap" for care provided to recipients of medical assistance services, and (ii) the administrative costs of collecting the assessment and of implementing and operating the associated payment rate actions.

I. Any provision of this Section is contingent upon approval by the Centers for Medicare and Medicaid Services if necessary.

§ 3-5.17 TOBACCO TAX STUDY

The Joint Subcommittee to Evaluate Tax Preferences is hereby directed to continue studying options for the modernization of § 58.1-1001(A), Code of Virginia, to reflect advances in science and technology in the area of tobacco harm reduction, and the role innovative non-combustible tobacco products can play in reducing harm, including products that produce vapor or aerosol from heating tobacco or liquid nicotine. In addition, the Joint Subcommittee shall study possible reforms to the taxation of tobacco products that will provide fairness and equity for all local governments and also ensure stable tax revenues for the Commonwealth. The Joint Subcommittee shall complete its study and submit a final report with recommended reforms to the Finance Committees of the Virginia Senate and Virginia House of Delegates. All agencies of the Commonwealth shall provide assistance for this study,

upon request.

§3-5.18 HISTORIC PRESERVATION TAX CREDIT

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

§ 3-5.19 LAND PRESERVATION TAX CREDIT CLAIMED

Notwithstanding § [58.1-512](#) or any other provision of law, effective for the taxable year beginning on and after January 1, 2017, but before January 1, 2023, the amount of the Land Preservation Tax Credit that may be claimed by each taxpayer, including amounts carried over from prior taxable years, shall not exceed \$20,000.

§ 3-5.20 NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT

A. Notwithstanding § [58.1-439.20](#) or any other provision of law, for fiscal Year 2023 and fiscal year 2024, the amount of the Neighborhood Assistance Act Tax Credit available under § [58.1-439.18](#) et seq., Code of Virginia, shall be limited to \$20 million allocated as follows: \$12.0 million for education proposals for approval by the Superintendent of Public Instruction and \$8.0 million for all other proposals for approval by the Commissioner of the State Department of Social Services. In making such equitable allocation of credits, the Commissioner of Social Services and the Superintendent of Public Instruction shall consider the portion of a neighborhood organization's revenues and expenses that are used to serve low-income persons and shall not rely solely on the amount of credits allocated to the neighborhood organization in the prior year in allocating available credits.

B. For purposes of this section, the term "individual" means the same as that term is defined in § [58.1-302](#), but excluding any individual included in the definition of a "business firm" as such term is defined in § [58.1-439.18](#).

C. Notwithstanding any other provision of law or regulation, in order to be eligible to receive an allocation of credits pursuant to § [58.1-439.20:1](#), Code of Virginia, at least 50 percent of the persons served by the neighborhood organization, either directly by the neighborhood organization or through the provision of revenues to other organizations or groups serving such persons, shall be low-income persons or eligible students with disabilities and at least 50 percent of the neighborhood organization's revenues shall be used to provide services to low-income persons or to eligible students with disabilities, either directly by the neighborhood organization or through the provision of revenues to other organizations or groups providing such services. A tax credit shall be issued by the Superintendent of Public Instruction or the Commissioner of Social Services to an individual only upon receipt of a certification made by a neighborhood organization to whom tax credits were allocated for an approved program pursuant to § [58.1-439.20](#), § [58.1-439.20:1](#) or this language.

§ 3-5.21 CIGARETTE TAX, TOBACCO PRODUCTS TAX AND TAX ON LIQUID NICOTINE

A. Notwithstanding any other provision of law, the cigarette tax imposed under subsection A of § [58.1-1001](#) of the Code of Virginia shall be 3.0 cents on each cigarette sold, stored or received on and after July 1, 2020.

B. Notwithstanding any other provision of law, the rates of the tobacco products tax imposed under § [58.1-1021.02](#) of the Code of Virginia in effect on June 30, 2020 shall be doubled beginning July 1, 2020 for taxable sales or purchases occurring on and after such date.

C. Notwithstanding any other provision of law, the tobacco products tax imposed under § [58.1-1021.02](#) of the Code of Virginia shall be imposed on liquid nicotine at the rate of \$0.066 per milliliter beginning July 1, 2020 for taxable sales or purchases occurring on and after such date.

D. Notwithstanding any other provision of law, the tobacco products tax imposed under § [58.1-1021.02](#) of the Code of Virginia shall be imposed on any heated tobacco product at the rate of 2.25 cents per stick beginning January 1, 2021 for taxable sales or purchases occurring on and after such date.

E. The Tax Commissioner shall establish guidelines and rules for (i) transitional procedures in regard to the increase in the cigarette tax, (ii) implementation of the increased tobacco products tax rates, and (iii) implementation of the tobacco products tax on liquid nicotine pursuant to the provisions of this act. The development of such guidelines and rules by the Tax Commissioner shall be exempt from the provisions of the Administrative Process Act (Code of Virginia § [2.2-4000](#) et seq.)

F. Notwithstanding any other provision of law, beginning January 1, 2021, for the purposes of the Tobacco Products Tax, a Distributor, as defined in § [58.1-1021.01](#), shall be deemed to have sufficient activity within the Commonwealth to require registration under § [58.1-1021.04:1](#), if such distributor:

1. Receives more than \$100,000 in gross revenue, or other minimum amount as may be required by federal law, from sales of tobacco products in the Commonwealth in the previous or current calendar year, provided that in determining the amount of a dealer's gross revenues, the sales made by all commonly controlled persons as defined in subsection D of § [58.1-612](#) shall be aggregated; or

2. Engages in 200 or more separate tobacco products sales transactions, or other minimum amount as may be required by federal law, in the Commonwealth in the previous or current calendar year, provided that in determining the total number of a dealer's retail sales transactions, the sales made by all commonly controlled persons as defined in subsection D of § 58.1-612 shall be aggregated.

§ 3-5.22 INDIVIDUAL INCOME TAX REBATE

In addition to any refund due pursuant to § 58.1-309 of the Code of Virginia, and for taxable years beginning on and after January 1, 2021, but before January 1, 2022, an individual filing a return on or before March 1, 2023 or married persons filing a joint return on or before March 1, 2023 shall be issued a refund in an amount up to \$250 for an individual, or \$500 for married persons filing a joint return. An individual shall only be allowed a refund pursuant to this enactment up to the amount of such individual's tax liability after the application of any deductions, subtractions, or credits to which the individual is entitled pursuant to Chapter 3 (§ 58.1-300 et seq.) of Title 58.1 of the Code of Virginia. Married persons filing a joint return shall only be allowed a refund pursuant to this enactment up to the amount of such married persons' tax liability after the application of any deductions, subtractions, or credits to which the married persons are entitled pursuant to Chapter 3 of Title 58.1 of the Code of Virginia. Any refund issued pursuant to this enactment shall be subject to collection under the provisions of the Setoff Debt Collection Act (§ 58.1-520 et seq. of the Code of Virginia). For taxpayers filing a return before July 1, 2022, refunds due pursuant to this enactment shall be issued on or after July 1, 2022 but before October 17, 2022. For taxpayers filing a return on or after July 1, 2022, refunds due pursuant to this enactment shall be issued on or after July 1, 2022 but no later than 4 months after such return is filed. In no case shall any interest be paid on any refund due pursuant to this enactment.

§ 3-5.24 RETAIL SALES AND USE TAX EXEMPTION FOR CERTAIN DRILLING EQUIPMENT

Notwithstanding any other provision of law or regulation, the retail sales and use tax exemption provided for in subdivision 12 of § 58.1-609.3 of the Code of Virginia, applicable to raw materials, fuel, power, energy, supplies, machinery or tools or repair parts therefor or replacements thereof, used directly in the drilling, extraction, or processing of natural gas or oil and the reclamation of the well area shall remain in effect through July 1, 2023.

§ 3-5.25 SALES AND USE TAX HOLIDAY FOR CERTAIN SCHOOL SUPPLIES, HURRICANE PREPAREDNESS EQUIPMENT, AND ENERGY SAVINGS EQUIPMENT

Notwithstanding any other provision of law or regulation, the retail sales and use tax exemption holidays authorized in subdivision 18 of § 58.1-609.1, § 58.1-611.2 and § 58.1-611.3 of the Code of Virginia, applicable to Energy Star or Watersense qualified products, school supplies, clothing and footwear, and certain hurricane preparedness equipment shall remain in effect through July 1, 2023.

§ 3-5.26 FOOD CROP DONATION TAX CREDIT

Notwithstanding any other provision of law or regulation, the tax credit authorized in § 58.1-439.12:12 of the Code of Virginia pursuant to a credit for food crop donations shall remain in effect through the tax year beginning on January 1, 2022.

§ 3-5.27 RETAIL SALES AND USE TAX EXEMPTION FOR DONATED EDUCATIONAL MATERIALS

Notwithstanding any other provision of law or regulation, the retail sales and use tax exemption provided for in subdivision 7 of § 58.1-609.6 of the Code of Virginia, applicable to textbooks and other educational materials that are donated shall remain in effect through July 1, 2023.

§ 3-5.28 2-23 INDIVIDUAL INCOME TAX REBATE

A. There is hereby established in the State Treasury and on the books of the State Comptroller a special nonreverting fund known as the "2023 Individual Income Tax Rebate Fund". On or before October 1, 2023, the State Comptroller shall transfer an estimated \$906,800,000 from the general fund to the 2023 Individual Income Tax Rebate Fund to issue refunds pursuant to paragraph B. The Governor, in consultation with the State Comptroller and the Tax Commissioner, shall certify to the General Assembly on or before December 1 any additional transfer amounts to the Fund necessary to issue refunds pursuant to paragraph B.

B. In addition to any refund due pursuant to § 58.1-309 of the Code of Virginia, and for taxable years beginning on and after January 1, 2022, but before January 1, 2023, an individual filing a return before on or before November 1, 2023, or married persons filing a joint return on or before November 1, 2023, shall be issued a refund out of the 2023 Individual Income Tax Rebate Fund in an amount up to \$200 for an individual, or \$400 for married persons filing a joint return. An individual shall only be allowed a refund pursuant to this enactment up to the amount of such individual's tax liability after the application of any deductions, subtractions, or credits to which the individual is entitled pursuant to Chapter 3 (§ 58.1-300 et seq.) of Title 58.1 of the Code of Virginia. Married persons filing a joint return shall only be allowed a refund pursuant to this enactment up to the amount of such married persons' tax liability after the application of any deductions, subtractions, or credits to which the married persons are entitled pursuant to Chapter 3 of Title 58.1 of the Code of Virginia. Any refund issued pursuant to this enactment shall be subject to collection under the provisions of the Setoff Debt Collection Act (§ 58.1-520 et seq. of the Code of Virginia). For taxpayers filing a return before July 1, 2023, refunds due pursuant to this enactment shall be issued on or before November 30, 2023. In no case shall any interest be paid on any refund due pursuant to this enactment.

C. For purposes of determining the amounts required to be deposited to the Revenue Stabilization Fund pursuant to Article X, Section 8, Constitution of Virginia, the certified amounts for fiscal year 2023 shall include any amounts transferred from the general fund to the 2023 Individual Income Tax Rebate that will be used to provide refunds pursuant to paragraph B.

D. For the purposes of determining the amounts required to be deposited to the Revenue Reserve Fund pursuant to § 2.2-1831.3, Code of Virginia, and the amounts required to be deposited to the Water Quality Improvement Fund pursuant to § 10.1-2128, Code of Virginia, for fiscal year 2023, general fund revenue collections shall include any amounts transferred to the 2023 Individual Income Tax Rebate that will be used to provide refunds pursuant to paragraph B.

§ 3-5.29 REAL PROPERTY TAX

A. Virginia Code § 58.1-3295.3 requires fixtures in a data center, when classified as real estate, to be valued by a locality based on the cost approach (cost less depreciation) rather than the income generated. Fixtures in a data center, when classified as real estate, shall be assessed at one-hundred percent fair market value as determined by the cost approach and consistent with § 58.1-3201.

§ 3-5.30 TAX COLLECTION EFFORTS

In any pending or future administrative or judicial proceeding in which the validity of a tax assessment is an issue, the participation of the Department of Taxation in any capacity shall be considered a collection effort for purposes of § 58.1-1802.1. This subsection is declarative of existing law.

§3-5.31 ENTITLEMENT TO CERTAIN SALES TAX REVENUES

Notwithstanding § 58.1-608.3 or any other provision of law and for purposes of a municipality entitled to certain sales tax revenues pursuant to § 58.1-608.3, "sales tax revenues" means the revenue generated by the 2.025 percent unrestricted sales and use tax under the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.).

§ 3-6.00 ADJUSTMENTS AND MODIFICATIONS TO FEES

§ 3-6.01 RECORDATION TAX FEE

There is hereby assessed a twenty dollar fee on (i) every deed for which the state recordation tax is collected pursuant to §§ 58.1-801 A and 58.1-803, Code of Virginia; and (ii) every certificate of satisfaction admitted under § 55.1-345, Code of Virginia. The revenue generated from fifty percent of such fee shall be deposited to the general fund. The revenue generated from the other fifty percent of such fee shall be deposited to the Virginia Natural Resources Commitment Fund, a subfund of the Virginia Water Quality Improvement Fund, as established in § 10.1-2128.1, Code of Virginia. The funds deposited to this subfund shall be disbursed for the agricultural best management practices cost share program, pursuant to § 10.1-2128.1, Code of Virginia.

§ 3-6.02 ANNUAL VEHICLE REGISTRATION FEE (\$6.25 FOR LIFE)

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

§ 3-6.03 DRIVERS LICENSE REINSTATEMENT FEE

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

B. Notwithstanding the provisions of § 46.2-395 of the Code of Virginia, no court shall suspend any person's privilege to drive a motor vehicle solely for failure to pay any fines, court costs, forfeitures, restitution, or penalties assessed against such person. The Commissioner of the Department of Motor Vehicles shall reinstate a person's privilege to drive a motor vehicle that was suspended prior to July 1, 2019, solely pursuant to § 46.2-395 of the Code of Virginia and shall waive all fees relating to reinstating such person's driving privileges including those paid to the Trauma Center Fund. Nothing herein shall require the Commissioner to reinstate a person's driving privileges if such privileges have been otherwise lawfully suspended or revoked or if such person is otherwise ineligible for a driver's license.

§ 3-6.04 ASSESSMENT OF ELECTRONIC SUMMONS FEE BY LOCALITIES

Nothing in § 17.1-279.1 of the Code of Virginia shall be construed to authorize any county, city, or town to assess the sum set forth therein upon any summons issued by a law-enforcement agency of the Commonwealth.

§ 3-6.05 PROCEDURES FOR PREPAYMENT OF CIVIL PENALTIES IN AN EXECUTIVE ORDER

Any civil penalty under § 44-146.17(1) shall be prepayable in the amount set by executive order and in accordance with § 16.1-69.40:2 B of the Code of Virginia. Any civil penalty amount set by executive order shall not be construed or interpreted so as to limit the discretion of any trial judge trying individual cases at the time fixed for trial.

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.
- g. 1. Notwithstanding any other provision of law, any public body, including any state, local, regional, or regulatory body, or a governing board as defined in § [54.1-2345](#) of the Code of Virginia, or any joint meeting of such entities, may meet by electronic communication means without a quorum of the public body or any member of the governing board physically assembled at one location when the Governor has declared a state of emergency in accordance with § [44-146.17](#), provided that (i) the nature of the declared emergency makes it impracticable or unsafe for the public body or governing board to assemble in a single location; (ii) the purpose of meeting is to discuss or transact the business statutorily required or necessary to continue operations of the public body or common interest community association as defined in § [54.1-2345](#) of the Code of Virginia and the discharge of its lawful purposes, duties, and responsibilities; (iii) a public body shall make available a recording or transcript of the meeting on its website in accordance with the timeframes established in §§ [2.2-3707](#) and [2.2-3707.1](#) of the Code of Virginia; and (iv) the governing board shall distribute minutes of a meeting held pursuant to this subdivision to common interest community association members by the same method used to provide notice of the meeting.
- 2. A public body or governing board convening a meeting in accordance with this subdivision shall:
 - a) Give notice to the public or common interest community association members using the best available method given the nature of the emergency, which notice shall be given contemporaneously with the notice provided to members of the public body or governing board conducting the meeting;
 - b) Make arrangements for public access or common interest community association members access to such meeting through electronic means including, to the extent practicable, videoconferencing technology. If the means of communication allows, provide the public or common interest community association members with an opportunity to comment; and
- 3. Public bodies must otherwise comply with the provisions of § [2.2-3708.2](#) of the Code of Virginia. The nature of the emergency, the fact that the meeting was held by electronic communication means, and the type of electronic communication means by which the meeting was held shall be stated in the minutes of the public body or governing board.

h. To the extent that a public institution of higher education maintains and operates university housing during scheduled intercessions, the institution shall provide access to housing for students eligible under § 23.1-601, Code of Virginia at no cost to the student provided that the student (i) is a registered student for the immediate following term and (ii) meets the definitions and conditions of the federal McKinney-Vento Homeless Assistance Act.

§ 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 Appropriations 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 appropriations, when expenditure factors, such as enrollments or population in institutions, are smaller than the estimates upon which the appropriation was based. Moneys generated from the withholding action shall not be reallocated for any other purpose, provided the withholding of allotments of appropriations under this provision shall not occur until at least 15 days after the Governor has transmitted a statement of changed factors and intent to withhold moneys to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.
- 2. Moneys shall not be withheld on the basis of reorganization plans or program evaluations until such plans or evaluations have been specifically presented in writing to the General Assembly at its next regularly scheduled session.

c. Increased Nongeneral Fund Revenue:

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

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

d. Reduced General Fund Resources:

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

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

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

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

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

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

b) In addition to the budget reduction plan approved by the Governor, all budget reduction proposals submitted by state agencies to the Governor or the Governor's staff, including but not limited to the Department of Planning and Budget, the Governor's Cabinet secretaries, or the Chief of Staff, whether submitted electronically or otherwise, shall be made available via electronic means to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees concurrently with that budget reduction plan.

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

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

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

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

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

billing cycles that have been established by law or policy by the governing board.

- e) The payments in fulfillment of any contract awarded for the design, construction and furnishing of any state building.
- f) The salary of any state officer for whom the Constitution of Virginia prohibits a change in salary.
- g) The salary of any officer or employee in the Executive Department by more than two percent (irrespective of the fund source for payment of salaries and wages); however, the percentage of reduction shall be uniformly applied to all employees within the Executive Department.
- h) The appropriation supported by the State Bar Fund, as authorized by § [54.1-3913](#), Code of Virginia, unless the supporting revenues for such appropriation are estimated to be insufficient to pay the appropriation.

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

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

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

- a) The Governor shall declare in writing to the Chairmen of the Senate Finance and Appropriations and House Appropriations Committees that a fiscal emergency exists which warrants the transfer of nongeneral funds to the general fund and reports the exact amount of such transfer within five calendar days of the transfer;
- 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 Virginia, debt service funds, or federal funds; and
- c) The Governor shall include for informative purposes, in the first biennial budget he submits subsequent to the transfer, the amount transferred from each account or fund and recommendations for restoring such amounts.

