2026 SPECIAL SESSION I

CHAPTER 1

[H 30]

Approved June 29, 2026

An Act for all appropriations of the Budget submitted by the Governor of Virginia in accordance with the provisions of § 2.2-1509, Code of Virginia, and to provide a portion of the revenues for the two years ending respectively on the thirtieth day of June, 2027, and the thirtieth day of June, 2028; and to amend and reenact §§ 18.2-287.4, 33.2-3404, 33.2-1526.1, 40.1-33.6:1, 40.1-33.6:3, 58.1-322.03, 58.1-339.8, 58.1-602, 58.1-605, 58.1-605.1, and 58.1-606.1 of the Code of Virginia; and to amend and reenact §§ 2.2-2499.8, 2.2-2818, 2.2-2905, 2.2-3114, 2.2-3711, as it is currently effective and as it shall become effective, 2.2-3802, 2.2-4024, 3.2-4112, 3.2-4113, 3.2-4116, 3.2-4126, 3.2-5145.1, 3.2-5145.2:1, 3.2-5145.4, 4.1-103, 4.1-352, 4.1-600, 4.1-601, 4.1-603, 4.1-604, 4.1-606, 4.1-607, 4.1-611, 4.1-614, 4.1-621, 4.1-1100, 4.1-1101, 4.1-1106.1, 4.1-1108, 4.1-1121, 4.1-1402, 4.1-1500, 4.1-1501, 4.1-1502, 4.1-1600 through 4.1-1603.2, 4.1-1604, 5.1-13, 9.1-1101, 15.2-912.4, 16.1-69.40:1, 16.1-260, 16.1-273, 16.1-278.9, 18.2-46.1, 18.2-247, 18.2-248, 18.2-248.01, 18.2-251, 18.2-251.03, 18.2-251.1:1, 18.2-251.1:2, 18.2-251.1:3, 18.2-252, 18.2-254, 18.2-255, 18.2-255.1, 18.2-255.2, 18.2-258, 18.2-258.02, 18.2-258.1, 18.2-265.1, 18.2-265.2, 18.2-265.3, 18.2-287.2, 18.2-308.012, 18.2-308.4, 18.2-371.2, 18.2-460, 18.2-474.1, 19.2-66, 19.2-81, 19.2-81.1, 19.2-83.1, 19.2-188.1, 19.2-303.01, 19.2-386.22 through 19.2-386.25, 19.2-389, as it is currently effective and as it shall become effective, 19.2-389.3, 19.2-392.02, 19.2-392.6 and 19.2-392.12:1 as they shall become effective, 22.1-206, 22.1-277.08, 23.1-1301, 46.2-105.2, 46.2-347, 48-17.1, 53.1-231.2, 54.1-2903, 54.1-3401, 54.1-3443, 58.1-301, and 59.1-200 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 6 of Title 4.1 sections numbered 4.1-629 and 4.1-630, by adding in Title 4.1 chapters numbered 7 through 10, consisting of sections numbered 4.1-700 through 4.1-1010, by adding sections numbered 4.1-1102 through 4.1-1105, 4.1-1106, 4.1-1113, 4.1-1114, 4.1-1115, 4.1-1117, 4.1-1118, and 4.1-1119, by adding in Title 4.1 a chapter numbered 12, consisting of sections numbered 4.1-1200 through 4.1-1206, by adding in Chapter 13 of Title 4.1 sections numbered 4.1-1300, 4.1-1301, and 4.1-1303 through 4.1-1309, by adding in Chapter 14 of Title 4.1 sections numbered 4.1-1403 through 4.1-1407, by adding a section numbered 4.1-1602.1, by adding in Title 4.1 a chapter numbered 17, consisting of sections numbered 4.1-1700 through 4.1-1704, by adding in Article 2 of Chapter 1 of Title 6.2 a section numbered 6.2-108, and by adding in Chapter 44 of Title 54.1 a section numbered 54.1-4426.