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

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

§ 4-1.03 APPROPRIATION TRANSFERS

GENERAL

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

- 1) distribution of amounts budgeted in the central appropriation to agencies, or withdrawal of budgeted amounts from agencies in accordance with specific language in the central appropriation establishing reversion clearing accounts;
- 2) distribution of pass-through grants or other funds held by an agency as fiscal agent;
- 3) correction of errors within this act, where such errors have been identified in writing by the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees;
- 4) proper accounting between fund sources 0100 and 0300 in higher education institutions;
- 5) transfers specifically authorized elsewhere in this act or as specified in the Code of Virginia;

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

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

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

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

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

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

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

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

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

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

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

d) provide for payments to the beneficiaries of certain public safety officers killed in the line of duty, as authorized in Title 2.2, Chapter 4, Code of Virginia and for payments to the beneficiaries of certain members of the National Guard and United States 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, or

e) continue a program at the present level of service or at an increased level of service when required to address unanticipated increases in workload such as enrollment, caseload or like factors, or unanticipated costs, or

f) to address unanticipated business or industrial development opportunities which will benefit the state's economy, provided that any such appropriations be used in a manner consistent with the purposes of the program as originally appropriated.

6. An appropriation transfer shall not occur except through properly executed appropriation transfer documents designed specifically for that purpose, and all transactions effecting appropriation transfers shall be entered in the state's computerized budgeting and accounting systems.

7. The Director, Department of Planning and Budget, may transfer from any other agency, appropriations to supplement any project of the Virginia Public Building Authority authorized by the General Assembly and approved by the Governor. Such capital project shall be transferred to the state agency designated as the managing agency for the Virginia Public Building Authority.

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 (§ 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 15.2, Code of Virginia (§ 15.2-3500 et seq.) subsequent to July 1, 1999, the provisions of § 15.2-1302 shall govern distributions from state agencies to the county in which the town is situated or to the consolidated city, and the Director,

Department of Planning and Budget, is authorized to transfer appropriations or portions thereof within a state agency, or from one such agency to another, if necessary to fulfill the requirements of § [15.2-1302](#).

§ 4-1.04 APPROPRIATION INCREASES

a. UNAPPROPRIATED NONGENERAL FUNDS:

1. Sale of Surplus Materials:

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

2. Insurance Recovery:

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

3. Gifts, Grants and Other Nongeneral Funds:

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

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

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

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

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

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

6) realize cost savings in excess of the additional funds provided, or

7) permit a state agency or institution to use a donation, gift or grant for the purpose intended by the donor, or

8) provide for cost overruns on capital projects and for capital projects authorized under § 4-4.01 l of this act, or

9) address caseload or workload changes in programs approved by the General Assembly.

b) The above conditions shall not apply to donations and gifts to the endowment funds of institutions of higher education.

c) Each state agency and institution shall ensure that its budget estimates include a reasonable estimate of receipts from donations, gifts or other nongeneral fund revenue. The Department of Planning and Budget shall review such estimates and verify their accuracy, as part of the budget planning and review process.

d) No obligation or expenditure shall be made from such funds until a revised operating budget request is approved by the Director, Department of Planning and Budget. Expenditures from any gift, grant or donation shall be in accordance with the purpose for which it was made; however, expenditures for property, plant or equipment, irrespective of fund source, are subject 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, of this act.

e) Nothing in this section shall exempt agencies from complying with § 4-2.01 a Solicitation and Acceptance of Donations, Gifts, Grants, and Contracts of this act.

4. Any nongeneral fund cash balance recorded on the books of the Department of Accounts as unexpended on the last day of the fiscal year may be appropriated for use in the succeeding fiscal year with the prior written approval of the Director, Department of Planning and Budget, unless the General Assembly shall have specifically provided otherwise. Revenues deposited to the Virginia Health Care Fund shall be used only as the state share of Medicaid, unless the General Assembly specifically authorizes an alternate use. With regard to the appropriation of other nongeneral fund cash balances, the Director shall make a listing of such transactions available to the public via electronic means no less than ten business days following the approval of the appropriation of any such

balance.

5. Reporting:

The Director, Department of Planning and Budget, shall make available via electronic means a report on increases in unappropriated nongeneral funds in accordance with § 4-8.00, Reporting Requirements, or as modified by specific provisions in this subsection.

b. AGRIBUSINESS EQUIPMENT FOR THE DEPARTMENT OF CORRECTIONS

The Director of the Department of Planning and Budget may increase the Department of Corrections appropriation for the purchase of agribusiness equipment or the repair or construction of agribusiness facilities by an amount equal to fifty percent of any annual amounts in excess of fiscal year 1992 deposits to the general fund from agribusiness operations. It is the intent of the General Assembly that appropriation increases for the purposes specified shall not be used to reduce the general fund appropriations for the Department of Corrections.

§ 4-1.05 REVERSION OF APPROPRIATIONS AND REAPPROPRIATIONS

a. GENERAL FUND OPERATING EXPENSE:

1.a) General fund appropriations which remain unexpended on (i) the last day of the previous biennium or (ii) the last day of the first year of the current biennium, shall be reappropriated and allotted for expenditure where required by the Code of Virginia, where necessary for the payment of preexisting obligations for the purchase of goods or services, or where desirable, 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 incentives to reduce spending to effect current or future cost savings. With the exception of the unexpended general fund appropriations of agencies in the Legislative Department, the Judicial Department, the Independent Agencies, or institutions of higher education, all other such unexpended general fund appropriations unexpended on the last day of the previous biennium or the last day of the first year of the current biennium shall revert to the general fund.

b) General fund appropriations for agencies in the Legislative Department, the Judicial Department, and the Independent Agencies shall be reappropriated, except as may be specifically provided otherwise by the General Assembly. General fund appropriations shall also be reappropriated for institutions of higher education, subject to § [23.1-1002](#), Code of Virginia.

c) To improve the stability in institutional planning and predictability for students and families to prepare for the cost of higher education, public higher education institutions are encouraged to employ the financial management strategy of establishing an institutional reserve fund supported by any unexpended education and general appropriations of the institution at the end of the fiscal year. The establishment of such a fund is designed to foster more long-term planning, promote efficient resource utilization and reduce the need for substantial year-to-year increases in tuition, thereby increasing affordability for Virginians. Independent of the provisions of § [23.1-1001](#), institutions are authorized to carry over education and general unexpended balances to establish and maintain a reserve fund in an amount not to exceed six percent of their general fund appropriation for educational and general programs in the most recently-completed fiscal year. Any use of the reserve fund shall be approved by the Board of Visitors of the affected institution, and the institution shall immediately report the details of the approved plan for use of the reserve fund to the Governor, the Secretary of Education, the Secretary of Finance and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees. Any reserve fund shall be subject to the provisions of § [23.1-1303.B.11](#).

2. a. The Governor shall report within five calendar days after completing the reappropriation process to the Chairmen of the Senate Finance and Appropriations and House Appropriations Committees on the reappropriated amounts for each state agency in the Executive Department. He shall provide a preliminary report of reappropriation actions on or before November 1 and a final report on or before December 20 to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.

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

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

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

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

b. NONGENERAL FUND OPERATING EXPENSE:

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

c. CAPITAL PROJECTS:

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

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

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

§ 4-1.06 LIMITED ADJUSTMENTS OF APPROPRIATIONS

a. LIMITED CONTINUATION OF APPROPRIATIONS.

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

b. LIMITATIONS ON CASH DISBURSEMENTS.

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

§ 4-1.07 ALLOTMENTS

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

§ 4-2.00 REVENUES

§ 4-2.01 NONGENERAL FUND REVENUES

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

1. a) No state agency shall solicit or accept any donation, gift, grant, or contract without the written approval of the Governor except under written guidelines issued by the Governor which provide for the solicitation and acceptance of nongeneral funds, except that donations or gifts to the Virginia War Memorial Foundation that are small in size and number and valued at less than \$5,000, such as

library items or small display items, may be approved by the Executive Director of the Virginia War Memorial in consultation with the Secretary of Veterans Affairs and Homeland Security. All other gifts and donations to the Virginia War Memorial Foundation must receive written approval from the Secretary of Veterans Affairs and Homeland Security.

b) The limits on solicitation and acceptance of donations, gifts, grants, and contracts stated in paragraph 1.a) above shall not apply to donations, gifts, grants, and contracts associated with support and/or response to the needs and impacts of the COVID-19 pandemic provided that acceptance of such does not create any ongoing commitments against general or nongeneral fund resources of the Commonwealth.

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

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

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

5. Notwithstanding any other provision of law, public institutions of higher education may enter into agreements or contracts with nonprofit organizations that provide funding for research or other mission related activities and require use of binding arbitration or application of the laws of another jurisdiction, upon approval of the Office of the Attorney General.

b. HIGHER EDUCATION TUITION AND FEES

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

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

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

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

d) The Boards of Visitors or other governing bodies of institutions of higher education shall not increase the current proportion of nonresident undergraduate students if the institution's nonresident undergraduate enrollment exceeds 25 percent, unless: i) such enrollment is intended to support workforce development needs within the Commonwealth of Virginia as identified in consultation with the Virginia Economic Development Partnership, and ii) the number of in-state undergraduate students does not drop below fall 2018 full-time equivalent census levels as certified by the State Council of Higher Education for Virginia. Norfolk State University, Virginia Military Institute, Virginia State University, and two-year public institutions are exempt from this restriction. Any such increases shall be limited to no more than a one percentage point increase over the prior year.

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

b) In determining the appropriate state share of educational costs for resident students, the General Assembly shall seek to

cover at least 67 percent of educational costs associated with providing full funding of the base adequacy guidelines referenced in subparagraph 2. b), raising average salaries for teaching and research faculty to the 60th percentile of peer institutions, and other priorities set forth in this act.

4. a) Each institution and the State Council of Higher Education for Virginia shall monitor tuition, fees, and other charges, as well as the mix of resident and nonresident students, to ensure that the primary mission of providing educational opportunities to citizens of Virginia is served, while recognizing the material contributions provided by the presence of nonresident students. The State Council of Higher Education for Virginia shall also develop and enforce uniform guidelines for reporting student enrollments and the domiciliary status of students.

b) The State Council of Higher Education for Virginia shall report to the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees no later than August 1 of each year the annual change in total charges for tuition and all required fees approved and allotted by the Board of Visitors. As it deems appropriate, the State Council of Higher Education for Virginia shall provide comparative national, peer, and market data with respect to charges assessed students for tuition and required fees at institutions outside of the Commonwealth.

c) Institutions of higher education are hereby authorized to make the technology service fee authorized in Chapter 1042, 2003 Acts of Assembly, part of ongoing tuition revenue. Such revenues shall continue to be used to supplement technology resources at the institutions of higher education.

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, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 144 and 145 of the 2019 Acts of Assembly, each institution shall work with the State Council of Higher Education for Virginia and the Virginia College Savings Plan to determine appropriate tuition and fee estimates for tuition savings plans.

5. It is the intent of the General Assembly that each institution's combined general and nongeneral fund appropriation within its educational and general program closely approximate the anticipated annual budget each fiscal year.

6. Nonresident graduate students employed by an institution as teaching assistants, research assistants, or graduate assistants and paid at an annual contract rate of \$4,000 or more may be considered resident students for the purposes of charging tuition and fees.

7. The fund source "Higher Education Operating" within educational and general programs for institutions of higher education includes tuition and fee revenues from nonresident students to pay their proportionate share of the amortized cost of the construction of buildings approved by the Commonwealth of Virginia Educational Institutions Bond Act of 1992 and the Commonwealth of Virginia Educational Facilities Bond Act of 2002.

8. a) 1) Except as provided in Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly, mandatory fees for purposes other than educational and general programs shall not be increased for Virginia undergraduates beyond three percent annually, excluding requirements for wage, salary, and fringe benefit increases, authorized by the General Assembly. Fee increases required to carry out actions that respond to mandates of federal agencies are also exempt from this provision, provided that a report on the purposes of the amount of the fee increase is submitted to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees by the institution of higher education at least 30 days prior to the effective date of the fee increase.

2) The University of Mary Washington is hereby authorized to undertake a review of its tuition and fee structure for the purpose of more closely aligning auxiliary fees, including room, board, and the comprehensive fee, with auxiliary expenditure budgets. Adjustments to mandatory fees in auxiliary programs may exceed three percent subject to annual approval by the University's Board of Visitors to the extent required to effect budgetary alignment of revenues and expenditures. This exemption will be limited to the period beginning in fiscal year 2019-20 and extending through the end of fiscal year 2023-24.

b) This restriction shall not apply in the following instances: fee increases directly related to capital projects authorized by the General Assembly; fee increases to support student health services; and other fee increases specifically authorized by the General Assembly.

c) Due to the small mandatory non-educational and general program fees currently assessed students in the Virginia Community 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 approval by the State Board for Community Colleges.

9. Any institution of higher education granting new tuition waivers to resident or nonresident students not authorized by the Code of Virginia must absorb the cost of any discretionary waivers.

10. Tuition and fee revenues from nonresident students taking courses through Virginia institutions from the Southern Regional Education Board's Southern Regional Electronic Campus must exceed all direct and indirect costs of providing instruction to those students. Tuition and fee rates to meet this requirement shall be established by the Board of Visitors of the institution.

c. HIGHER EDUCATION PLANNED EXCESS REVENUES:

An institution of higher education, except for those public institutions governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly, may generate and retain tuition and fee revenues in excess of those provided in § 4-2.01 b Higher Education Tuition and Fees, subject to the following:

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

§ 4-2.02 GENERAL FUND REVENUE

a. STATE AGENCY PAYMENTS INTO GENERAL FUND:

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

- a) Marine Resources Commission, from all sources, except:
 - 1) Revenues payable to the Public Oyster Rocks Replenishment Fund established by § [28.2-542](#), Code of Virginia.
 - 2) Revenue payable to the Virginia Marine Products Fund established by § [3.2-2705](#), Code of Virginia.
 - 3) Revenue payable to the Virginia Saltwater Recreational Fishing Development Fund established by § [28.2-302.3](#), Code of Virginia.
 - 4) Revenue payable to the Marine Fishing Improvement Fund established by § [28.2-208](#), Code of Virginia.
 - 5) Revenue payable to the Marine Habitat and Waterways Improvement Fund established by § [28.2-1206](#), Code of Virginia.
 - 6) Revenue payable to the Oyster Leasing Conservation and Replenishment Programs Fund.
 - b1) Department of Labor and Industry, or any other agency, for the administration of the state labor and employment laws under Title 40.1, Code of Virginia.
 - 2) Department of Labor and Industry, from boiler and pressure vessel inspection certificate fees, pursuant to § [40.1-51.15](#), Code of Virginia.
 - c) All state institutions for the mentally ill or intellectually disabled, from fees or per diem paid employees for the performance of services for which such payment is made, except for a fee or per diem allowed by statute to a superintendent or staff member of any such institution when summoned as a witness in any court.
 - d) Secretary of the Commonwealth, from all sources.
 - e) The Departments of Corrections and Juvenile Justice, as required by law, including revenues from sales of dairy and other farm products.
 - f) Auditor of Public Accounts, from charges for audits or examinations when the law requires that such costs be borne by the county, city, town, regional government or political subdivision of such governments audited or examined.
 - g) Department of Education, from repayment of student scholarships and loans, except for the cost of such collections.
 - h) Department of the Treasury, from the following source:

Fees collected for handling cash and securities deposited with the State Treasurer pursuant to § [46.2-454](#), Code of Virginia.
 - i) Attorney General, from recoveries of attorneys' fees and costs of litigation.
 - j) Department of Social Services, from net revenues received from child support collections after all disbursements are made in accordance with state and federal statutes and regulations, and the state's share of the cost of administering the programs is

paid.

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

l) Without regard to paragraph e) above, the following revenues shall be excluded from the requirement for deposit to the general fund and shall be deposited as follows: (1) payments to Virginia Correctional Enterprises shall be deposited into the Virginia Correctional Enterprises Fund; (2) payments to the Departments of Corrections and Juvenile Justice for work performed by inmates, work release prisoners, probationers or wards, which are intended to cover the expenses of these inmates, work release prisoners, probationers, or wards, shall be retained by the respective agencies for their use; and (3) payments to the Departments of Corrections and Juvenile Justice for work performed by inmates in educational programs shall be retained by the agency to increase vocational training activities and to purchase work tools and work clothes for inmates, upon release.

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

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

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

Notwithstanding any contrary provision of law, for purposes of subsection C of § 58.1-3524 and subsection B of § 58.1-3536, Code of Virginia, the term general fund revenues, excluding transfers, is defined as (i) all state taxes, including penalties and interest, required and/or authorized to be collected and paid into the general fund of the state treasury pursuant to Title 58.1, Code of Virginia; (ii) permits, fees, licenses, fines, forfeitures, charges for services, and revenue from the use of money and property required 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 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 generated from the normal operation of state government, or (iii) proceeds from the sale of state property or assets be included in the general fund revenue calculations for purposes of subsection C of § 58.1-3524 and subsection B of § 58.1-3536, Code of Virginia.

c. DATE OF RECEIPT OF REVENUES:

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

d. RECOVERIES BY THE OFFICE OF THE ATTORNEY GENERAL

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

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

§ 4-2.03 INDIRECT COSTS

a. INDIRECT COST RECOVERIES FROM GRANTS AND CONTRACTS:

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

b. AGENCIES OTHER THAN INSTITUTIONS OF HIGHER EDUCATION:

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

1. The Governor shall include in the recommended nongeneral fund appropriation for each agency in this act the amount which the agency includes in its revenue estimate as an indirect cost recovery. The recommended nongeneral fund appropriations shall reflect the indirect costs in the program incurring the costs.
2. If actual agency indirect cost recoveries exceed the nongeneral fund amount appropriated in this act, the Director, Department of Planning and Budget, is authorized to increase the nongeneral fund appropriation to the agency by the amount of such excess indirect cost recovery. Such increase shall be made in the program incurring the costs.
3. Statewide indirect cost recoveries shall be paid into the general fund of the state treasury, unless the agency is specifically exempted from this requirement by language in this act. Any statewide indirect cost recoveries received by the agency in excess of the exempted sum shall be deposited to the general fund of the state treasury.

c. INSTITUTIONS OF HIGHER EDUCATION:

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

1. Seventy percent shall be retained by the institution as an appropriation of moneys for the conduct and enhancement of research and research-related requirements. Such moneys may be used for payment of principal of and interest on bonds issued by or for the institution pursuant to § 23.1-1106, Code of Virginia, for any appropriate purpose of the institution, including, but not limited to, the conduct and enhancement of research and research-related requirements.
2. Thirty percent of the indirect cost recoveries for the level of sponsored programs authorized in the appropriations in Part 1 of Chapter 1042 of the Acts of Assembly of 2003, shall be included in the educational and general revenues of the institution to meet administrative costs.
3. Institutions of higher education may retain 100 percent of the indirect cost recoveries related to research grant and contract levels in excess of the levels authorized in Chapter 1042 of the Acts of Assembly of 2003. This provision is included as an additional incentive for increasing externally funded research activities.

d. REPORTS

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

e. REGULATIONS:

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

§ 4-3.00 DEFICIT AUTHORIZATION AND TREASURY LOANS

§ 4-3.01 DEFICITS

a. GENERAL:

1. Except as provided in this section no state agency shall incur a deficit. No state agency receiving general fund appropriations under the provisions of this act shall obligate or expend moneys in excess of its general fund appropriations, nor shall it obligate or expend moneys in excess of nongeneral fund revenues that are collected and appropriated.
2. The Governor is authorized to approve deficit funding for a state agency under the following conditions:
 - a) an unanticipated federal or judicial mandate has been imposed,
 - b) insufficient moneys are available in the first year of the biennium for start-up of General Assembly-approved action, or
 - c) delay pending action by the General Assembly at its next legislative session will result in the curtailment of services required by statute or those required by federal mandate or will produce a threat to life, safety, health or property.
 - d) Such approval by the Governor shall be in writing under the conditions described in § 4-3.02 a Authorized Deficit Loans of this act and shall be promptly communicated to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees within five calendar days of deficit approval.
3. Deficits shall not be authorized for capital projects.