Be it enacted by the General Assembly of Virginia:

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

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

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

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

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

	First Year	**Second Year**	**Total**
Unreserved Beginning Balance	$2,316,398,593	$0	$2,316,398,593
Additions to Balance	$594,402,250	($500,000)	$593,902,250
Official Revenue Estimates	$34,695,918,516	$35,648,556,043	$70,344,474,559
Transfer	$1,112,797,278	$920,509,199	$2,033,306,477
Total General Fund Resources Available for Appropriation	$38,719,516,637	$36,568,565,242	$75,288,081,879

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

	First Year	Second Year	Total

Balance, June 30, 2026	$13,494,379,594	$0	$13,494,379,594
Official Revenue Estimates	$58,545,703,526	$59,451,047,319	$117,996,750,845
Lottery Proceeds Fund	$887,725,168	$877,725,168	$1,765,450,336
Internal Service Fund	$2,703,466,322	$2,707,118,410	$5,410,584,732
Bond Proceeds	$948,588,618	$220,000,000	$1,168,588,618
Total Nongeneral Fund Revenues Available for Appropriation	$76,579,863,228	$63,225,890,897	$139,835,754,125
TOTAL PROJECTED REVENUES	$115,299,379,865	$99,824,456,139	$215,123,836,004

§ 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-six, through the thirtieth day of June two thousand twenty-eight, inclusive.

B. "Previous 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.

C. "Next biennium" means the period from the first day of July two thousand twenty-eight, through the thirtieth day of June two thousand thirty, 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:

BIENNIUM 2026-28

	General Fund	**Nongeneral Fund**	**Total**
OPERATING EXPENSES	$73,704,093,123	$129,827,622,462	$203,531,715,585
LEGISLATIVE DEPARTMENT	$274,310,983	$11,528,828	$285,839,811
JUDICIAL DEPARTMENT	$1,471,664,256	$89,365,446	$1,561,029,702
EXECUTIVE DEPARTMENT	$71,749,136,218	$122,862,077,914	$194,611,214,132
INDEPENDENT AGENCIES	$208,981,666	$6,864,650,274	$7,073,631,940
STATE GRANTS TO			

NONSTATE AGENCIES	$0	$0	$0
CAPITAL OUTLAY EXPENSES	$1,467,116,248	$1,908,562,516	$3,375,678,764
TOTAL	$75,171,209,371	$131,736,184,978	$206,907,394,349

§ 8. This chapter shall be known and may be cited as the "2026 Appropriation Act."

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PART 1: OPERATING EXPENSES

LEGISLATIVE DEPARTMENT

§ 1-1. GENERAL ASSEMBLY OF VIRGINIA (101)

1.	Enactment of Laws (78200)				
	a sum sufficient, estimated at			$67,619,627	$69,666,116
	Legislative Sessions (78204)	$67,619,627	$69,666,116		
	Fund Sources: General	$67,619,627	$69,666,116		

Authority: Article IV, Constitution of Virginia.

A. Out of this appropriation, the House of Delegates is funded $40,850,537 the first year and $42,316,155 the second year from the general fund. The Senate is funded $26,769,090 the first year and $27,349,961 the second year from the general fund.

B. Out of this appropriation shall be paid:

1. The salaries of the Speaker of the House of Delegates and other members, and personnel employed by each House; the mileage of members, officers and employees, including salaries and mileage of members of legislative committees sitting during recess; public printing and related expenses required by or for the General Assembly; and the incidental expenses of the General Assembly (§§ 30-19.11 through 30-19.20, inclusive, and § 30-19.4, Code of Virginia). The salary of the Speaker of the House of Delegates shall be $36,321 per year through January 12, 2028, and $72,000 per year effective January 13, 2028. The salaries of other members of the House of Delegates shall be $17,640 per year through January 12, 2028, and $50,000 per year effective January 13, 2028. The salaries of the members of the Senate shall be $18,000 per year through January 12, 2028, and $50,000 per year effective January 13, 2028.

2. Expenses of the Speaker of the House of Delegates not otherwise reimbursed, $16,200 each year, to be paid in equal monthly installments during the year.

3. In accordance with § 30-19.4, Code of Virginia, and subject to all other conditions of that section except as otherwise provided in the following paragraphs:

a. $133,843 per calendar year for the compensation of one or more secretaries of the Speaker of the House of Delegates. Salary increases shall be governed by the provisions of Item 469 of this act.

b. $365,179 per calendar year for the compensation of one or more legislative assistants of the Speaker of the House of Delegates. Salary increases shall be governed by the provisions of Item 469 of this act.

c. $256,511 per calendar year for the compensation of one or more secretaries or legislative assistants for the Senate majority and minority leadership, as determined by the Majority Leader in consultation with the Chairman of the Senate Committee on Rules. Salary increases shall be governed by the provisions of Item 469 of this act.

d.1. $55,275 per calendar year for the compensation of legislative assistants for each member of the House of Delegates and $62,183 for the compensation of legislative assistants for each member of the Senate. Salary increases granted shall be governed by the provisions of Item 469 of this act.

2. In addition, $20,728 per calendar year for each member of the House of Delegates and $13,818 per calendar year for each member of the Senate to provide compensation for additional legislative assistant support costs incurred during the legislative session and in the operation of legislative offices within members' districts. Salary increases granted shall be governed by the provisions of Item 469 of this act.

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e. The per diem for each legislative assistant of each member of the General Assembly, including the Speaker of the House of Delegates. Such per diem shall equal the amount authorized per session day for General Assembly members in paragraph B.5, if such legislative assistant maintains a temporary residence during the legislative session or an extension thereof and if the establishment of such temporary residence results from the person's employment by the member. The per diem for a legislative assistant who is domiciled in the City of Richmond or whose domicile is within twenty miles of the Capitol shall equal thirty-five percent of the amount paid to a legislative assistant who maintains a temporary residence during such session. For purposes of this paragraph, (i) a session day shall include such days as shall be established by the Rules Committee of each respective House and (ii) a temporary residence is defined as a residence certified by the member served by the legislative assistant as occupied only by reason of employment during the legislative session or extension thereof. Notwithstanding the provisions of (i) of the preceding sentence, if the House from which the legislative assistant is paid is in adjournment during a regular or special session, he must show to the satisfaction of the Clerk that he worked each day during such adjournment for which such per diem is claimed.

f. A mileage allowance as provided in § 2.2-2823 A, Code of Virginia, and as certified by the member. Such mileage allowance shall be paid to a legislative assistant for one round trip between the City of Richmond and such person's home each week during the legislative session or an extension thereof when such person is maintaining a temporary residence.

g. Per diem and mileage shall be paid only to a person who is paid compensation pursuant to § 30-19.4, Code of Virginia.

h. Not more than one person shall be paid per diem or mileage during a single weekly pay period for serving a member as legislative assistant during a legislative session or extension thereof.

i. No person, by virtue of concurrently serving more than one member, shall be paid mileage or per diem in excess of the daily rates specified in this Item.

j. $88,412 per calendar year additional allowance for secretaries or legislative assistants to the Majority and Minority Leaders of the House of Delegates and the Senate and for secretaries or legislative assistants to the President Pro Tempore of the Senate, Chair of the Senate Committee on Rules, and to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. Salary increases shall be governed by the provisions of Item 469 of this act.

4.a All compensation and reimbursement of expenses to members of the General Assembly and non-General Assembly members for attending a meeting described in paragraphs B.4.c., B.4.d., B.5., and B.6. shall be paid solely as provided pursuant to this item.

b. The provisions of paragraphs B.4.c. and B.4.d. of this item shall not apply during any regular session of the General Assembly or extension thereof, or during any special session of the General Assembly; provided, however, that the provisions of such paragraphs shall apply during any recess of the same.

c. Notwithstanding any other provision of law, each General Assembly member shall receive compensation for each day, or portion thereof, of attendance at an official meeting of any joint subcommittee, board, commission, authority, council, compact, or other body that has been created or established by the General Assembly or by resolution of a house of the General Assembly, provided that the member has been appointed to, or designated an official member of, such joint subcommittee, board, commission, authority, council, compact, or other body pursuant to an act of the General Assembly or a resolution of a house of the General Assembly that provides for the appointment or designation.

Notwithstanding any other provision of law, each General Assembly member shall also receive compensation for each day, or portion thereof, of attendance at an official meeting of (i) any standing committee or subcommittee thereof of the House of Delegates to which the member has been appointed, (ii) any standing committee or subcommittee thereof or

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Committee on Rules of the Senate to which the member has been appointed, or (iii) the Joint Rules Committee of the General Assembly. Any official meeting of a subcommittee of any of the committees described in clauses (i), (ii), or (iii) shall also be an official meeting for which the member shall receive compensation.