4. The Department of Transportation may obligate funds in excess of the current biennium appropriation for projects of a capital nature not covered by § 4-4.00 Capital Projects, of this act provided such projects a) are delineated in the Virginia Transportation Six-Year Improvement Program, as approved by the Commonwealth Transportation Board; and b) have sufficient cash allocated to each such project to cover projected costs in each year of the Program; and provided that c) sufficient revenues are projected to meet all cash obligations for such projects as well as all other commitments and appropriations approved by the General Assembly in the biennial budget.

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

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

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

§ 4-3.02 TREASURY LOANS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 4-3.03 LONG-TERM LEASES

a. GENERAL:

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

2. The proposals shall be submitted in such form as the Secretary of Finance may prescribe. The Comptroller and the Director, Department of General Services shall be responsible for evaluating the proposals to determine if they qualify as long-term lease agreements. The State Treasurer shall be responsible for incorporating existing and authorized long-term lease agreements meeting the approved parameters into the annual Debt Capacity Advisory Committee reports.

b. APPROVAL OF FINANCINGS:

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

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

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

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

§ 4-4.00 CAPITAL PROJECTS

§ 4-4.01 GENERAL

a. Definition:

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

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

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

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 [33.2-1010](#), Code of Virginia.

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

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

2. Except for institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly, financings for capital projects shall comply, where applicable, with the Treasury Board Guidelines issued pursuant to § [2.2-2416](#), Code of Virginia, and any subsequent amendments thereto.

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

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

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

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 Virginia, amended by Chapter 488, 1997 Acts of Assembly, relating to Virginia Port Authority capital projects and procurement activities.

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

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

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

h. Initiation Generally:

1. No architectural or engineering planning for, or construction of, or purchase of any capital project shall be commenced or revised without the prior written approval of the Governor or his designee.
2. The requirements of § 10.1-1190, Code of Virginia, shall be met prior to the release of funds for a major state project, provided, however, that the Governor or his designee is authorized to release from any appropriation for a major state project made pursuant to this act such sum or sums as may be necessary to pay for the preparation of the environmental impact report required by § 10.1-1188, Code of Virginia.
3. The Governor, at his discretion, or his designee may release from any capital project appropriation or reappropriation made pursuant to this act such sum (or sums) as may be necessary to pay for the preparation of plans and specifications by architects and engineers, provided that the estimated cost of the construction covered by such drawings and specifications does not exceed the appropriation therefor; provided, further, however, that the architectural and engineering fees paid on completion of the preliminary design for any such project may be based on such estimated costs as may be approved by the Governor in writing, where it is shown to the satisfaction of the Governor that higher costs of labor or material, or both, or other unforeseen conditions, have made the appropriation inadequate for the completion of the project for which the appropriation was made, and where in the judgment of the Governor such changed conditions justify the payment of architectural or engineering fees based on costs exceeding the appropriation.
4. Architectural or engineering contracts shall not be awarded in perpetuity for capital projects at any state institution, agency or activity.
 - i. Capital Projects Financed with Bonds: Capital projects proposed to be financed with (i) 9 (c) general obligation bonds or (ii) 9(d) obligations where debt service is expected to be paid from project revenues or revenues of the agency or institution, shall be reviewed as follows:

1. By August 15 of each year, requests for inclusion in the Executive Budget of capital projects to be financed with 9(c) general obligation bonds shall be submitted to the State Treasurer for evaluation of financial feasibility. Submission shall be in accordance with the instructions prescribed by the State Treasurer. The State Treasurer shall distribute copies of financial feasibility studies to the Director, Department of Planning and Budget, the Secretary for the submitting agency or institution, the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, and the Director, State Council of Higher Education for Virginia, if the project is requested by an institution of higher education.

2. By August 15 of each year, institutions shall also prepare and submit copies of financial feasibility studies to the State Council of Higher Education for Virginia for 9(d) obligations where debt service is expected to be paid from project revenues or revenues of the institution. The State Council of Higher Education for Virginia shall identify the impact of all projects requested by the institutions of higher education, and as described in § 4-4.01 j.1. of this act, on the current and projected cost to students in institutions of higher education and the impact of the project on the institution's need for student financial assistance. The State Council of Higher Education for Virginia shall report such information to the Secretary of Finance and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees no later than October 1 of each year.

3. Prior to the issuance of debt for 9(c) general obligation projects, when more than one year has elapsed since the review of financial feasibility specified in § 4-4.01 j 1 above, an updated feasibility study shall be prepared by the agency and reviewed by the State Treasurer prior to requesting the Governor's Opinion of Financial Feasibility required under Article X, Section 9 (c), of the Constitution of Virginia.

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 a.3, and 4-4.01 l of this act.

k.1. Change in Size and Scope: Unless otherwise provided by law, the scope, which is the function or intended use, of any capital project may not be substantively changed, nor its size increased or decreased by more than five percent in size beyond the plans and justification which were the basis for the appropriation or reappropriation in this act or for the Governor's authorization pursuant to § 4-4.01 l of this act. However, this prohibition is not applicable to changes in size and scope required because of circumstances determined by the Governor to be an emergency, or requirements imposed by the federal government when such capital project is for armories or other defense-related installations and is funded in whole or in part by federal funds. Furthermore, this prohibition shall not apply to minor increases, beyond five percent, in square footage determined by the Director, Department of General Services, to be reasonable and appropriate based on a written justification submitted by the agency stating the reason for the increase, with the provision that such increase will not increase the cost of the project beyond the amount appropriated; nor to decreases in size beyond five percent to offset unbudgeted costs when such costs are determined by the Director, Department of Planning and Budget, to be reasonable based on a written justification submitted by the agency specifying the amount and nature of the unbudgeted costs and the types of actions that will be taken to decrease the size of the project. The written justification shall also include a certification, signed by the agency head, that the resulting project will be consistent with the original programmatic intent of the appropriations.

2. If space planning, energy conservation, and environmental standards guides for any type of construction have been approved by the Governor or the General Assembly, the Governor shall require capital projects to conform to such planning guides.

1. Projects Not Included In This Act:

1. Authorization by Governor:

a) The Governor may authorize initiation of, planning for, construction of or acquisition of a nongeneral fund capital project not specifically included in this act or provided for a program approved by the General Assembly through appropriations, under one or more of the following conditions:

1) The project is required to meet an emergency situation.

2) The project is to be operated as an auxiliary enterprise or sponsored program in an institution of higher education and will be fully funded by revenues of auxiliary enterprises or sponsored programs.

3) The project is to be operated as an educational and general program in an institution of higher education and will be fully funded by nongeneral fund revenues of educational and general programs or from private gifts and indirect cost recoveries.

4) The project consists of plant or property which has become available or has been received as a gift.

5) The project has been recommended for funding by the Tobacco Indemnification and Community Revitalization Commission or the Virginia Tobacco Settlement Foundation.

b) The foregoing conditions are subject to the following criteria:

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) without adverse effect on other projects or programs, or from unappropriated nongeneral fund revenues or balances.

2) In the Governor's opinion such action may avoid an increase in cost or otherwise result in a measurable benefit to the state.

3) The authorization includes a detailed description of the project, the project need, the total project cost, the estimated operating costs, and the fund sources for the project and its operating costs.

4) The Chairmen of the House Appropriations and Senate Finance and Appropriations Committees shall be notified by the Governor prior to the authorization of any capital project under the provisions of this subsection.

5) Permanent funding for any project initiated under this section shall only be from nongeneral fund sources.

2. Authorization by Director, Department of Planning and Budget:

a) The Director, Department of Planning and Budget, may authorize initiation of a capital project not included in this act, if the General Assembly has enacted legislation to fund the project from bonds of the Virginia Public Building Authority, Virginia College Building Authority, or from reserves created by refunding of bonds issued by those Authorities.

3. Delegated authorization by Boards of Visitors, Public Institutions of Higher Education:

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 eligibility criteria set forth in Chapters 933 and 945 of the 2005 Acts of Assembly for additional operational and administrative autonomy, including having entered into a memorandum of understanding with the Secretary of Administration for delegated authority of nongeneral fund capital outlay projects, and ii) has received a sum sufficient nongeneral fund appropriation for emergency projects as set out in Part 2: Capital Project Expenses of this act, may authorize the initiation of any capital project that is not specifically set forth in this act provided that the project meets at least one of the conditions and criteria identified in § 4-4.01 1 1 of this act.

b) At least 30 days prior to the initiation of a project under this provision, the board of visitors must notify the Governor and Chairmen of the House Appropriations and Senate Finance and Appropriations Committees and must provide a life-cycle budget analysis of the project. Such analysis shall be in a form to be prescribed by the Auditor of Public Accounts.

c) The Commonwealth of Virginia shall have no general fund obligation for the construction, operation, insurance, routine maintenance, or long-term maintenance of any project authorized by the board of visitors of a public institution of higher education in accordance with this provision.

m. Acquisition, maintenance, and operation of buildings and nonbuilding facilities in colleges and universities shall be subject to the following policies:

1. The anticipated program use of the building or nonbuilding facility should determine the funding source for expenditures for acquisition, construction, maintenance, operation, and repairs.

2. For new campuses to be established within the Virginia Community College System, expenditures for land acquisition, site preparation beyond five feet from a building, and the construction of additional outdoor lighting, sidewalks, outdoor athletic and recreational facilities, and parking lots in the Virginia Community College System shall be made only from appropriated federal funds, Trust and Agency funds, including local government allocations or appropriations, or the proceeds of indebtedness authorized by the General Assembly.

3. The general policy of the Commonwealth shall be that parking services are to be operated as an auxiliary enterprise by all colleges and universities. Institutions should develop sufficient reserves for ongoing maintenance and replacement of parking facilities.

4. Except as provided in paragraph 2 above, expenditures for maintenance, replacement, and repair of outdoor lighting, sidewalks, and other infrastructure facilities may be made from any appropriated funds.

5. Expenditures for operations, maintenance, and repair of athletic, recreational, and public service facilities, both indoor and outdoor, should be from nongeneral funds. However, this condition shall not apply to any indoor recreational facility existing on a community college campus as of July 1, 1988.

6.a.1. At institutions of higher education that have met the eligibility criteria for additional operational and administrative 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 Assembly, any repair, renovation, or new construction project costing up to \$3,000,000 shall be exempt from the capital outlay review and approval process. For purposes of this paragraph, projects shall not include any subset of a series of projects, which in combination would exceed the \$3,000,000 maximum.

2. All state agencies and institutions of higher education shall be exempt from the capital review and approval process for repair, renovation, or new construction projects costing up to \$3,000,000.

b. Blanket authorizations funded entirely by nongeneral funds may be used for 1) renovation and infrastructure projects costing up to \$3,000,000 and 2) the planning of nongeneral fund new construction and renovation projects through bidding, with bid

award made after receipt of a construction authorization. The Director, Department of Planning and Budget, may provide exemptions to the threshold.

7. It is the policy of the Commonwealth that the institutions of higher education shall treat the maintenance of their facilities as a priority for the allocation of resources. No appropriations shall be transferred from the "Operation and Maintenance of Plant" subprogram except for closely and definitely related purposes, as approved by the Director, Department of Planning and Budget, or his designee. A report providing the rationale for each approved transfer shall be made to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.

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

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

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

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

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

2. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 824 and 829 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly.

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

2. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 824 and 829 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly.

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

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

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

b) the project is financed consistent with the provisions of § 2.2-2417, Code of Virginia, which requires Treasury Board approval

and is executed through a nonprofessional services contract with a vendor approved by the Department of General Services;

- c) the scope of work has been reviewed and recommended by the Department of Energy;
- d) the total cost does not exceed \$3,000,000; and
- 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 the project, including debt service and interest payments.

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 \$7,000,000, and the energy savings from the project do not fully offset the total cost of the project, including debt services and interest payments, the improvement shall be considered a capital expense regardless of the type of improvement and the following conditions must be met:

- a) the scope of the project meets or exceeds the applicable energy-efficiency standards set forth in the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE), the Illuminating Engineering Society (IES) standard 90.1-1989 and is limited to measures listed in guidelines issued by the Department of General Services;
- b) the project is financed consistent with the provisions of § [2.2-2417](#), Code of Virginia, which requires Treasury Board approval and is executed through a nonprofessional services contract with a vendor approved by the Department of General Services;
- c) the scope of work has been reviewed and recommended by the Department of Energy;
- d) the project has been reviewed by the Department of Planning and Budget; and
- e) the project has been approved by the Governor.

3. If the total project exceeds \$250,000, the agency director will submit written notification to the Director, Department of Planning and Budget, verifying that the project meets all of the conditions in subparagraph 1 above.

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 conservation projects that qualify as capital expenses.

4. As used in this paragraph, “improvement” does not include (a) constructing, enlarging, altering, repairing or demolishing a building or structure, (b) changing the use of a building either within the same use group or to a different use group when the new use requires greater degrees of structural strength, fire protection, exit facilities or sanitary provisions, or (c) removing or disturbing any asbestos-containing materials during demolition, alteration, renovation or additions to building or structures. If the projected scope of an energy-efficiency project includes any of these elements, it shall be subject to the capital outlay process as set out in this section.

5. The Director, Department of Planning and Budget, shall notify the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees upon the initiation of any energy-efficiency projects under the provisions of this paragraph.

- u. No expenditures shall be authorized for the purchase of fee simple title to any real property to be used for a correctional facility or for the actual construction of a correctional facility provided for in this act, or by reference hereto, that involves acquisition or new construction of youth or adult correctional facilities on real property which was not owned by the Commonwealth on January 1, 1995, until the governing body of the county, city or town wherein the project is to be located has adopted a resolution supporting the location of such project within the boundaries of the affected jurisdiction. The foregoing does not prohibit expenditures for site studies, real estate options, correctional facility design and related expenditures.
- v. Except for institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly, any alternative financing agreement entered into between a state agency or institution of higher education and a private entity or affiliated foundation must be reviewed and approved by the Treasury Board.
- w. Prior to requesting authorization for new dormitory capital projects, institutions of higher education shall conduct a cost study to determine whether an alternative financing arrangement or public-private transaction would provide a more effective option for the construction of the proposed facility. This study shall be submitted to the Department of Planning and Budget as part of the budget development process and shall be evaluated by the Governor prior to submitting his proposed budget.
- x. Construction or improvement projects of the Department of Military Affairs are not exempt from the capital outlay review process when the state procurement process is utilized, except for those projects with both an estimated cost of \$3,000,000 or less and are 100 percent federally reimbursed. The Department of Military Affairs shall submit by July 30 of each year to the Department of Planning and Budget a list of such projects that were funded pursuant to this exemption in the previous fiscal

year and any projects that would be eligible for such funding in future fiscal years.

§ 4-4.02 PLANNING AND BUDGETING

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

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

§ 4-5.00 SPECIAL CONDITIONS AND RESTRICTIONS ON EXPENDITURES

§ 4-5.01 TRANSACTIONS WITH INDIVIDUALS

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

b. **STUDENT FINANCIAL ASSISTANCE FOR HIGHER EDUCATION:**

1. General:

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

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

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

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

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

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

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

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

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

2. Grants To Undergraduate Students:

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

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

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

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

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

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

3. Grants To Graduate Students:

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 the institution making the award. The amount of an award shall be determined by the institution making the award; however, the Council shall annually be notified as to the maximum size of a graduate award that is paid from funds in the appropriation.

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

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

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

5. Discontinued Loan Program:

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

b) An institution of higher education may discontinue its student loan fund established pursuant to Title 23.1, Chapter 4.01, Code of Virginia. The full amount of cash in such discontinued loan fund shall be paid into the state treasury into a nonrevertible nongeneral fund account. Prior to such payment, the State Comptroller shall verify its accuracy, including the fact

that the cash held by the institution in the loan fund will be fully depleted by such payment. The loan fund shall not be reestablished thereafter for that institution.

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

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

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

C. PAYMENTS TO CITIZEN MEMBERS OF NONLEGISLATIVE BODIES:

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

d. VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION PROGAM

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

§ 4-5.02 THIRD PARTY TRANSACTIONS

a. EMPLOYMENT OF ATTORNEYS:

1.a) All attorneys authorized by this act to be employed by any state agency and all attorneys compensated out of any moneys appropriated in this session of the General Assembly shall be appointed by the Attorney General and be in all respects subject 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 Virginia; provided, however, that if the Governor certifies the need for independent legal counsel for any Executive Department agency, such agency shall be free to act independently of the Office of the Attorney General in regard to selection, and provided, further, that compensation of such independent legal counsel shall be paid from the moneys appropriated to such Executive Department agency or from the moneys appropriated to the Office of the Attorney General.

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

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

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

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

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

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

d. DEBT COLLECTION SERVICES:

1. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the Virginia Commonwealth University Health System Authority shall have the option to participate in the Office of the Attorney General's debt collection process. Should the Authority choose not to participate, the Authority shall have the authority to collect its accounts receivable by engaging private collection agents and attorneys to pursue collection actions, and to independently compromise, settle, and discharge accounts receivable claims.
2. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the University of Virginia Medical Center shall have the authority to collect its accounts receivable by engaging private collection agents and attorneys to pursue collection actions, and to independently compromise, settle, and discharge accounts receivable claims, provided that the University of Virginia demonstrates to the Secretary of Finance that debt collection by an agent other than the Office of the Attorney General is anticipated to be more cost effective. Nothing in this paragraph is intended to limit the ability of the University of Virginia Medical Center from voluntarily contracting with the Office of the Attorney General's Division of Debt Collection in cases where the Center would benefit from the expertise of legal counsel and collection services offered by the Office of the Attorney General.
3. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the Department of Taxation shall be exempt from participating in the debt collection process of the Office of the Attorney General.