Notwithstanding any other provision of law, any General Assembly member whose attendance, in the written opinion of the chairman of (a) any joint subcommittee, board, commission, authority, council, or other body that has been created or established in the legislative branch of state government by the General Assembly or by resolution of a house of the General Assembly; (b) any such standing committee of the House of Delegates or of the Senate; (c) the Committee on Rules of the Senate; or (d) the Joint Rules Committee of the General Assembly, is required at an official meeting of the body shall also receive compensation for each day, or portion thereof, of attendance at such official meeting.

Any General Assembly member receiving compensation pursuant to this paragraph for attending an official meeting shall be reimbursed for his or her reasonable and necessary expenses incurred in attending such meeting. Notwithstanding any other provision of law, the reimbursement shall be provided by the respective body holding the meeting or by the entity that supports the work of the body.

d. Compensation to General Assembly members for attendance at any official meeting described under B.4.c.of this item may be at a rate equal to $300 for each day, or portion thereof, of attendance. If the member attends two or more official meetings during the same day, and at least one of which occurs in the morning and one of which occurs in the afternoon, then the member shall be compensated at a rate of $400 for the entire day, otherwise compensation is capped at the $300 per day. The payment of such compensation shall be subject to the restrictions and limitations set forth in subsections B., C., and G. of § 30-19.12, Code of Virginia. Notwithstanding any other provision of law, compensation to General Assembly members for attendance at such official meetings shall be paid by the offices of the Clerk of the House of Delegates or Clerk of the Senate, as applicable. The body holding the meeting shall as soon as practicable report the member's attendance at any official meeting of such body to the Clerk of the House of Delegates or the Clerk of the Senate, as applicable, in order to facilitate payment of the compensation. Such body shall report the member's attendance in such manner as prescribed by the respective Clerk.

5. Notwithstanding any other provision of law, whenever any General Assembly member is required to travel for official attendance as a representative of the General Assembly at any meeting, conference, seminar, workshop, or conclave, which is not conducted by the Commonwealth of Virginia or any of its agencies or instrumentalities, such member shall be entitled to (i) compensation in an amount not to exceed the per day rate set forth in paragraph B.4.d., and (ii) reimbursement for reasonable and necessary expenses incurred. Such compensation and reimbursement for expenses shall be set by the Speaker of the House of Delegates for members of the House of Delegates and by the Senate Committee on Rules for members of the Senate.

6. The provisions of this paragraph shall apply only to non-General Assembly members (hereinafter, "citizen members") of any (i) board, commission, authority, council, or other body created or established in the legislative branch of state government by the General Assembly or by resolution of a house of the General Assembly, or (ii) joint legislative committee or subcommittee.

Notwithstanding any other provision of law, any citizen member of any body described in this paragraph who is appointed at the state level, or designated an official member of such body, pursuant to an act of the General Assembly or a resolution of a house of the General Assembly that provides for the appointment or designation, shall receive compensation solely for each day, or portion thereof, of attendance at an official meeting of the same. In no event shall any citizen member be paid compensation for attending a meeting of an advisory committee or other advisory body. Subject to any contrary law that provides for a higher amount of compensation to be paid, compensation shall be paid at the rate of $50 for each day, or portion thereof, of attendance at an official meeting.

Such citizen members shall also be reimbursed for reasonable and necessary expenses incurred in attending (i) an official meeting of any body described in this paragraph, or (ii) a meeting of an advisory committee or advisory body of any body described in this paragraph.

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Compensation and reimbursement of expenses to such citizen members shall be paid by the body holding the meeting (or for meetings of advisory committees or advisory bodies, the body on whose behalf the meeting is being held) or by the entity that supports the work of the body.

A citizen member, however, who is a full-time employee of the Commonwealth or any of its local political subdivisions, including any full-time faculty member of a public institution of higher education, shall not be entitled to compensation under this paragraph and shall be limited to reimbursement for his reasonable and necessary expenses incurred, which shall be reimbursed by his employer. If such full-time employee who is a citizen member is required by his employer to take annual, family and personal, or other paid leave or unpaid leave to attend an official meeting under this paragraph, then such person shall be reimbursed for his reasonable and necessary expenses incurred by the body holding the meeting, or for meetings of advisory committees or advisory bodies, the body on whose behalf the meeting is being held, or by the entity that supports the work of the body. For the purposes of this paragraph, reasonable and necessary expenses shall exclude the reimbursement for leave taken by a citizen member who is a full-time employee of the Commonwealth.