§ 4-5.03 SERVICES AND CLIENTS

a. CHANGED COST FACTORS:

- 1.a) No state agency, or its governing body, shall alter factors (e.g., qualification level for receipt of payment or service) which may increase the number of eligible recipients for its authorized services or payments, or alter factors which may increase the unit cost of benefit payments within its authorized services, unless the General Assembly has made an appropriation for the cost of such change.
- b) The limits on altering or changing cost factors stated in paragraph 1.a) above shall not apply to changes associated with implementing and/or altering services in response to COVID-19 when funding is provided from a nongeneral fund source dedicated to addressing the impact of COVID-19 or from any source when specifically approved by the Governor in response to the COVID-19 pandemic.
2. Notwithstanding any other provision of law, the Department of Planning and Budget, with assistance from agencies that operate internal service funds as requested, shall establish policies and procedures for annually reviewing and approving internal service fund overhead surcharge rates and working capital reserves.
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](#), Code of Virginia, that have an impact on agency expenditures, shall submit a report to the Department of Planning and Budget to include all information as required by the Department of Planning and Budget to conduct a thorough review of overhead surcharge rates, revenues, expenditures, full-time positions, and working capital reserves for each internal service fund. The report shall include any proposed modifications in rates to be charged by internal service funds for review and approval by the Department of Planning and Budget. In its review, the Department of Planning and Budget shall determine whether the requested rate modifications are consistent with budget assumptions. The format by which agencies submit the operating plan for each internal service fund shall be determined by the Department of Planning and Budget with assistance from agencies that operate internal service funds as requested.
4. State agencies that operate internal service funds may not change a billable overhead surcharge rate to another state agency unless the resulting change is provided in the final General Assembly enacted budget.
5. State agencies that operate more than one internal service fund shall comply with the review and approval requirements detailed in this Item for each internal service fund.
6. As determined by the Director, Department of Planning and Budget, state agencies that operate select programs where an agency provides a service to and bills other agencies shall be subject to the annual review of the agency's internal service funds consistent with the provisions of this Item, unless such payment for services is pursuant to a memorandum of understanding authorized by § 4-1.03 a. 7 of this act.
7. The Governor is authorized to change internal service fund overhead surcharge rates, including the creation of new rates, beyond the rates enacted in the budget in the event of an emergency or to implement actions approved by the General Assembly, upon prior notice to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees. Such prior notice shall be no less than five days prior to enactment of a revised or new rate and shall include the basis of the rate change and the impact on state agencies.
8. Notwithstanding any other provision of law, the Commonwealth's statewide electronic procurement system and program known as eVA shall have all rates and working capital reserves reviewed and approved by the Department of Planning and

Budget consistent with the provisions of this Item.

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

b. NEW SERVICES:

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

b) The limits on establishing new services stated in paragraph 1.a) above shall not apply to new services established to respond to COVID-19 when funding is provided from a nongeneral fund source dedicated to addressing the impact of COVID-19 or from any source when specifically approved by the Governor in response to the COVID-19 pandemic.

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

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

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

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

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

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

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

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

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

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

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

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

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

d. PERFORMANCE MEASUREMENT

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

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

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

§ 4-5.04 GOODS AND SERVICES

a. STUDENT ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION:

1. Public Information Encouraged: Each public institution of higher education is expected and encouraged to provide prospective students with accurate and objective information about its programs and services. The institution may use public funds under the control of the institution's Board of Visitors for the development, preparation and dissemination of factual information about the following subjects: academic programs; special programs for minorities; dates, times and procedures for registration; dates and times of course offerings; admission requirements; financial aid; tuition and fee schedules; and other information normally distributed through the college catalog. This information may be presented in any and all media, such as newspapers, magazines, television or radio where the information may be in the form of news, public service announcements or advertisements. Other forms of acceptable presentation would include brochures, pamphlets, posters, notices, bulletins, official catalogs, flyers available at public places and formal or informal meetings with prospective students.

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

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

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

b. INFORMATION TECHNOLOGY FACILITIES AND SERVICES:

1.a) The Virginia Information Technologies Agency shall procure information technology and telecommunications goods and services of every description for its own benefit or on behalf of other state executive branch agencies and institutions, or authorize other state executive branch agencies or institutions to undertake such procurements on their own. "Executive branch agency" means the same as that term is defined in § [2.2-2006](#).

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

University, Virginia Military Institute, Virginia Polytechnic Institute and State University, and the University of Virginia.

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

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

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

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

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

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

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

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

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

c. MOTOR VEHICLES AND AIRCRAFT:

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

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

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

d. MOTION PICTURE, TELEVISION AND RADIO SERVICES PRODUCTION: Except for public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, no state Executive Department agency or the Virginia Lottery Department shall expend any public funds for the production of motion picture films or of programs for television transmission, or for the operation of television or radio transmission facilities, without the prior written approval of the Governor or as otherwise provided in this act, except for educational television programs produced for elementary-secondary education by authority of the Virginia Information Technologies Agency. The Joint Subcommittee on Rules is authorized to provide the approval of such expenditures for legislative agencies. For judicial agencies and independent agencies, other than the Virginia Lottery

Department, prior approval action rests with the supervisory bodies of these entities. With respect to television programs which are so approved and other programs which are otherwise authorized or are not produced for television transmission, state agencies may enter into contracts without competitive sealed bidding, or competitive negotiation, for program production and transmission services which are performed by public telecommunications entities, as defined in § 2.2-2006, Code of Virginia.

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

1. For the use of personal automobiles in the discharge of official duties outside the continental limits of the United States, the State Comptroller may authorize an allowance not exceeding the actual cost of operation of such automobiles;
2. The first 15,000 miles of use during each fiscal year of personal automobiles in the discharge of official duties within the continental limits of the United States shall be reimbursed at an amount equal to the most recent business standard mileage rate as established by the Internal Revenue Service for employees or self-employed individuals to use in computing their income tax deductible costs for operating passenger vehicles owned or leased by them for business purposes, or in the instance of a state employee, at the lesser of (a) the IRS rate or (b) the lowest combined capital and operational trip pool rate charged by the Department of General Services, Office of Fleet Management Services (OFMS), posted on the OFMS website at time of travel, for the use of a compact state-owned vehicle. If the head of the state agency concerned certifies that a state-owned vehicle was not available, or if, according to regulations issued by the State Comptroller, the use of a personal automobile in lieu of a state-owned automobile is considered to be an advantage to the state, the reimbursement shall be at the rate of the IRS rate. For such use in excess of 15,000 miles in each fiscal year, the reimbursement shall be at a rate of 13.0 cents per mile, unless a state-owned vehicle is not available; then the rate shall be the IRS rate;
3. The State Comptroller may authorize exemptions to restrictions upon use of common carrier accommodations;
4. The State Comptroller may authorize reimbursement by per diem in lieu of actual costs of meals and any other expense category deemed necessary for the efficient and effective operation of state government;
5. State employees traveling on official business of state government shall be reimbursed for their travel costs using the same bank account authorized by the employee in which their net pay is direct deposited; and
6. This section shall not apply to members and employees of public school boards.

f. SMALL PURCHASE CHARGE CARD, ELECTRONIC DATA INTERCHANGE, DIRECT DEPOSIT, AND PAYLINE OPT OUT: The State Comptroller is hereby authorized to charge state agencies a fee of \$5 per check or earnings notice when, in his judgment, agencies have failed to comply with the Commonwealth's electronic commerce initiatives to reduce unnecessary administrative costs for the printing and mailing of state checks and earning notices. The fee shall be collected by the Department of Accounts through accounting entries.

g. PURCHASES OF APPLIANCES AND EQUIPMENT: State agencies and institutions shall purchase Energy Star rated appliances and equipment in all cases where such appliances and equipment are available.

h. ELECTRONIC PAYMENTS: Any recipient of payments from the State Treasury who receives six or more payments per year issued by the State Treasurer shall receive such payments electronically. The State Treasurer shall decide the appropriate method of electronic payment and, through his warrant issuance authority, the State Comptroller shall enforce the provisions of this section. The State Comptroller is authorized to grant administrative relief to this requirement when circumstances justify non-electronic payment.

i. LOCAL AND NON-STATE SAVINGS AND EFFICIENCIES: It is the intent of the General Assembly that State agencies shall encourage and assist local governments, school divisions, and other non-state governmental entities in their efforts to achieve cost savings and efficiencies in the provision of mandated functions and services including but not limited to finance, procurement, social services programs, and facilities management.

j. TELECOMMUNICATION SERVICES AND DEVICES:

1. The Chief Information Officer and the State Comptroller shall develop statewide requirements for the use of cellular telephones and other telecommunication devices by in-scope Executive Department agencies, addressing the assignment, evaluation of need, safeguarding, monitoring, and usage of these telecommunication devices. The requirements shall include an acceptable use agreement template clearly defining an employee's responsibility when they receive and use a telecommunication device. Statewide requirements shall require some form of identification on a device in case it is lost or stolen and procedures to wipe the device clean of all sensitive information when it is no longer in use.
2. In-scope Executive Department agencies providing employees with telecommunication devices shall develop agency-specific policies, incorporating the guidance provided in § 4-5.04 k. 1. of this act and shall maintain a cost justification for the assignment or a public health, welfare and safety need.
3. The Chief Information Officer shall determine the optimal number of telecommunication vendors and plans necessary to

meet the needs of in-scope Executive Department agency personnel. The Chief Information Officer shall regularly procure these services and provide statewide contracts for use by all such agencies. These contracts shall require the vendors to provide detailed usage information in a useable electronic format to enable the in-scope agencies to properly monitor usage to make informed purchasing decisions and minimize costs.

4. The Chief Information Officer shall examine the feasibility of providing tools for in-scope Executive Department agencies to analyze usage and cost data to assist in determining the most cost effective plan combinations for the entity as a whole and individual users.

k. ALTERNATIVE PROCUREMENT: If any payment is declared unconstitutional for any reason or if the Attorney General finds in a formal, written, legal opinion that a payment is unconstitutional, in circumstances where a good or service can constitutionally be the subject of a purchase, the administering agency of such payment is authorized to use the affected appropriation to procure, by means of the Commonwealth's Procurement Act, goods and services, which are similar to those sought by such payment in order to accomplish the original legislative intent.

l. MEDICAL SERVICES: No expenditures from general or nongeneral fund sources may be made out of any appropriation by the General Assembly for providing abortion services, except otherwise as required by federal law or state statute.

m. In an effort to expand cooperative procurement efforts, all public institutions of higher education in the Commonwealth of Virginia may access the Virginia Association of State Colleges and University Purchasing Professionals (VASCUPP) contracts regardless of their level of purchasing delegated authority, non-VASCUPP institutions shall amend terms and conditions of VASCUPP contracts to incorporate Virginia Public Procurement Act, and Commonwealth of Virginia Agency Procurement and Surplus Property Manual.

§ 4-5.05 NONSTATE AGENCIES, INTERSTATE COMPACTS AND ORGANIZATIONAL MEMBERSHIPS

a. The accounts of any agency, however titled, which receives funds from this or any other appropriating act, and is not owned or controlled by the Commonwealth of Virginia, shall be subject to audit or shall present an audit acceptable to the Auditor of Public Accounts when so directed by the Governor or the Joint Legislative Audit and Review Commission.

b.1. For purposes of this subsection, the definition of "nonstate agency" is that contained in § [2.2-1505](#), Code of Virginia.

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

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

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

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

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

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

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

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

§ 4-5.06 DELEGATION OF AUTHORITY

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

b. The nongeneral fund capital outlay decentralization programs initiated pursuant to § 4-5.08b of Chapter 912, 1996 Acts of Assembly as continued in subsequent appropriation acts are hereby made permanent. Decentralization programs for which

institutions have executed memoranda of understanding with the Secretary of Administration pursuant to the provisions of § 4-5.08b of Chapter 912, 1996 Acts of Assembly shall no longer be considered pilot projects, and shall remain in effect until revoked.

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

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 programs for selected capital outlay projects and memoranda of understanding in institutions of higher education are hereby continued. Notwithstanding these provisions, those projects shall be insured through the state's risk management liability program.

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

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

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

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

§ 4-5.07 LEASE, LICENSE OR USE AGREEMENTS

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

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

c. The Governor is authorized to enter into a Memorandum of Understanding with the United States Department of Agriculture, United States Forest Service ("USFS"), in a form approved by the Office of the Attorney General, regarding a template for use by any agency of the Commonwealth of Virginia (the "Commonwealth") of USFS land by lease, license, or permit. The template may allocate liability, including indemnification, for the use of USFS land between the USFS and the Commonwealth, which liability shall be secured by, and at the discretion of, the Division of Risk Management, Department of the Treasury, pursuant to the provisions of Virginia Code §2.2-1837(A)(2), through either 1) the Virginia Risk Management Liability Plan ("the Plan"), or 2) a separate insurance policy procured by the Division of Risk Management, the cost of which shall be charged to the agencies using USFS lands.

§ 4-5.08 SEMICONDUCTOR MANUFACTURING PERFORMANCE GRANT PROGRAMS

a. The Comptroller shall not draw any warrants to issue checks for semiconductor manufacturing performance grant programs, pursuant to Title 59.1, Chapter 22.3, Code of Virginia, without a specific legislative appropriation. The appropriation shall be in accordance with the terms and conditions set forth in a memorandum of understanding between a qualified manufacturer and the Commonwealth. These terms and conditions shall supplement the provisions of the Semiconductor Manufacturing Performance Grant Program, the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program, and the

Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program II, as applicable, and shall include but not be limited to the numbers and types of semiconductor wafers that are produced; the level of investment directly related to the building and equipment for manufacturing of wafers or activities ancillary to or supportive of such manufacturer within the eligible locality; and the direct employment related to these programs. To that end, the Secretary of Commerce and Trade shall certify in writing to the Governor and to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees the extent to which a qualified manufacturer met the terms and conditions. The appropriation shall be made in full or in proportion to a qualified manufacturer's fulfillment of the memorandum of understanding.

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

§ 4-5.09 DISPOSITION OF SURPLUS REAL PROPERTY

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

1. Any emergency declared in accordance with §§ 44-146.18:2 or § 44-146.28, Code of Virginia, or
2. Not less than thirty days after the Governor notifies, in writing, the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees regarding the planned conveyance, including a statement of the proceeds to be derived from such conveyance and the individual or entity taking title to such property.
3. Surplus property valued at less than \$5,000,000 that is possessed and controlled by a public institution of higher education, pursuant to §§ 2.2-1149 and 2.2-1153, Code of Virginia.

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

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

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

§ 4-5.10 SURPLUS PROPERTY TRANSFERS FOR ECONOMIC DEVELOPMENT

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

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

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

d. Except for subaqueous lands that have been filled prior to January 1, 2006, the Governor shall not sell or convey those subaqueous

lands identified by metes and bounds in Chapter 884 of the Acts of the Assembly of 2006.

e. Notwithstanding any provision of law to the contrary, the Commonwealth of Virginia shall begin the process to convey, as is and pursuant to § 2.2-1150, approximately 432 acres of land located within County of York, Virginia, known as Tax Parcel 12-00-0003 (the Property) to the Eastern Virginia Regional Industrial Facility Authority, or any of its members, subsidiaries or affiliates (hereinafter referred to Authority) for an amount not to exceed \$1,350,000. The Commonwealth of Virginia shall provide to the Authority copies of the two most recent state appraisals for 150-200 acres for the parcel, and in no case shall the transaction price per acre exceed the average of the two most recent state appraisals. The Authority shall have the right to waive the appraisal requirement. The Authority shall reimburse the Commonwealth of Virginia, at property closing, for the appraisals and other Commonwealth of Virginia costs to prepare and execute the conveyance documents. The conveyance of the Property should occur no later than December 31, 2021, but may occur earlier if requested by the Authority. The Authority and its designees shall have the right to enter the Property and to perform due diligence and design studies and activities prior to the conveyance. The Authority shall have the right to file applications and related documents seeking land, zoning and use entitlements, and the Commonwealth is authorized to execute such documents as may be required for such purposes, but without incurring obligations on the Commonwealth by such execution.

1. The Authority is authorized to convey the property rights for portions of the Property conveyed by the Commonwealth in paragraph e., to one or more operators of one or more utility scale solar facilities, or to lease the property rights to such an operator or operators, for an amount as agreed by the Authority and such operator(s).

2. Any remaining Property at the site shall be subject to a deed restriction created in the Commonwealth of Virginia and Authority property sale described herein to restrict the use of such property by the Authority to any non-residential use, as determined by the Authority.

f. There is hereby created in the state treasury a special subfund of the Virginia Business Ready Sites Program Fund, known as the Site Replacement Fund. The Site Replacement Fund shall be established on the books of the Comptroller. Any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Site Replacement Fund. Interest earned on moneys in the Site Replacement Fund shall remain in the Site Replacement Fund and be credited to it. In addition, notwithstanding the provisions of the preceding subsection b, with respect to sales of property in Henrico County where the Commonwealth has a continuing interest pursuant to that certain Real Estate Purchase Agreement dated May 20, 1996, and any amendments thereto, sales proceeds received by the Commonwealth in excess of the fair market value, as defined in such Real Estate Purchase Agreement, as amended, shall be deposited to the Site Replacement Fund. Moneys in the Site Replacement Fund shall be used in accordance with Section §2.2-2240.2:1, Code of Virginia and the guidelines established by the Virginia Economic Development Partnership Authority for the Virginia Business Ready Sites Program Fund, except that moneys, and any interest thereon, deposited into the Site Replacement Fund pursuant to sales of the aforementioned property in Henrico County shall be maintained for and made available only to the Economic Development Authority of Henrico County, Virginia. Any grant made from the Site Replacement Fund to such Economic Development Authority shall only be from moneys, and any interest thereon, deposited into the Site Replacement Fund pursuant to sales of the aforementioned property in Henrico County. Moneys remaining in the Site Replacement Fund at the end of each fiscal year, including interest, shall not revert to the general fund, but shall revert to the general fund at the end of the fiscal year after the fifth anniversary of the deposit of such moneys in the Site Replacement Fund.

§ 4-5.11 SEAT OF GOVERNMENT TRAFFIC AND PEDESTRIAN SAFETY

a. In order to implement and maintain traffic and pedestrian operational safety and security enhancements and secure the seat of government, the Commonwealth Transportation Board shall, not later than January 1, 2020, add to the state primary highway system, pursuant to § 33.2-314, Code of Virginia, those portions of the rights-of-way located in the City of Richmond identified as Bank Street from 9th Street to 14th Street, 10th Street from Main Street to Bank Street, 12th Street from Main Street to Bank Street, and Governor Street from Main Street to Bank Street and, pursuant to the responsibilities of the Department of General Services (DGS) (§ 2.2-1129) and the Division of Capitol Police (DCP) (§ 30-34.2:1), DGS and DCP shall control those rights-of-way and pedestrian and vehicular traffic thereon. The rights-of-way so transferred shall be in addition to the 50 miles per year authorized to be transferred under § 33.2-314(A). The City of Richmond shall transfer fee ownership of the rights-of-way identified in this section to DGS by deed or other instrument, as determined by DGS.

b. All property controlled by the Department of General Services shall require a permit for use by persons, organizations, or groups for events. Such events are eligible for a permit when the use will not interfere with or disrupt a function sponsored by the Commonwealth of Virginia government entity in support of an agency's mission. The Department shall prepare and publish on its website the requirements for the submission, processing, review, and disposition of permit applications for events on property controlled by the Department to ensure the health, safety, and welfare of the public; coordinate multiple uses of the property; preserve the rights of individuals to free expression; and to protect the Commonwealth from financial and property losses.

For the purposes of this subsection, an "event" means the assemblage on property controlled by the Department of ten (10) or more persons for any demonstration, rally, march, performance, picketing, speechmaking, holding of vigils, sit-ins, or other

activities that involve the communication or expression of views or ideas having the effect, intent, or propensity to draw a crowd or onlookers. An “event” does not include casual use of the property by visitors or tourists.

All existing regulations for the use of property controlled by the Department shall remain in effect unless amended or rescinded. The Virginia Division of Capitol Police and other law enforcement entities having jurisdiction shall enforce the Department's property use requirements.

§ 4-6.00 POSITIONS AND EMPLOYMENT

§ 4-6.01 EMPLOYEE COMPENSATION

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

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

| | July 10, 2022 | June 10, 2023 | December 10, 2023 |
|--|----------------------|-------------------------|--------------------------|
| | to | to | to |
| | June 9, 2023 | December 9, 2023 | June 30, 2024 |
| Chief of Staff | \$202,705 | \$212,840 | \$217,097 |
| Secretary of Administration | \$194,845 | \$204,587 | \$208,679 |
| Secretary of Agriculture and Forestry | \$199,228 | \$209,190 | \$213,374 |
| Secretary of Commerce and Trade | \$194,845 | \$204,587 | \$208,679 |
| Secretary of the Commonwealth | \$199,229 | \$209,190 | \$213,374 |
| Secretary of Education | \$194,845 | \$204,587 | \$208,679 |
| Secretary of Finance | \$203,839 | \$214,031 | \$218,312 |
| Secretary of Health and Human Resources | \$194,845 | \$204,587 | \$208,679 |
| Secretary of Labor | \$194,845 | \$204,587 | \$208,679 |
| Secretary of Natural and Historic Resources | \$194,845 | \$204,587 | \$208,679 |
| Secretary of Public Safety and Homeland Security | \$201,433 | \$211,505 | \$215,735 |

| | | | |
|---|-----------|-----------|-----------|
| Secretary of Transportation | \$194,845 | \$204,587 | \$208,679 |
| Secretary of Veterans and Defense Affairs | \$199,228 | \$209,189 | \$213,373 |

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 current biennium, unless changed in accordance with conditions stated in subdivisions c 2 through c 5 hereof.

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

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.

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 otherwise provided by law, including post retirement health care and other non-salaried benefits provided to similar positions in the public sector.

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 of up to 10 percent in any single fiscal year between the minimum and the maximum of the respective salary range in accordance with an assessment of performance and service to the Commonwealth.

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

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

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

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

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

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

b) The Board of Trustees of the Jamestown-Yorktown Foundation may supplement, using nonstate funds, the salary of the Executive Director of the Foundation. In approving the supplement the Board should be guided by criteria which provides a reasonable limit on the total additional income and the criteria should include, without limitation, a consideration of the salaries paid to similar officials at comparable Foundations in other states. The Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

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

| | July 10, 2022 to June 9, 2023 | June 10, 2023 to December 9, 2023 | December 10, 2023 to June 30, 2024 |
|--|---|---|--|
| Level I Range | \$190,717 - \$266,213 | \$195,846 - \$279,524 | \$199,763 \$204,258 - \$285,114 |
| Midpoint | \$228,465 | \$237,685 | \$242,439 \$244,686 |
| Chief Information Officer, Virginia Information Technologies Agency | \$234,150 | \$245,858 | \$250,775 |
| Commissioner, Department of Motor Vehicles | \$191,086 | \$200,640 | \$204,653 \$209,100 |
| Commissioner, Department of Social Services | \$266,213 | \$279,524 | \$285,114 |
| Commissioner, Department of Behavioral Health and Developmental Services | \$266,213 | \$279,524 | \$285,114 |
| Commonwealth Transportation Commissioner | \$240,906 | \$252,951 | \$258,010 |
| Director, Department of Corrections | \$213,188 | \$223,847 | \$228,324 \$210,120 |
| Director, Department of Environmental Quality | \$226,366 | \$237,684 | \$242,438 |
| Director, Department of Medical Assistance Services | \$229,210 | \$240,671 | \$245,484 |
| Director, Department of Planning and Budget | \$186,520 | \$195,846 | \$199,763 \$214,200 |
| State Health Commissioner | \$226,366 | \$237,684 | \$242,438 \$255,000 |
| State Tax Commissioner | \$190,717 | \$200,253 | \$204,258 |
| Superintendent of Public Instruction | \$266,213 | \$279,524 | \$285,114 \$255,000 |
| Superintendent of State Police | \$213,946 | \$224,643 | \$229,136 |
| | July 10, 2022 to June 9, 2023 | July 10, 2022 to December 9, 2023 | December 10, 2023 to June 30, 2024 |
| Level II Range | \$129,515 - \$288,750 | \$135,991 - \$303,188 | \$138,711 \$141,833 - \$309,252 |
| Midpoint | \$209,133 | \$219,590 | \$223,982 \$225,543 |

| | | | |
|--|-----------|-----------|------------------------|
| Commissioner, Department for Aging and Rehabilitative Services | \$180,575 | \$189,604 | \$193,396 |
| Commissioner, Department of Agriculture and Consumer Services | \$169,006 | \$177,456 | \$181,005 |
| Commissioner, Department of Veterans Services | \$169,006 | \$177,456 | \$181,005 |
| Commissioner, Virginia Employment Commission | \$189,000 | \$198,450 | \$202,419 \$193,800 |
| Executive Director, Department of Wildlife Resources | \$159,217 | \$167,178 | \$170,522 |
| Commissioner, Marine Resources Commission | \$160,860 | \$135,991 | \$138,711 \$163,200 |
| Director, Department of Forensic Science | \$194,093 | \$203,798 | \$207,874 |
| Director, Department of General Services | \$193,685 | \$203,369 | \$207,436 |
| Director, Department of Human Resource Management | \$183,868 | \$175,350 | \$178,857 \$187,680 |
| Director, Department of Juvenile Justice | \$169,006 | \$177,456 | \$181,005 \$193,800 |
| Director, Department of Energy | \$170,011 | \$178,512 | \$182,082 \$176,715 |
| Director, Department of Rail and Public Transportation | \$176,453 | \$209,475 | \$213,665 |
| Director, Department of Small Business and Supplier Diversity | \$176,085 | \$183,750 | \$187,425 |
| Executive Director, Motor Vehicle Dealer Board | \$132,430 | \$139,052 | \$141,833 |
| Executive Director, Virginia Port Authority | \$163,671 | \$171,855 | \$175,292 |
| State Comptroller | \$199,896 | \$209,891 | \$214,089 |
| State Treasurer | \$199,728 | \$183,750 | \$187,425 |
| Executive Director, Board of Accountancy | \$164,259 | \$172,472 | \$175,921 |
| Chief Executive Officer, Virginia Alcoholic Beverage Control Authority | \$208,496 | \$303,188 | \$309,252 |

| | to June 9, 2023 | to December 9, 2023 | to June 30, 2024 |
|--|------------------------------|------------------------------|--|
| Level III Range | \$124,965 - \$181,903 | \$133,837 - \$190,998 | \$136,514 - \$194,818 \$140,529 - \$198,900 |
| Midpoint | \$153,434 | \$162,418 | \$165,666 \$169,715 |
| Adjutant General | \$181,903 | \$190,998 | \$194,818 \$198,900 |
| Chairman, Virginia Parole Board | \$177,899 | \$186,794 | \$190,530 \$194,818 |
| Vice Chairman, Virginia Parole Board | \$127,464 | \$137,774 | \$140,529 \$142,800 |
| Member, Virginia Parole Board | \$131,213 | \$133,837 | \$136,514 \$140,529 |
| Commissioner, Department of Labor and Industry | \$162,750 | \$170,888 | \$174,306 |
| Coordinator, Department of Emergency Management | \$154,556 | \$162,284 | \$165,530 |
| Director, Department of Aviation | \$169,923 | \$178,419 | \$181,987 |
| Director, Department of Conservation and Recreation | \$177,899 | \$186,794 | \$190,530 |
| Director, Department of Criminal Justice Services | \$159,380 | \$159,380 | \$162,568 |
| Director, Department of Health Professions | \$156,557 | \$164,385 | \$167,673 |
| Director, Department of Historic Resources | \$146,550 | \$153,878 | \$156,956 |
| Director, Department of Housing and Community Development | \$154,556 | \$162,284 | \$165,530 |
| Director, Department of Professional and Occupational Regulation | \$154,556 | \$162,284 | \$165,530 |
| Director, The Science Museum of Virginia | \$160,771 | \$168,810 | \$172,186 |
| Director, Virginia Museum of Fine Arts | \$167,162 | \$175,520 | \$179,030 |
| Director, Virginia Museum of Natural History | \$137,237 | \$144,099 | \$146,981 |
| Executive Director, Jamestown-Yorktown Foundation | \$153,580 | \$161,259 | \$164,484 |

| | | | |
|---|---|---|--|
| Executive Secretary, Virginia Racing Commission | \$144,360 | \$151,578 | \$154,610 |
| Librarian of Virginia | \$177,899 | \$186,794 | \$190,530 |
| State Forester, Department of Forestry | \$163,441 | \$171,613 | \$175,045 |
| | July 10, 2022 to June 9, 2023 | June 10, 2023 to December 9, 2023 | December 10, 2023 to June 30, 2024 |
| Level IV Range | \$104,871 - \$136,500 | \$110,115 - \$143,325 | \$112,317 - \$146,192 |
| Midpoint | \$121,004 | \$126,720 | \$129,254 |
| Administrator, Commonwealth's Attorneys' Services Council | \$124,821 | \$131,062 | \$133,683 |
| Commissioner, Virginia Department for the Blind and Vision Impaired | \$136,500 | \$143,325 | \$146,192 |
| Executive Director, Frontier Culture Museum of Virginia | \$122,515 | \$128,641 | \$131,214 \$124,965 |
| Commissioner, Department of Elections | \$121,003 | \$139,650 | \$142,443 |
| Executive Director, Virginia-Israel Advisory Board | \$111,017 | \$116,568 | \$118,899 |
| Director, Gunston Hall | \$104,871 | \$110,115 | \$112,317 |
| Executive Director, Department of Fire Programs | \$108,000 | \$113,400 | \$115,668 \$122,289 |
| | July 10, 2022 to June 9, 2023 | June 10, 2023 to December 9, 2023 | December 10, 2023 to June 30, 2024 |
| Level V Range | \$26,639 - \$114,182 | \$27,971 - \$119,891 | \$28,530 - \$122,289 |
| Midpoint | \$70,411 | \$73,932 | \$75,411 |
| Director, Virginia Department for the Deaf and Hard-of-Hearing | \$114,182 | \$119,891 | \$122,289 |
| Executive Director, Virginia Commission for the Arts | \$111,670 | \$111,670 | \$113,903 \$122,289 |
| Chairman, Compensation Board | \$26,639 | \$27,971 | \$28,530 |

7. Annual salaries of the directors of the independent agencies, as listed in this subdivision, shall be paid in the amounts shown.

All salary changes shall be subject to subdivisions c 1, c 2, and c 3 above.

| | July 10, 2022 to June 9, 2023 | June 10, 2023 to December 9, 2023 | December 10, 2023 to June 30, 2024 |
|--|---|---|--|
| Independent Range | \$194,793 - \$210,558 | \$204,533 - \$221,086 | \$208,624 - \$225,508 |
| Midpoint | \$202,676 | \$212,810 | \$217,066 |
| Executive Director, Virginia Lottery | \$194,793 | \$204,533 | \$208,624 |
| Director, Virginia Retirement System | \$210,558 | \$221,086 | \$225,508 |
| Chief Executive Officer, Virginia College Savings Plan | \$207,715 | \$218,101 | \$222,463 |

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

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

10. Notwithstanding any provision of this act, the Board of the Virginia Alcoholic Beverage Control Authority may supplement the salary of its Chief Executive Officer in accordance with § 4.1-101.02. The Board should be guided by criteria, which provide a reasonable limit on the total additional income of the Chief Executive Officer. The criteria should include, without limitation, a consideration of the salaries paid to similar officials in comparable independent agencies. The Board shall report such criteria and potential supplement level to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees at least 60 days prior to the effectuation of the compensation action. The Board shall report approved supplements to the Department of Human Resource Management for retention in its record.

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

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

b) The State Board for Community Colleges may annually supplement the salary of the Chancellor from any available appropriations of the Virginia Community College System. In approving a supplement, the State Board for Community Colleges should be guided by criteria which provide a reasonable limit on the total additional income of the Chancellor. The criteria should include consideration of additional income from outside sources including, but not being limited to, service on boards of directors or other such services. The Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

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

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 salary for the new director shall be established by the State Council of Higher Education based on the salary range for Level I agency heads. Furthermore, the state council may provide a bonus of up to five percent of the annual salary for the new director.

| | July 10, 2022 to June 9, 2023 | June 10, 2023 to December 9, 2023 | December 10, 2023 to June 30, 2024 |
|---|---|---|--|
| NEW COLLEGE INSTITUTE | | | |
| Executive Director, New College Institute | \$163,536 | \$171,713 | \$175,147 \$147,263 |
| STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA | | | |
| Director, State Council of Higher Education for Virginia | \$231,059 | \$242,612 | \$247,464 |
| SOUTHERN VIRGINIA HIGHER EDUCATION CENTER | | | |
| Director, Southern Virginia Higher Education Center | \$163,536 | \$171,713 | \$175,147 |
| SOUTHWEST VIRGINIA HIGHER EDUCATION CENTER | | | |
| Director, Southwest Virginia Higher Education Center | \$163,536 | \$171,713 | \$175,147 |
| VIRGINIA COMMUNITY COLLEGE SYSTEM | | | |
| Chancellor of Community Colleges | \$209,626 | \$220,107 | \$224,509 |
| SENIOR COLLEGE PRESIDENTS' SALARIES | | | |
| Chancellor, University of Virginia's College at Wise | \$136,489 | \$143,067 | \$145,928 |
| President, Christopher Newport University | \$165,182 | \$173,444 | \$176,913 |
| President, The College of William and Mary in Virginia | \$190,891 | \$200,436 | \$204,445 |
| President, George Mason University | \$178,288 | \$187,202 | \$190,946 |
| President, James Madison University | \$195,355 | \$205,123 | \$209,225 |
| President, Longwood University | \$178,215 | \$187,126 | \$190,869 |
| President, Norfolk State | \$207,833 | \$218,225 | \$222,590 |

University

| | | | |
|--|-----------|-----------|-----------|
| President, Old Dominion University | \$196,807 | \$206,647 | \$210,780 |
| President, Radford University | \$184,173 | \$193,382 | \$197,250 |
| President, Richard Bland College | \$157,251 | \$165,114 | \$168,416 |
| President, University of Mary Washington | \$171,513 | \$180,089 | \$183,691 |
| President, University of Virginia | \$212,324 | \$222,940 | \$227,399 |
| President, Virginia Commonwealth University | \$205,496 | \$215,771 | \$220,086 |
| President, Virginia Polytechnic Institute and State University | \$224,599 | \$235,829 | \$240,546 |
| President, Virginia State University | \$173,163 | \$181,821 | \$185,457 |
| Superintendent, Virginia Military Institute | \$175,344 | \$184,111 | \$187,793 |

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

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

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

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

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

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

j. 1. If at any time the Administrator of the Commonwealth's Attorneys' Services Council serves on the faculty of a state-supported institution of higher education, the faculty appointment must be approved by the Council. Such institution shall pay 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 listed in § 4-6.01 c 6; provided, however, that such additional compensation must be approved by the Council.

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

k. 1.a. Except as otherwise provided for in this subdivision, any increases in the salary band assignment of any job role contained in the compensation and classification plans approved by the Governor shall be effective beginning with the first pay 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 Finance that funds are available within the agency's appropriation to cover the cost of the increase for the remainder of the current biennium and presents a plan for covering the costs next biennium and the Secretary concurs, or (2) such funds are appropriated by the General Assembly. If at any time the Secretary of Administration shall certify that such change in the salary band assignment for a job role is of an emergency nature and the Secretary of Finance shall certify that funds are available to cover the cost of the increase for the remainder of the biennium within the agency's appropriation, such change in compensation may be effective on a date agreed upon

by these two Secretaries. The Secretary of Administration shall provide a monthly report of all such emergency changes in accordance with § 4-8.00, Reporting Requirements.

b. Notwithstanding any other provision of law, state employees will be paid on the first workday of July for the work period June 10 to June 24 in any calendar year in which July 1 falls on a weekend.

2. Salary adjustments for any employee through a promotion, role change, exceptional recruitment and retention incentive options, or in-range adjustment shall occur only if: a) the agency has sufficient funds within its appropriation to cover the cost of the salary adjustment for the remainder of the current biennium or b) such funds are appropriated by the General Assembly.

3. No changes in salary band assignments affecting classified employees of more than one agency shall become effective unless the Secretary of Finance certifies that sufficient funds are available to provide such increase or plan to all affected employees supported from the general fund.

1. Full-time employees of the Commonwealth, including faculty members of state institutions of higher education, who are appointed to a state-level board, council, commission or similar collegial body shall not receive any such compensation for their services as members or chairmen except for reimbursement of reasonable and necessary expenses. The foregoing provision shall likewise apply to the Compensation Board, pursuant to § [15.2-1636.5](#), Code of Virginia.

m.1. Notwithstanding any other provision of law, the board of visitors or other governing body of any public institution of higher education is authorized to establish age and service eligibility criteria for faculty participating in voluntary early retirement incentive plans for their respective institutions pursuant to § [23.1-1302](#) B and the cash payment offered under such compensation plans 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 any such compensation plan, shall be set forth by the governing body in the compensation plan for approval by the Governor and review for legal sufficiency by the Office of the Attorney General.

2. Notwithstanding any other provision of law, employees holding full-time, academic-year classified positions at public institutions of higher education shall be considered "state employees" as defined in § [51.1-124.3](#), Code of Virginia, and shall be considered for medical/hospitalization, retirement service credit, and other benefits on the same basis as those individuals appointed to full-time, 12-month classified positions.

n. Notwithstanding the Department of Human Resource Management Policies and Procedures, payment to employees with five or more years of continuous service who either terminate or retire from service shall be paid in one sum for twenty-five percent of their sick leave balance, provided, however, that the total amount paid for sick leave shall not exceed \$5,000 and the remaining seventy-five percent of their sick leave shall lapse. This provision shall not apply to employees who are covered by the Virginia Sickness and Disability Program as defined in § [51.1-1100](#), Code of Virginia. Such employees shall not be paid for their sick leave balances. However, they will be paid, if eligible as described above, for any disability leave credits they have at separation or retirement or may convert disability credits to service credit under the Virginia Retirement System pursuant to § [51.1-1103](#) (F), Code of Virginia.

o. It is the intent of the General Assembly that calculation of the faculty salary benchmark goal for the Virginia Community College System shall be done in a manner consistent with that used for four-year institutions, taking into consideration the number of faculty at each of the community colleges. In addition, calculation of the salary target shall reflect an eight percent salary differential in a manner consistent with other public four-year institutions and for faculty at Northern Virginia Community College.