A citizen member who is also currently a treasurer, sheriff, clerk of court, commissioner of the revenue, or attorney for the Commonwealth by reason of election of the qualified county or city voters shall not be entitled to compensation under this paragraph and shall be limited to reimbursement for his reasonable and necessary expenses incurred, which shall be reimbursed within the budget already established by the Compensation Board and in the same manner as other reasonable and necessary expenses of his office are reimbursed. Full-time employees of one of the foregoing constitutional offices shall also not be entitled to compensation under this paragraph and shall be limited to reimbursement for their reasonable and necessary expenses incurred, which shall be reimbursed within the budget already established by the Compensation Board and in the same manner as other reasonable and necessary expenses of the constitutional office are reimbursed.

7. Pursuant to § 30-19.13, Code of Virginia, allowances for expenses of members of the General Assembly during any regular session of the General Assembly or extension thereof or during any special session of the General Assembly shall be paid in an amount not to exceed the maximum daily amount permitted by the Internal Revenue Service under rates established by the U.S. General Services Administration.

8. Allowance for office expenses and supplies of members of the General Assembly, in the amount of $1,250 for each month of each calendar year. An additional $500 for each month of each calendar year shall be paid to the Majority and Minority Leaders of the House of Delegates and the Senate and to the President Pro Tempore of the Senate, the Chair of the Senate Committee on Rules, the Chair or Chairs of the Senate Finance and Appropriations Committee, and the Chair of the House Appropriations Committee.

9. Members may utilize state transportation options as needed to attend regular or special sessions of the General Assembly; however, in such cases, members are not eligible to request travel reimbursement.

C. One legislative assistant of a member of the General Assembly regularly employed on a twelve (12) consecutive month salary basis receiving 60 percent or more of the salary allotted pursuant to paragraph B.3.d.1, may, for the purposes of §§ 51.1-124.3 and 51.1-152, Code of Virginia, be deemed a "state employee" and as such will be eligible for participation in the Virginia Retirement System, the group life insurance plan, the VRS short and long term disability plans, and the state health insurance plan. Upon approval by the Joint Rules Committee, legislative assistants shall be eligible to participate in the short and long-term disability plans sponsored by the Virginia Retirement System pursuant to Chapter 11 of Title 51.1, Code of Virginia. Such legislative assistants shall not receive sick leave and family and personal leave benefits under this plan. Short-term disability benefits shall be payable from the Legislative Reversion Clearing Account.

D.1. Out of this appropriation the Clerk of the House of Delegates shall pay the routine maintenance and operating expenses of the General Assembly Building, Old City Hall,

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and Lot 27 as apportioned to the Senate, House of Delegates, Division of Legislative Services, or other legislative agencies. The funds appropriated to each agency in the Legislative Department for routine maintenance and operating expenses during the current biennium shall be transferred to the account established for this purpose.

2. The Offices of the Clerk of the House and the Clerk of the Senate, in collaboration with the Department of General Services, may survey the subbasement of the parking deck at the corner of 9th Street and Broad Street in Richmond for suitability for storage.

3. The Legislative Branch, as a coequal and separate branch of government, shall be exempt from directives and executive orders from the Executive Branch and the Governor related to purchasing, finance, and information technology. The Clerks of the House of Delegates and Senate, with approval from the Speaker of the House and/or Chair of Senate Rules, shall determine when it is in the best interest of the Legislature to follow Executive Branch procedures. The Clerks of the House of Delegates and Senate shall have full authority to enter into a Memorandum of Understanding with Executive Branch agencies and outside vendors for services. The Clerks of the House of Delegates and Senate shall approve and have final authority over the maintenance, operations, upkeep, upgrades, and construction of their respective spaces in legislative buildings. The Clerks shall collaborate on joint spaces.

E. An amount of up to $10,000 per year shall be transferred from Item 38 of this act, to reflect equivalent compensation allowances for the Lieutenant Governor as were authorized by the 1994 General Assembly. The Lieutenant Governor shall report such increases to the Speaker of the House and the Chair of the House Appropriations Committee and the Chair of the Senate Finance and Appropriations Committee.

F. The Speaker of the House shall establish the salary for the Clerk of the House of Delegates.

G. The Senate Committee on Rules shall establish the salary for the Clerk of the Senate.

H. Notwithstanding the salaries set out in Items 2, 4, 5, and 6, the Committee on Joint Rules may establish salary ranges for such agency heads consistent with the provisions and salary ranges included in § 4-6.01 of this act.