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 Assembly may supplement annual salaries for classified employees from private gifts, endowment funds, or income from endowments and gifts, subject to policies approved by the board of visitors. The Commonwealth shall have no general fund obligations for the continuation of such salary supplements.

q. The Governor, or any other appropriate Board or Public Body, is authorized to adjust the salaries of employees specified in this item, and other items in the Act, to reflect the compensation adjustments authorized in this Act.

r. Any public institution of higher education shall not provide general fund monies above \$100,000 for any individual athletic coaching salaries after July 1, 2013. Athletic coaching salaries with general fund monies above this amount shall be phased-down over a five-year period at 20 percent per year until reaching the cap of \$100,000.

§ 4-6.02 EMPLOYEE TRAINING AND STUDY

Subject to uniform rules and regulations established by the Governor, the head of any state agency may authorize, from any funds appropriated to such department, institution or other agency in this act or subsequently made available for the purpose, compensation or expenses or both compensation and expenses for employees pursuing approved training courses or academic studies for the purpose of becoming better equipped for their employment in the state service. The rules and regulations shall include reasonable provision for the return of any employee receiving such benefits for a reasonable period of duty, or for reimbursement to the state for expenditures incurred on behalf of the employee should he not return to state service.

§ 4-6.03 EMPLOYEE BENEFITS

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

4.a. The assignment of 300 parking spaces in the Department of General Services parking facility to be built at the corner of 9th and Broad Streets in the City of Richmond, 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. Such parking spaces shall be subject to the provisions of paragraph 1 of this item.

b. The remaining parking spaces in the Department of General Services parking facility to be built at the corner of the 9th and Broad Streets in the City of Richmond shall be under the control of and administered by the Department of General Services; however, the Department shall prioritize remaining spaces in the DGS parking system to full-time employees of the Legislative Department with permanent offices in the General Assembly Building who participate in the DGS parking system on an annual basis. Such parking spaces shall be subject to the provisions of paragraph 1 of this item.

§ 4-6.05 SELECTION OF APPLICANTS FOR CLASSIFIED POSITIONS

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

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

Except as provided in subsection A of § 23.1-1020 of the Code of Virginia, § 4-6.00 shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly and Chapters 675 and 685 of the 2009 Acts of Assembly, with regard to their participating covered employees, as that term is defined in those two chapters, except to the extent a specific appropriation or language in this act addresses such an employee.

§ 4-7.00 STATEWIDE PLANS

§ 4-7.01 MANPOWER CONTROL PROGRAM

a.1. The term Position Level is defined as the number of full-time equivalent (FTE) salaried employees assigned to an agency 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 for agency employment which cannot be exceeded during the fiscal year without approval from the Director, Department of Planning and Budget for Executive Department agencies, approval from the Joint Committee on Rules for Legislative Department agencies or approval from the appropriate governing authority for the independent agencies.

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

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

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

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

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

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

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

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

5. Positions assigned to Item Details 47001, Job Placement Services; 47002, Unemployment Insurance Services; 47003, Workforce Development Services; and 53402, Economic Information Services, at the Virginia Employment Commission are for reference only and may fluctuate depending upon workload and funding availability. Unless otherwise required by the funding source, after enactment of this act, any new positions hired using this provision shall not be subject to transitional severance benefit provisions of the Workforce Transition Act of 1995, Title 2.2, Chapter 32, Code of Virginia.

6. Positions assigned to the Virginia Management Fellows Program Administration are for reference only and may fluctuate depending on funding availability.

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

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

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

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

§ 4-8.00 REPORTING REQUIREMENTS

§ 4-8.01 GOVERNOR

a. General:

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

2. The Governor shall make available annually to the Chairmen of the Senate Finance and Appropriations, House Finance, and

House Appropriations Committees a report concerning the receipt of any nongeneral funds above the amount(s) specifically appropriated, their sources, and the amounts for each agency affected.

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

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

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

| Agency | Report Title or Descriptor | Authority | Action |
|---|--|---|---|
| Department of Accounts | Intercollegiate Athletics Receipts & Disbursements | Code of Virginia § 23.1-102 . | Suspend reporting. |
| Department of Accounts | Prompt Pay Summary Report | Agency Directive | Change reporting from monthly to quarterly. |
| Department of General Services | Usage of State-Assigned and State-Owned Vehicles Report | Agency Directive -- Executive Order 89 (2005) | Suspend reporting. |
| Department of General Services | Gas Report/Repair Charge | Agency Directive--Executive Order 89 (2005) | Suspend reporting. |
| Department of Human Resource Management | Report of Personnel Development Service | Agency Directive | Suspend reporting. |
| 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 . 14. | A. Change reporting from annually to monthly. |
| Department of Human Resource Management | State Employee Workers' Compensation Program | Agency Directive -- Executive Order 94 (2005) | Suspend reporting. |
| Governor's Office | Small, Women-and Minority-owned Businesses (SWaM) | Executive Directive | Change reporting from weekly to monthly. |
| Secretary of Commerce and Trade | Recruitment of National and Regional Conferences Report | Agency Directive -- Executive Order 14 (2006) | Suspend reporting. |

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.

e) For reporting on fiscal year 2023 and beyond, reporting requirements on intercollegiate athletic revenues and expenses, specifically related to the share of athletic revenues from school funds and student fees, as set out in § [23.1-1309](#), Code of Virginia, fiscal years 2020, 2021, and 2022 shall be excluded from the calculated five-year rolling average of the change in generated revenue and student fees also outlined in § [23.1-1309](#), Code of Virginia.

4.a) Except for the reports required under Item 479.10 of this act, the Governor may delay or defer the submission of any report or study that is required by the Code of Virginia or by this Act of a state entity, including agencies, boards, commissions, and authorities, and that is due prior to June 30, 2021, if in the opinion of the Governor, meeting the reporting deadline is either not possible or is impractical due to impacts of the COVID-19 pandemic on the reporting entity. Reporting entities seeking approval of

the Governor to grant such a delay must submit a written request to the Governor no less than 30 days prior to the reporting deadline. Upon receiving approval from the Governor, the reporting entity shall provide the parties designated to receive the report with notice of an approved delay. This notice shall be in lieu of the required report until such time as the required report is submitted. Any report receiving approval for delayed submission shall be submitted as soon as the reporting entity can resume normal business operations and can complete the work necessary to compile the report; however, no report shall be submitted later than 12 months from the original reporting requirement.

b) The Governor may establish guidelines for the submission and approval process described in paragraph a) above.

b. Operating Appropriations Reports:

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 and Appropriations 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.

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.

3. Status of Economic Contingency Appropriation. The information must include actions taken related to the appropriation for economic contingency.

4. Status of Withholding Appropriations. The information must include amounts withheld and the agencies affected.

5. Status of reductions occurring in general and nongeneral fund revenues in relation to appropriations.

6. Status of approvals of deficits.

c. Employment Reports:

1. Status of changes in positions and employment of state agencies affected. The information must include the number of positions and the agencies affected.

2. Status of the employment by the Attorney General of special counsel in certain highway proceedings brought pursuant to Chapter 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 report shall include fees for special counsel for the respective county or city for which the expenditure is made and shall be submitted within 60 days of the close of the fiscal year (see § 4-5.02 a.3).

3. Changes in the level of compensation authorized pursuant to § 4-6.01 k, Employee Compensation. Such report shall include a list of the positions changed, the number of employees affected, the source and amount of funds, and the nature of the emergency.

4. Pursuant to requirements of § 2.2-203.1, Code of Virginia, the Secretary of Administration, in cooperation with the Secretary of Technology, shall provide a report describing the Commonwealth's telecommuting policies, which state agencies and localities have adopted telecommuting policies, the number of state employees who telecommute, the frequency with which state employees telecommute by locality, and the efficacy of telecommuting policies in accomplishing the provision of state services and completing state functions. This report shall be provided to the Chairmen of the House Committee on Appropriations, the House Committee on Science and Technology, the Senate Committee on Finance, and the Senate Committee on General Laws and Technology each year by October 1.

d. Capital Appropriations Reports:

1. Status of progress of capital projects on an annual basis (see § 4-4.01 o).

2. Notice of all capital projects authorized under § 4-4.01 l (see § 4-4.01 l. 1. b) 4).

e. Utilization of State Owned and Leased Real Property:

1. By November 15 of each year, the Department of General Services (DGS) shall consolidate the reporting requirements of § 2.2-1131.1 and § 2.2-1153 of the Code of Virginia into a single report eliminating the individual reports required by § 2.2-1131.1 and § 2.2-1153 of the Code of Virginia. This report shall be submitted to the Governor and the General Assembly and include (i) information on the implementation and effectiveness of the program established pursuant to subsection A of § 2.2-1131.1, (ii) a listing of real property leases that are in effect for the current year, the agency executing the lease, the amount of space leased, the population of each leased facility, and the annual cost of the lease; and, (iii) a report on DGS's findings and recommendations under the provisions of § 2.2-1153, and recommendations for any actions that may be required by the

Governor and the General Assembly to identify and dispose of property not being efficiently and effectively utilized.

2. By October 1 of each year, each agency that controls leased property, where such leased property is not under the DGS lease administration program, shall provide a report on each leased facility or portion thereof to DGS in a manner and form prescribed by DGS. Specific data included in the report shall identify at a minimum, the number of square feet occupied, the number of employees and contractors working in the leased space, if applicable, and the cost of the lease.

f. Services Reports:

Status of any exemptions by the State Council of Higher Education to policy which prohibits use of funds in this act for the operation of any academic program by any state institution of higher education, unless approved by the Council and included in the Governor's recommended budget, or approved by the General Assembly (see § 4-5.05 b 2).

g. Standard State Agency Abbreviations:

The Department of Planning and Budget shall be responsible for maintaining a list of standard abbreviations of the names of state agencies. The Department shall make a listing of agency standard abbreviations available via electronic means on a continuous basis to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, the State Comptroller, the Director, Department of Human Resource Management and the Chief Information Officer, Virginia Information Technologies Agency, and the public.

h. Educational and General Program Nongeneral Fund Administrative Appropriations Approved by the Department of Planning and Budget:

The Secretary of Finance and Secretary of Education, in collaboration with the Director, Department of Planning and Budget, shall report in December and June of each year to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees on adjustments made to higher education operating funds in the Educational and General Programs (10000) items for each public college and university contained in this budget. The report shall include actual or projected adjustments which increase nongeneral funds or actual or projected adjustments that transfer nongeneral funds to other items within the institution. The report shall provide the justification for the increase or transfer and the relative impact on student groups.

§ 4-8.02 STATE AGENCIES

a. As received, all state agencies shall forward copies of each federal audit performed on agency or institution programs or activities to the Auditor of Public Accounts and to the State Comptroller. Upon request, all state agencies shall provide copies of all internal audit reports and access to all working papers prepared by such auditors to the Auditor of Public Accounts and to the State Comptroller.

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

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

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

§ 4-8.03 LOCAL GOVERNMENTS

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

2. Based upon the criteria established by the workgroup and using information identified above, the Auditor of Public Accounts shall

establish a prioritized early warning system. Under the prioritized early warning system, the Auditor of Public Accounts shall establish a regular process whereby it reviews data on at least an annual basis to make a preliminary determination that a local government is in fiscal distress.

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

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

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

2. From such unexpended balances identified by the Director of the Department of Planning and Budget, the Governor may reappropriate up to \$750,000 from amounts which would otherwise revert to the balance of the general fund and transfer such amounts as necessary to establish a component of fund balance which may be used for the purpose of providing technical assistance and intervention actions for local governments deemed to be fiscally distressed and in need of intervention to address such distress. Any such reappropriation approved by the Governor, shall be separately identified in the commitments specified on the balance sheet and financial statements of the State Comptroller for the close of each fiscal year, to the extent that such reserve is not used or added to by future appropriation actions.

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

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

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

6. The Department of General Services is hereby encouraged to develop a master contract of qualified private sector turnaround specialists with expertise in local government intervention that the Governor can use to procure intervention services in an

expeditious manner when he determines that state intervention is warranted in situations of local fiscal distress.

c. No locality that has been previously authorized as an eligible host city pursuant to § [58.1-4107](#), Code of Virginia, to conduct casino gaming which held a local referendum on November 2, 2021, that failed, shall be eligible to hold a subsequent local referendum until November 2023.

§ 4-9.00 HIGHER EDUCATION RESTRUCTURING

§ 4-9.01 ASSESSMENT OF INSTITUTIONAL PERFORMANCE

Consistent with § [23.1-206](#), Code of Virginia, the following education-related and financial and administrative management measures shall be the basis on which the State Council of Higher Education shall annually assess and certify institutional performance. Such certification shall be completed and forwarded in writing to the Governor and the General Assembly no later than October 1 of each even-numbered year. Institutional performance on measures set forth in paragraph D of this section shall be evaluated year-to-date by the Secretaries of Finance and Administration as appropriate, and communicated to the State Council of Higher Education before October 1 of each even-numbered year. Financial benefits provided to each institution in accordance with § [23.1-1002](#) will be evaluated in light of that institution's performance.

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

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

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

a. BIENNIAL ASSESSMENTS

1. Institution meets at least 95 percent of its State Council-approved biennial projections for in-state undergraduate headcount enrollment.
2. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state associate and bachelor degree awards.
3. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state STEM-H (Science, Technology, Engineering, Mathematics, and Health professions) associate and bachelor degree awards.
4. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state, upper level - sophomore level for two-year institutions and junior and senior level for four-year institutions - program-placed, full-time equivalent students.
5. Maintain or increase the number of in-state associate and bachelor degrees awarded to students from under-represented populations.
6. Maintain or increase the number of in-state two-year transfers to four-year institutions.

b. Elementary and Secondary Education

1. The Virginia Department of Education shall share data on teachers, including identifying information, with the State Council of Higher Education for Virginia in order to evaluate the efficacy of approved programs of teacher education, the production and retention of teachers, and the exiting of teachers from the teaching profession.
2. a) The Virginia Department of Education and the State Council of Higher Education for Virginia shall share personally identifiable information from education records in order to evaluate and study student preparation for and enrollment and performance at state institutions of higher education in order to improve educational policy and instruction in the Commonwealth. However, such study shall be conducted in such a manner as to not permit the personal identification of students by persons other than representatives of the Department of Education or the State Council for Higher Education for Virginia, and such shared information shall be destroyed when no longer needed for purposes of the study.
- b) Notwithstanding § [2.2-3800](#) of the Code of Virginia, the Virginia Department of Education, State Council of Higher Education for Virginia, Virginia Community College System, and the Virginia Employment Commission may collect, use, share, and maintain

de-identified student data to improve student and program performance including those for career readiness.

3. Institutions of higher education shall disclose information from a pupil's scholastic record to the Superintendent of Public Instruction or his designee for the purpose of studying student preparation as it relates to the content and rigor of the Standards of Learning. Furthermore, the superintendent of each school division shall disclose information from a pupil's scholastic record to the Superintendent of Public Instruction or his designee for the same purpose. All information provided to the Superintendent or his designee for this purpose shall be used solely for the purpose of evaluating the Standards of Learning and shall not be redislosed, except as provided under federal law. All information shall be destroyed when no longer needed for the purposes of studying the content and rigor of the Standards of Learning.

c. SIX-YEAR PLAN

Institution prepares six-year financial plan consistent with § [23.1-907](#).

d. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to all institutions except those governed under Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly.

1. As specified in § [2.2-5004](#), Code of Virginia, institution takes all appropriate actions to meet the following financial and administrative standards:

- a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;
- b) No significant audit deficiencies attested to by the Auditor of Public Accounts;
- c) Substantial compliance with all financial reporting standards approved by the State Comptroller;
- d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and
- e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.

2. Institution complies with a debt management policy approved by its governing board that defines the maximum percent of institutional resources that can be used to pay debt service in a fiscal year, and the maximum amount of debt that can be prudently issued within a specified period.

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

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

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

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

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

e. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly. They shall be measured by the administrative standards outlined in the Management Agreements and § 4-9.02.d.4. of this act. However, the Governor may supplement or replace those administrative

performance measures with the administrative performance measures listed in this paragraph. Effective July 1, 2009, the following administrative and financial measures shall be used for the assessment of institutional performance for institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly and those governed under Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, and Chapters 124 and 125 of the 2019 Acts of Assembly.

1. Financial

- a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;
- b) No significant audit deficiencies attested to by the Auditor of Public Accounts;
- c) Substantial compliance with all financial reporting standards approved by the State Comptroller;
- d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and
- e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.

2. Debt Management

- a) The institution shall maintain a bond rating of AA- or better;
- b) The institution achieves a three-year average rate of return at least equal to the imoney.net money market index fund; and
- c) The institution maintains a debt burden ratio equal to or less than the level approved by the Board of Visitors in its debt management policy.

3. Human Resources

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

4. Procurement

- a) The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) procurement plan as submitted to the Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable; and
- b) The institution will make no less than 80 percent of purchase transactions through the Commonwealth's enterprise-wide internet procurement system (eVA) with no less than 75 percent of dollars to vendor locations in eVA.

5. Capital Outlay

- a) The institution will complete capital projects (with an individual cost of over \$1,000,000) within the budget originally approved by the institution's governing board at the preliminary design state for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly which provides construction funding for the project at the preliminary design state. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun;
- b) The institution shall complete capital projects with the dollar amount of owner requested change orders not more than 2 percent of the guaranteed maximum price (GMP) or construction price; and
- c) The institution shall pay competitive rates for leased office space – the average cost per square foot for office space leased by the institution is within 5 percent of the average commercial business district lease rate for similar quality space within reasonable proximity to the institution's campus.

6. Information Technology

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

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

f. REPORTING

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

g. EXEMPTION

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 Assembly of 2011.

§ 4-9.02 LEVEL II AUTHORITY

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

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

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

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

b. As part of the memorandum of understanding, each institution shall be required to adopt at least one new education-related measure for the new area of operational authority. Each education-related measure and its respective target shall be developed in consultation with the Secretary of Finance, Secretary of Education, the appropriate Cabinet Secretary, and the State Council of Higher Education for Virginia. Each education-related measure and its respective target must be approved by the State Council of Higher Education for Virginia. The development and administration of education-related measures described in paragraph b. and in § [23.1-1003](#) A.3. are suspended through 2022-2024.

c. Subject to review of its Shared Services Center by the Department of General Services, and approval to proceed with decentralized procurement of authority by the Department of General Services, the Virginia Community College System (VCCS) is authorized, for a period of five years, to exercise additional financial and administrative authority as set out in each of the three functional areas of 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 second enactment of Chapter 824 and 829 of the Acts of Assembly of 2008 except that (i) any effective dates contained in Chapter 824 and 829 of the Acts of Assembly of 2008 are superseded by the provisions of this item. The State Board for Community Colleges may request any subsequent delegation of procurement authority after consultation with and positive recommendation by the Department of General Services.

d. Notwithstanding the small purchase thresholds set forth in the Rules Governing Procurement for institutions of higher education that have operational authority in the area of procurement, the small purchases thresholds shall be the same thresholds set forth in the Virginia Public Procurement Act (§ 2.2-4300 et seq). Where small purchase thresholds in the Rules Governing Procurement for such institutions exceed those in 2.2-4300 et seq, the Rules Governing Procurement shall be the authorized procurement threshold.

e. Consistent with the 2019 updates to the Virginia Public Procurement Act, institutions of higher education that have operational authority in the area of procurement are permitted to conform their Request for Proposal advertising rules to that of § [2.2-4302.2](#).A.2.

§ 4-9.03 LEVEL III AUTHORITY

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

b. Notwithstanding the small purchase thresholds set forth in the Rules Governing Procurement the small purchases thresholds for Level III institutions shall be the small purchase thresholds set forth in the Virginia Public Procurement Act (§ [2.2-4300](#) et seq). Where small purchase thresholds under Rules Governing Procurement for Level III institutions exceed those in 2.2-4300 et seq, the Rules Governing Procurement shall be the authorized procurement threshold.

c. Consistent with the 2019 updates to the Virginia Public Procurement Act, institutions of higher education that have Management Agreements are permitted to conform their Request for Proposal advertising rules to that of § [2.2-4302.2.A.2](#)

§ 4-9.04 IMPLEMENT JLARC RECOMMENDATIONS

- a. The Boards of Visitors at each Virginia public four-year higher education institution, to the extent practicable, shall:
 - 1. require their institutions to clearly list the amount of the athletic fee on their website's tuition and fees information page. The page should include a link to the State Council of Higher Education for Virginia's tuition and fee information. The boards should consider requiring institutions to list the major components of all mandatory fees, including the portion attributable to athletics, on a separate page attached to student invoices;
 - 2. assess the feasibility and impact of raising additional revenue through campus recreation and fitness enterprises to reduce reliance on mandatory student fees. The assessments should address the feasibility and impact of raising additional revenue through charging for specialized programs and services, expanding membership, and/or charging all users of recreation facilities;
 - 3. direct staff to perform a comprehensive review of the institution's organizational structure, including an analysis of spans of control and a review of staff activities and workload, and identify opportunities to streamline the organizational structure. Boards should further direct staff to implement the recommendations of the review to streamline their organizational structures where possible;
 - 4. require periodic reports on average and median spans of control and the number of supervisors with six or fewer direct reports;
 - 5. direct staff to revise human resource policies to eliminate unnecessary supervisory positions by developing standards that establish and promote broader spans of control. The new policies and standards should (i) set an overall target span of control for the institution, (ii) set a minimum number of direct reports per supervisor, with guidelines for exceptions, (iii) define the circumstances that necessitate the use of a supervisory position, (iv) prohibit the establishment of supervisory positions for the purpose of recruiting or retaining employees, and (v) establish a periodic review of departments where spans of control are unusually narrow; and,
 - 6. direct institution staff to set and enforce policies to maximize standardization of purchases of commonly procured goods, including use of institution-wide contracts;
 - 7. consider directing institution staff to provide an annual report on all institutional purchases, including small purchases, that are exceptions to the institutional policies for standardizing purchases;
 - 8. participate in national faculty teaching load assessments by discipline and faculty type.
- b. The State Council on Higher Education for Virginia, to the extent practicable, shall:
 - 1. convene a working group of institution financial officers, with input from the Department of Accounts, the Department of Planning and Budget, and the Auditor of Public Accounts, to create a standard way of calculating and publishing mandatory non-E&G fees, including for intercollegiate athletics;
 - 2. update the state's Chart of Accounts for higher education in order to improve comparability and transparency of mandatory non-E&G fees, with input from the Department of Accounts, the Department of Planning and Budget, the Auditor of Public Accounts, and institutional staff. This process should be coordinated with the standardization of tuition and fee reporting;
 - 3. convene a working group of institutional staff to develop instructional and research space guidelines that adequately measure current use of space and plans for future use of space at Virginia's public higher education institutions;
 - 4. coordinate a committee of institutional representatives, such as the previously authorized Learning Technology Advisory Committee. In addition to the objectives set out in the Appropriation Act for the Learning Technology Advisory Committee, the committee should identify instructional technology initiatives and best practices for directly or indirectly lowering institutions' instructional expenditures per student while maintaining or enhancing student learning;
 - 5. include factors such as discipline, faculty rank, cost of living, and regional comparisons in developing faculty salary goals;
 - 6. identify instructional technology best practices that directly or indirectly lower student cost while maintaining or enhancing learning.
- c. Notwithstanding the provisions of § [23.1-1304](#), the State Council of Higher Education for Virginia shall annually train boards of visitors members on the types of information members should request from institutions to inform decision making, such as performance measures, benchmarking data, the impact of financial decisions on student costs, and past and projected cost trends. Boards of Visitors members serving on finance and facilities subcommittees should, at a minimum, participate in the training within their first year of membership on the subcommittee. SCHEV should obtain assistance in developing or delivering the training from relevant agencies such as the Department of General Services and past or present finance officers at Virginia's public four-year institutions, as appropriate.

d. The Department of Planning and Budget shall revise the formula used to make allocation recommendations for the state's maintenance reserve funding to account for higher maintenance needs resulting from poor facility condition, aging of facilities, and differences in facility use.

e. The Six-Year Capital Outlay Plan Advisory Committee, the Department of Planning and Budget, and others as appropriate shall use the results of the prioritization process established by the State Council of Higher Education for Virginia in determining which capital projects should receive funding.

f. Beginning with fiscal year 2016, the Auditor of Public Accounts shall include in its audit plan for each public institution of higher education a review of progress in implementing the JLARC recommendations contained in paragraph § 4-9.04 a.

§ 4-11.00 STATEMENT OF FINANCIAL CONDITION

Each agency head handling any state funds shall, at least once each year, upon request of the Auditor of Public Accounts, make a detailed statement, under oath, of the financial condition of his office as of the date of such call, to the Auditor of Public Accounts, and upon such forms as shall be prescribed by the Auditor of Public Accounts.

§ 4-12.00 SEVERABILITY

If any part, section, subsection, paragraph, sentence, clause, phrase, or item of this act or the application thereof to any person or circumstance is for any reason declared unconstitutional, such decisions shall not affect the validity of the remaining portions of this act which shall remain in force as if such act had been passed with the unconstitutional part, section, subsection, paragraph, sentence, clause, phrase, item or such application thereof eliminated; and the General Assembly hereby declares that it would have passed this act if such unconstitutional part, section, subsection, paragraph, sentence, clause, phrase, or item had not been included herein, or if such application had not been made.

§ 4-13.00 CONFLICT WITH OTHER LAWS

Notwithstanding any other provision of law, and until June 30, 2024, the provisions of this act shall prevail over any conflicting provision of any other law, without regard to whether such other law is enacted before or after this act; however, a conflicting provision of another law enacted after this act shall prevail over a conflicting provision of this act if the General Assembly has clearly evidenced its intent that the conflicting provision of such other law shall prevail, which intent shall be evident only if such other law (i) identifies the specific provision(s) of this act over which the conflicting provision of such other law is intended to prevail and (ii) specifically states that the terms of this section are not applicable with respect to the conflict between the provision(s) of this act and the provision of such other law.

§ 4-14. Not set out.

INDEX

| | Page |
|---------------------------------------|------|
| PART 1: OPERATING EXPENSES..... | 4 |
| PART 2: CAPITAL PROJECT EXPENSES..... | 253 |
| PART 3: MISCELLANEOUS..... | 267 |
| PART 4: GENERAL PROVISIONS..... | 285 |

Index, PART 1: OPERATING EXPENSES

| Agency Name | Agency Code | Page |
|--|-------------|------|
| Agriculture and Consumer Services, Department of (VDACS)..... | (301)..... | 20 |
| Auditor of Public Accounts (APA)..... | (133)..... | 4 |
| Behavioral Health and Developmental Services, Department of (DBHDS)..... | (720)..... | 164 |
| Central Appropriations (CA)..... | (995)..... | 224 |
| Children's Services Act (CSA)..... | (200)..... | 119 |
| Compensation Board (CB)..... | (157)..... | 11 |
| Conservation and Recreation, Department of (DCR)..... | (199)..... | 196 |
| Cooperative Extension and Agricultural Research Services (VSU/ CEAR)..... | (234)..... | 103 |
| Corrections, Department of (DOC)..... | (799)..... | 212 |
| Direct Aid to Public Education (DOE/ DAPE)..... | (197)..... | 42 |
| Division of Legislative Services (DLS)..... | (107)..... | 7 |
| Economic Development Incentive Payments (EDIP)..... | (312)..... | 23 |
| Education, Central Office Operations, Department of (DOE/ COO)..... | (201)..... | 42 |
| Environmental Quality, Department of (DEQ)..... | (440)..... | 201 |
| Fort Monroe Authority (FMA)..... | (360)..... | 37 |
| Grants to Localities (DBDHS/GL)..... | (790)..... | 168 |
| Historic Resources, Department of (DHR)..... | (423)..... | 204 |
| Housing and Community Development, Department of (DHCD)..... | (165)..... | 27 |
| Legislative Department Reversion Clearing Account (LDRCA)..... | (102)..... | 8 |
| Marine Resources Commission (MRC)..... | (402)..... | 209 |
| Medical Assistance Services, Department of (DMAS)..... | (602)..... | 124 |
| Military Affairs, Department of (DMA)..... | (123)..... | 222 |
| Secretary of Commerce and Trade (SCT)..... | (192)..... | 23 |
| Secretary of Health and Human Resources (SHHR)..... | (188)..... | 119 |
| Secretary of Natural and Historic Resources (SNHR)..... | (183)..... | 195 |
| Secretary of Public Safety and Homeland Security (SPSHS)..... | (187)..... | 211 |
| Social Services, Department of (DSS)..... | (765)..... | 176 |
| Taxation, Department of (TAX)..... | (161)..... | 106 |
| Transportation, Department of (VDOT)..... | (501)..... | 217 |
| Treasury Board (TB)..... | (155)..... | 112 |
| Virginia Economic Development Partnership (VEDP)..... | (310)..... | 37 |
| Virginia Lottery (VAL)..... | (172)..... | 250 |
| Virginia State University (VSU)..... | (212)..... | 102 |

Index, PART 2: CAPITAL PROJECT EXPENSES

| Agency Name | Agency Code | Page |
|------------------------------------|--------------------|-------------|
| Central Capital Outlay (CCO)..... | (949)..... | 264 |
| Forestry, Department of (DOF)..... | (411)..... | 260 |

Index, PART 3: MISCELLANEOUS

| | Page |
|---|-------------|
| 2-23 Individual Income Tax Rebate..... | 282 |
| Adjustments and Modifications to Fees..... | 283 |
| Adjustments and Modifications to Tax Collections..... | 276 |
| Admissions Tax..... | 278 |
| Advances to Working Capital Funds..... | 274 |
| Annual Vehicle Registration Fee (\$6.25 for Life)..... | 283 |
| Assessment of Electronic Summons Fee by Localities..... | 283 |
| Auxiliary Enterprise Investment Yields..... | 276 |
| Auxiliary Enterprises and Sponsored Programs in Institutions of Higher Education..... | 276 |
| Charges Against Working Capital Funds..... | 274 |
| Cigarette Tax, Tobacco Products Tax and Tax on Liquid Nicotine..... | 281 |
| Deduction for Able Act Contributions..... | 277 |
| Discounts and Allowances..... | 276 |
| Disposition of Excess Fees Collected by Clerks of the Circuit Courts..... | 276 |
| Drivers License Reinstatement Fee..... | 283 |
| Entitlement to Certain Sales Tax Revenues..... | 283 |
| Food Crop Donation Tax Credit..... | 282 |
| General Fund Deposits..... | 275 |
| Historic Preservation Tax Credit..... | 281 |
| Implementation of Chapter 3, Acts of Assembly of 2004, Special Session I..... | 276 |
| Individual Income Tax Rebate..... | 282 |
| Intangible Holding Company Addback..... | 277 |
| Interagency Transfers..... | 273 |
| Interfund Transfers..... | 267 |
| Land Preservation Tax Credit Claimed..... | 281 |
| Lines of Credit..... | 274 |
| Neighborhood Assistance Act Tax Credit..... | 281 |
| Payment by the State Treasurer..... | 275 |
| Payment of Auto Rental Tax to the General Fund..... | 276 |
| Procedures for Prepayment of Civil Penalties in An Executive Order..... | 283 |
| Provider Coverage Assessment..... | 278 |
| Provider Payment Rate Assessment..... | 279 |

| | |
|--|-----|
| Real Property Tax..... | 283 |
| Recordation Tax Fee..... | 283 |
| Regional Fuels Tax..... | 277 |
| Retail Sales & Use Tax Exemption for Internet Service Providers..... | 276 |
| Retail Sales and Use Tax Exemption for Certain Drilling Equipment..... | 282 |
| Retail Sales and Use Tax Exemption for Donated Educational Materials..... | 282 |
| Retail Sales and Use Tax Exemption for Research for Federally Funded Research and Development Centers..... | 277 |
| Retaliatory Costs to other States Tax Credit..... | 276 |
| Sales and Use Tax Holiday for Certain School Supplies, Hurricane Preparedness Equipment, and Energy Savings Equipment..... | 282 |
| Sales Tax Commitment to Highway Maintenance and Operating Fund..... | 277 |
| Short-term Advance to the General Fund from Nongeneral Funds..... | 273 |
| Sunset Dates for Income Tax Credits and Sales and Use Tax Exemptions..... | 278 |
| Tax Collection Efforts..... | 283 |
| Tobacco Tax Study..... | 280 |
| Transfers..... | 267 |
| Working Capital Funds and Lines of Credit..... | 274 |

Index, PART 4: GENERAL PROVISIONS

| | Page |
|---|------|
| Allotments..... | 292 |
| Appropriation Increases..... | 290 |
| Appropriation Transfers..... | 288 |
| Appropriations..... | 286 |
| Assessment of Institutional Performance..... | 336 |
| Capital Projects..... | 300 |
| Charges..... | 329 |
| Conflict with other Laws..... | 341 |
| Deficit Authorization and Treasury Loans..... | 297 |
| Deficits..... | 297 |
| Delegation of Authority..... | 314 |
| Disposition of Surplus Real Property..... | 316 |
| Employee Benefits..... | 327 |
| Employee Compensation..... | 318 |
| Employee Training and Study..... | 327 |
| General..... | 300 |
| General Fund Revenue..... | 295 |
| Goods and Services..... | 311 |
| Governor..... | 331 |
| Higher Education Restructuring..... | 336 |
| Implement JLARC Recommendations..... | 340 |
| Indirect Costs..... | 296 |
| Lease, License or Use Agreements..... | 315 |
| Level II Authority..... | 339 |
| Level III Authority..... | 339 |
| Limited Adjustments of Appropriations..... | 292 |
| Local Governments..... | 334 |
| Long-term Leases..... | 299 |

| | |
|--|-----|
| Manpower Control Program..... | 330 |
| Nongeneral Fund Revenues..... | 292 |
| Nonstate Agencies, Interstate Compacts and Organizational Memberships..... | 314 |
| Operating Policies..... | 285 |
| Operating Policies..... | 285 |
| Planning and Budgeting..... | 306 |
| Positions and Employment..... | 318 |
| Positions Governed by Chapters 933 and 943 of the 2006 Acts of Assembly..... | 330 |
| Prerequisites for Payment..... | 286 |
| Reporting Requirements..... | 331 |
| Revenues..... | 292 |
| Reversion of Appropriations and Reappropriations..... | 291 |
| Seat of Government Traffic and Pedestrian Safety..... | 317 |
| Selection of Applicants for Classified Positions..... | 330 |
| Semiconductor Manufacturing Performance Grant Programs..... | 315 |
| Services and Clients..... | 309 |
| Severability..... | 341 |
| Special Conditions and Restrictions on Expenditures..... | 306 |
| State Agencies..... | 334 |
| Statement of Financial Condition..... | 341 |
| Statewide Plans..... | 330 |
| Surplus Property Transfers for Economic Development..... | 316 |
| Third Party Transactions..... | 308 |
| Transactions with Individuals..... | 306 |
| Treasury Loans..... | 298 |
| Withholding of Spending Authority..... | 286 |

Index, CODE OF VIRGINIA SECTION REFERENCES

| | | | |
|---|-----------------|-------------------|-------------|
| Title 2.2 ADMINISTRATION OF GOVERNMENT | | | |
| Section | Page | | |
| § 2.2-104..... | 314 | § 2.2-4019..... | 132 |
| § 2.2-115..... | 23 | § 2.2-4020..... | 132 |
| § 2.2-200..... | 318 | § 2.2-4300..... | 168,285,339 |
| § 2.2-201..... | 195,211 | § 2.2-4301..... | 315 |
| § 2.2-203.1..... | 333 | § 2.2-4302.2..... | 339 |
| § 2.2-205.2..... | 33 | § 2.2-4343..... | 314 |
| § 2.2-221.1..... | 211 | § 2.2-4377..... | 168 |
| § 2.2-400..... | 318 | § 2.2-4800..... | 285 |
| § 2.2-510..... | 333 | § 2.2-4809..... | 109 |
| § 2.2-510.1..... | 308 | § 2.2-5004..... | 337 |
| § 2.2-514..... | 132,306 | § 2.2-5101..... | 24 |
| § 2.2-803..... | 1,309,312 | § 2.2-5102.1..... | 24 |
| § 2.2-813..... | 107 | § 2.2-5200..... | 120 |
| § 2.2-1101..... | 309 | § 2.2-5206..... | 122 |
| § 2.2-1124..... | 296 | § 2.2-5209..... | 121 |
| § 2.2-1125..... | 290,291,296 | § 2.2-5211..... | 119,176 |
| § 2.2-1129..... | 317 | | |
| § 2.2-1131.1..... | 333 | | |
| § 2.2-1132..... | 301,305 | | |
| § 2.2-1149..... | 293,316 | | |
| § 2.2-1150..... | 317 | | |
| § 2.2-1151..... | 300 | | |
| § 2.2-1153..... | 316,333 | | |
| § 2.2-1155..... | 304 | | |
| § 2.2-1156..... | 204,272,304,316 | | |
| § 2.2-1201..... | 326,332 | | |
| § 2.2-1501..... | 311 | | |
| § 2.2-1503..... | 287,288 | | |
| § 2.2-1505..... | 1,314 | | |
| § 2.2-1509..... | 311 | | |
| § 2.2-1509.4..... | 21,205 | | |
| § 2.2-1514..... | 272 | | |
| § 2.2-1515..... | 301 | | |
| § 2.2-1516..... | 253 | | |
| § 2.2-1611..... | 24 | | |
| § 2.2-1802..... | 293 | | |
| § 2.2-1819..... | 292 | | |
| § 2.2-1829..... | 4,270 | | |
| § 2.2-1831.3..... | 270,283 | | |
| § 2.2-2006..... | 311,312 | | |
| § 2.2-2013..... | 309 | | |
| § 2.2-2236.1..... | 39 | | |
| § 2.2-2237.1..... | 39 | | |
| § 2.2-2237.3..... | 39 | | |
| § 2.2-2238..... | 39 | | |
| § 2.2-2261..... | 114 | | |
| § 2.2-2320..... | 24 | | |
| § 2.2-2320.1..... | 25 | | |
| § 2.2-2338..... | 37 | | |
| § 2.2-2342..... | 37 | | |
| § 2.2-2416..... | 300 | | |
| § 2.2-2417..... | 304,305,315 | | |
| § 2.2-2487..... | 31 | | |
| § 2.2-2489..... | 31 | | |
| § 2.2-2648..... | 122 | | |
| § 2.2-2813..... | 250 | | |
| § 2.2-2818..... | 226,328,331 | | |
| § 2.2-3204..... | 228 | | |
| § 2.2-3205..... | 228 | | |
| § 2.2-3605..... | 329 | | |
| § 2.2-3700..... | 32 | | |
| § 2.2-3701..... | 37 | | |
| § 2.2-3707..... | 285 | | |
| § 2.2-3707.1..... | 285 | | |
| § 2.2-3708..... | 37 | | |
| § 2.2-3708.2..... | 285 | | |
| § 2.2-3800..... | 336 | | |
| § 2.2-4000..... | 191,277,281 | | |
| § 2.2-4002..... | 128 | | |
| § 2.2-4011..... | 132 | | |
| Title 3.2 AGRICULTURE, ANIMAL CARE, AND FOOD | | | |
| Section | Page | | |
| § 3.2-102..... | 21 | | |
| § 3.2-201..... | 21 | | |
| § 3.2-2705..... | 209,295 | | |
| § 3.2-3005..... | 21 | | |
| § 3.2-3012..... | 21 | | |
| § 3.2-3100..... | 127 | | |
| § 3.2-4201..... | 271 | | |
| § 3.2-4783..... | 237 | | |
| Title 4.1 ALCOHOLIC BEVERAGE AND CANNABIS CONTROL | | | |
| Section | Page | | |
| § 4.1-101.02..... | 324 | | |
| § 4.1-116..... | 267,268 | | |
| § 4.1-234..... | 267 | | |
| Title 9.1 COMMONWEALTH PUBLIC SAFETY | | | |
| Section | Page | | |
| § 9.1-102..... | 171 | | |
| § 9.1-187..... | 171 | | |
| § 9.1-400..... | 231 | | |
| § 9.1-401..... | 231 | | |
| Title 10.1 CONSERVATION | | | |
| Section | Page | | |
| § 10.1-104..... | 199 | | |
| § 10.1-104.2..... | 197 | | |
| § 10.1-104.7..... | 197 | | |
| § 10.1-546.1..... | 197 | | |
| § 10.1-552..... | 198 | | |
| § 10.1-603.17..... | 199,238 | | |
| § 10.1-603.25..... | 275 | | |
| § 10.1-603.29..... | 272 | | |
| § 10.1-611.1..... | 200 | | |
| § 10.1-702..... | 199 | | |
| § 10.1-1186.01..... | 249 | | |
| § 10.1-1188..... | 301 | | |
| § 10.1-1190..... | 301 | | |
| § 10.1-1237..... | 38 | | |
| § 10.1-2128..... | 198,283 | | |
| § 10.1-2128.1..... | 198,268,283 | | |
| § 10.1-2129..... | 197,198,199,200 | | |
| § 10.1-2131..... | 249 | | |
| § 10.1-2132..... | 198 | | |
| § 10.1-2202.1..... | 204 | | |
| § 10.1-2202.2..... | 206 | | |
| § 10.1-2202.4..... | 205 | | |
| § 10.1-2202.5..... | 207 | | |
| § 10.1-2211.1..... | 204 | | |
| § 10.1-2211.2..... | 204,205,206 | | |
| § 10.1-2213..... | 204 | | |
| § 10.1-2214..... | 207 | | |
| Title 11 CONTRACTS | | | |
| Section | Page | | |

| | | |
|---|-------------|---------|
| § 11-35..... | 226 | 56 |
| Title 15.2 COUNTIES, CITIES AND TOWNS | | |
| Section | Page | |
| § 15.2-540..... | 276 | 59 |
| § 15.2-639..... | 276 | 50 |
| § 15.2-848..... | 276 | 52 |
| § 15.2-941..... | 37 | 56 |
| § 15.2-1302..... | 77,79,289 | 44 |
| § 15.2-1609.1..... | 13 | 93 |
| § 15.2-1613..... | 16 | 50,83 |
| § 15.2-1615.1..... | 16 | 56 |
| § 15.2-1636.5..... | 327 | 97 |
| § 15.2-2005..... | 316 | 97 |
| § 15.2-2114..... | 4,202,203 | 97 |
| § 15.2-2659..... | 74 | 285 |
| § 15.2-3500..... | 289 | 307 |
| § 15.2-4100..... | 289 | 277 |
| § 15.2-4207..... | 28 | 247 |
| Title 16.1 COURTS NOT OF RECORD | | |
| Section | Page | |
| § 16.1-69.40:2..... | 283 | 337 |
| Title 17.1 COURTS OF RECORD | | |
| Section | Page | |
| § 17.1-275.12..... | 272 | 291 |
| § 17.1-283..... | 276 | 291,336 |
| § 17.1-285..... | 276 | 339 |
| § 17.1-805..... | 213 | 315 |
| Title 18.2 CRIMES AND OFFENSES GENERALLY | | |
| Section | Page | |
| § 18.2-186.6..... | 110 | 330 |
| § 18.2-248..... | 213 | 253,297 |
| § 18.2-248.1..... | 213 | 248 |
| Title 19.2 CRIMINAL PROCEDURE | | |
| Section | Page | |
| § 19.2-169.6..... | 170 | 327 |
| § 19.2-176..... | 170 | 291 |
| § 19.2-177.1..... | 170 | 340 |
| Title 22.1 EDUCATION | | |
| Section | Page | |
| § 22.1-3.4..... | 56 | 332 |
| § 22.1-24..... | 56 | 310 |
| § 22.1-25..... | 60 | 336,339 |
| § 22.1-79.1..... | 61 | 285 |
| § 22.1-97..... | 63,95 | 307 |
| § 22.1-101.1..... | 87 | 277 |
| § 22.1-108..... | 56 | 247 |
| § 22.1-146.1..... | 74 | 291 |
| § 22.1-153..... | 74 | 291,336 |
| § 22.1-166.2..... | 77,78 | 339 |
| § 22.1-168..... | 74,77,78 | 315 |
| § 22.1-168.1..... | 74,77,78 | 330 |
| § 22.1-175.5..... | 93,95 | 253,297 |
| § 22.1-176..... | 56 | 103 |
| § 22.1-198..... | 56 | 248 |
| § 22.1-199..... | 56 | 327 |
| § 22.1-199.1..... | 56 | 291 |
| § 22.1-199.2..... | 56 | 340 |
| § 22.1-205..... | 69 | 332 |
| § 22.1-212.2:2..... | 56 | 330 |
| § 22.1-212.23..... | 67 | 132 |
| § 22.1-213..... | 56 | 131 |
| § 22.1-221..... | 56 | 128 |
| § 22.1-223..... | 56 | 132 |
| § 22.1-227..... | 56 | 132 |
| § 22.1-237..... | 56 | 132 |
| § 22.1-253.13:1..... | 56 | 132 |
| § 22.1-253.13:2..... | 63 | 130,131 |
| § 22.1-253.13:3..... | 71 | 271 |
| § 22.1-253.13:8..... | 56 | 127 |
| § 22.1-254..... | 56,59 | 127 |
| Title 23.1 INSTITUTIONS OF HIGHER EDUCATION; OTHER EDUCATIONAL AND CULTURAL INSTITUTIONS | | |
| Section | Page | |
| § 23.1-102..... | 332 | 135 |
| § 23.1-203..... | 310 | 317 |
| § 23.1-206..... | 336,339 | 317 |
| § 23.1-601..... | 285 | 317 |
| § 23.1-615..... | 307 | 317 |
| § 23.1-700..... | 277 | 317 |
| § 23.1-903.4..... | 247 | 317 |
| § 23.1-907..... | 337 | 317 |
| § 23.1-1001..... | 291 | 317 |
| § 23.1-1002..... | 224,291,336 | 317 |
| § 23.1-1003..... | 339 | 317 |
| § 23.1-1006..... | 315 | 317 |
| § 23.1-1020..... | 330 | 317 |
| § 23.1-1106..... | 253,297 | 317 |
| § 23.1-1244..... | 248 | 317 |
| § 23.1-1302..... | 327 | 317 |
| § 23.1-1303..... | 291 | 317 |
| § 23.1-1304..... | 340 | 317 |
| § 23.1-1309..... | 332 | 317 |
| § 23.1-2704..... | 103 | 317 |
| § 23.1-2911.2..... | 247 | 317 |
| Title 28.2 FISHERIES AND HABITAT OF THE TIDAL WATERS | | |
| Section | Page | |
| § 28.2-200..... | 209 | 317 |
| § 28.2-201.8..... | 209 | 317 |
| § 28.2-208..... | 295 | 317 |
| § 28.2-302.3..... | 295 | 317 |
| § 28.2-542..... | 295 | 317 |
| § 28.2-1206..... | 295 | 317 |
| Title 30 GENERAL ASSEMBLY | | |
| Section | Page | |
| § 30-34.2:1..... | 317 | 317 |
| § 30-347..... | 135 | 317 |
| Title 32.1 HEALTH | | |
| Section | Page | |
| § 32.1-313..... | 132 | 317 |
| § 32.1-323.2..... | 128 | 317 |
| § 32.1-325..... | 132 | 317 |
| § 32.1-325.1..... | 132 | 317 |
| § 32.1-325.1:1..... | 132 | 317 |
| § 32.1-331.12..... | 130,131 | 317 |
| § 32.1-352..... | 271 | 317 |
| § 32.1-366..... | 127 | 317 |
| § 32.1-367..... | 127 | 317 |
| Title 33.2 HIGHWAYS AND OTHER SURFACE TRANSPORTATION SYSTEMS | | |
| Section | Page | |
| § 33.2-314..... | 317 | 317 |
| § 33.2-357..... | 218 | 317 |
| § 33.2-358..... | 218 | 317 |
| § 33.2-369..... | 218 | 317 |
| § 33.2-1010..... | 300 | 317 |
| § 33.2-1500..... | 218 | 317 |
| § 33.2-1526.3..... | 219 | 317 |
| § 33.2-1529.1..... | 218 | 317 |
| § 33.2-2300..... | 117 | 317 |

| | | | |
|---|-------------|--|-------------|
| § 33.2-2400..... | 117 | § 53.1-40.2..... | 170 |
| Title 36 HOUSING | | § 53.1-45..... | 213 |
| Section | Page | § 53.1-47..... | 213 |
| § 36-140.01..... | 33 | § 53.1-80..... | 16,114 |
| § 36-155..... | 236 | § 53.1-81..... | 16 |
| Title 37.2 BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES | | § 53.1-82.2..... | 114 |
| Section | Page | § 53.1-83.1..... | 11,15 |
| § 37.2-504..... | 169 | § 53.1-84..... | 15 |
| § 37.2-605..... | 169 | § 53.1-85..... | 11,15 |
| § 37.2-713..... | 68 | § 53.1-120..... | 12 |
| § 37.2-808..... | 124,170 | § 53.1-131..... | 14 |
| § 37.2-809..... | 124,170 | Title 54.1 PROFESSIONS AND OCCUPATIONS | |
| § 37.2-813..... | 170 | Section | Page |
| § 37.2-815..... | 170 | § 54.1-2345..... | 285 |
| § 37.2-816..... | 170 | § 54.1-3913..... | 288 |
| § 37.2-817..... | 170 | Title 55.1 PROPERTY AND CONVEYANCES | |
| Title 38.2 INSURANCE | | Section | Page |
| Section | Page | § 55.1-345..... | 283 |
| § 38.2-400..... | 109 | Title 56 PUBLIC SERVICE COMPANIES | |
| § 38.2-403..... | 109 | Section | Page |
| § 38.2-3418.16..... | 132 | § 56-232..... | 77 |
| § 38.2-3418.17..... | 227 | § 56-234..... | 77 |
| § 38.2-5009..... | 308 | § 56-484.17..... | 275 |
| § 38.2-5601..... | 110 | § 56-484.17:1..... | 109 |
| Title 40.1 LABOR AND EMPLOYMENT | | Title 58.1 TAXATION | |
| Section | Page | Section | Page |
| § 40.1-51.15..... | 295 | § 58.1-105..... | 110 |
| Title 44 MILITARY AND EMERGENCY LAWS | | § 58.1-202..... | 108 |
| Section | Page | § 58.1-202.1..... | 276 |
| § 44-93.1..... | 222,289 | § 58.1-203..... | 110 |
| § 44-146.17..... | 283,285 | § 58.1-214..... | 108 |
| § 44-146.18:2..... | 316 | § 58.1-300..... | 282 |
| § 44-146.28..... | 316 | § 58.1-302..... | 108,111,281 |
| Title 46.2 MOTOR VEHICLES | | § 58.1-306..... | 109 |
| Section | Page | § 58.1-309..... | 282 |
| § 46.2-395..... | 283 | § 58.1-312..... | 277 |
| § 46.2-411..... | 283 | § 58.1-320..... | 108 |
| § 46.2-454..... | 295 | § 58.1-321..... | 277 |
| § 46.2-694..... | 283 | § 58.1-339.2..... | 205,281 |
| § 46.2-1104..... | 219 | § 58.1-381..... | 108 |
| Title 51.1 PENSIONS, BENEFITS, AND RETIREMENT | | § 58.1-392..... | 108 |
| Section | Page | § 58.1-402..... | 277 |
| § 51.1-124.3..... | 229,327,329 | § 58.1-439.12:03..... | 278 |
| § 51.1-124.30..... | 226 | § 58.1-439.12:12..... | 282 |
| § 51.1-126..... | 230 | § 58.1-439.18..... | 281 |
| § 51.1-132..... | 229 | § 58.1-439.20..... | 281 |
| § 51.1-138..... | 229 | § 58.1-439.20:1..... | 281 |
| § 51.1-142.2..... | 328 | § 58.1-439.29..... | 278 |
| § 51.1-144..... | 329 | § 58.1-442..... | 110 |
| § 51.1-145..... | 227,230 | § 58.1-460..... | 110 |
| § 51.1-153..... | 229 | § 58.1-472..... | 107,108 |
| § 51.1-155..... | 230 | § 58.1-478..... | 107,108 |
| § 51.1-155.1..... | 230,328 | § 58.1-490..... | 108,109 |
| § 51.1-156..... | 229,329 | § 58.1-495..... | 109 |
| § 51.1-166..... | 61 | § 58.1-512..... | 281 |
| § 51.1-169..... | 229,230 | § 58.1-513..... | 107 |
| § 51.1-300..... | 329 | § 58.1-520..... | 282 |
| § 51.1-500..... | 229 | § 58.1-600..... | 283 |
| § 51.1-1100..... | 327 | § 58.1-602..... | 276 |
| § 51.1-1103..... | 327 | § 58.1-603..... | 276 |
| § 51.1-1401..... | 67 | § 58.1-604..... | 276 |
| Title 53.1 PRISONS AND OTHER METHODS OF CORRECTION | | § 58.1-608.3..... | 283 |
| Section | Page | § 58.1-609.1..... | 282 |
| § 53.1-1..... | 15,213 | § 58.1-609.10..... | 108 |
| § 53.1-5..... | 213 | § 58.1-609.11..... | 108,278 |
| § 53.1-8..... | 213 | § 58.1-609.12..... | 108 |
| § 53.1-10..... | 213 | § 58.1-609.3..... | 277,282 |

| | | |
|-----------------------|------------|-----|
| § 58.1-638..... | 66,69,271 | 179 |
| § 58.1-638.1..... | 276 | 180 |
| § 58.1-642..... | 277 | 184 |
| § 58.1-645..... | 107 | 183 |
| § 58.1-656..... | 277 | 184 |
| § 58.1-662..... | 107,272 | 183 |
| § 58.1-801..... | 283 | 183 |
| § 58.1-803..... | 283 | 182 |
| § 58.1-816.1..... | 117 | 177 |
| § 58.1-1001..... | 280,281 | 177 |
| § 58.1-1021.01..... | 281 | 183 |
| § 58.1-1021.02..... | 111,281 | 183 |
| § 58.1-1021.03..... | 277 | 182 |
| § 58.1-1021.04:1..... | 281 | 177 |
| § 58.1-1402..... | 271 | 177 |
| § 58.1-1410..... | 271 | 177 |
| § 58.1-1509..... | 267 | 177 |
| § 58.1-1609..... | 267 | 177 |
| § 58.1-1730..... | 277 | 177 |
| § 58.1-1731..... | 24 | 177 |
| § 58.1-1736..... | 276 | 177 |
| § 58.1-1741..... | 109,276 | 177 |
| § 58.1-1802.1..... | 283 | 177 |
| § 58.1-1803..... | 106,111 | 177 |
| § 58.1-2201..... | 277 | 177 |
| § 58.1-2289..... | 268 | 177 |
| § 58.1-2290.20..... | 219 | 177 |
| § 58.1-2291..... | 277 | 177 |
| § 58.1-2501..... | 124 | 177 |
| § 58.1-2510..... | 276 | 177 |
| § 58.1-2531..... | 276 | 177 |
| § 58.1-2533..... | 109 | 177 |
| § 58.1-3201..... | 283 | 177 |
| § 58.1-3295.3..... | 283 | 177 |
| § 58.1-3524..... | 296 | 177 |
| § 58.1-3536..... | 296 | 177 |
| § 58.1-3701..... | 110 | 177 |
| § 58.1-3818.02..... | 278 | 177 |
| § 58.1-3835..... | 111 | 177 |
| § 58.1-4022..... | 56,250,270 | 177 |
| § 58.1-4022.1..... | 56,270 | 177 |
| § 58.1-4030..... | 250 | 177 |
| § 58.1-4037..... | 250 | 177 |
| § 58.1-4107..... | 336 | 177 |
| § 58.1-4123..... | 250 | 177 |

Title 59.1 TRADE AND COMMERCE

| Section | Page |
|--------------------|------|
| § 59.1-284.29..... | 24 |
| § 59.1-284.31..... | 25 |
| § 59.1-284.33..... | 24 |
| § 59.1-284.34..... | 24 |
| § 59.1-284.35..... | 24 |
| § 59.1-284.36..... | 24 |
| § 59.1-284.37..... | 24 |
| § 59.1-284.38..... | 25 |
| § 59.1-284.39..... | 25 |

Title 60.2 UNEMPLOYMENT COMPENSATION

| Section | Page |
|-----------------|------|
| § 60.2-100..... | 229 |
| § 60.2-229..... | 229 |

Title 62.1 WATERS OF THE STATE, PORTS AND HARBORS

| Section | Page |
|----------------------|------|
| § 62.1-44.19:14..... | 238 |
| § 62.1-132.6..... | 301 |

Title 63.2 WELFARE (SOCIAL SERVICES)

| Section | Page |
|-----------------|------|
| § 63.2-401..... | 180 |
| § 63.2-403..... | 180 |
| § 63.2-406..... | 180 |
| § 63.2-407..... | 180 |
| § 63.2-408..... | 180 |
| § 63.2-611..... | 179 |