I. The Joint Commission on Transportation Accountability shall regularly review, and provide oversight of the usage of funding generated pursuant to the provisions of House Bill 2313, 2013 Session of the General Assembly. To this end, by November 15 the Director of the Department of Rail and Public Transportation, the Northern Virginia Transportation Authority and the Hampton Roads Transportation Accountability Commission shall each prepare a report on the uses of the Commonwealth Rail Fund, the Northern Virginia Transportation Authority Fund, and the Hampton Roads Transportation Fund, respectively, each year to be presented to the Joint Commission on Transportation Accountability.

J.1. The Chairs of the House Appropriations and Senate Finance and Appropriations Committees shall each appoint up to five members from their respective committees to a Joint Subcommittee for Early Childhood Care and Education to provide ongoing oversight of the implementation of Virginia's unified public-private system for early childhood care and education. The members of the Joint Subcommittee shall elect a chairman and vice chairman annually.

2. The goals and objectives of the Joint Subcommittee shall be to (i) review the cost-effectiveness of federal and state funding used to improve Virginia's early childhood care and education system, (ii) ensure that the transition of child care regulation from the Board of Social Services to the Board of Education occurs seamlessly without impacting health and safety oversight functions, (iii) ensure that the transition of functions from the Department of Social Services to the Department of Education occurs seamlessly without the interruption of the provision of state services or undue impact on the operation of either agency, (iv) review the implementation of the Board of Education's Quality Rating Implementation System, (v) review workforce needs for Virginia's early childhood education system, (vi) further facilitate partnerships between school divisions and private providers for the Virginia Preschool Initiative, (vii) consider recommendations and options included in the 2017 JLARC report on Improving Virginia's Early Childhood Development Programs, and (viii) consider funding methodology changes to transition the Virginia Preschool Initiative funding model to maximize the number of children served, while recognizing prevailing costs.

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3. The staff of the Elementary and Secondary Education subcommittees for the House Appropriations and Senate Finance and Appropriations Committees and the Department of Education will help with facilitating the scope of work to be completed by the Joint Subcommittee. The Virginia Early Childhood Foundation will provide support and resources to the members and staff of the Joint Subcommittee. Other stakeholders, such as those from the Virginia Department of Social Services, the Virginia Community College System, local school divisions, private and faith-based child day-care providers, accredited organizations, education associations and businesses may provide additional information if requested. A report of any findings and recommendations shall be submitted to the Chairs of House Appropriations and Senate Finance and Appropriations Committees.

K.1. The Chairs of the House Appropriations and Senate Finance and Appropriations Committees shall each appoint five members from their respective committees to a Joint Subcommittee for Health and Human Resources Oversight to respond to federal health care changes, provide ongoing oversight of the Medicaid and children's health insurance programs and oversight of Health and Human Resources agencies. The members of the Joint Subcommittee shall elect a Chair and Vice Chair annually.

2. The Joint Subcommittee shall monitor, evaluate and respond to federal legislation that repeals, amends or replaces the Affordable Care Act (ACA), Medicaid (Title XIX of the Social Security Act), the Children's Health Insurance Program (Title XXI of the Social Security Act) or any proposals to block grant or change the method by which these programs are funded. The Joint Subcommittee shall recommend actions to be taken by the General Assembly to address the impact of any such federal legislation that would affect the state budget and health care coverage now available to Virginians. Furthermore, the Subcommittee shall evaluate federal changes for opportunities to improve Virginia's Medicaid and other health insurance programs.

3. The Joint Subcommittee shall provide ongoing oversight of initiatives and operations of the Health and Human Resources agencies. The Joint Subcommittee shall examine progress made in implementing changes to: (i) Medicaid managed care, including managed long-term supports and services; (ii) Medicaid waiver programs including the Medicaid waivers serving individuals with developmental disabilities; (iii) the Medicaid Enterprise System; (iv) improve eligibility, enrollment and renewal processes in the Medicaid and CHIP programs; (v) the organizational structure and realignment of staff and resources of the Department of Medical Assistance Services resulting from the change from a fee-for-service to a managed care delivery system; (vi) improve the cost effective delivery of services through the Comprehensive Services Act; and (vii) initiatives and programmatic changes across the Health and Human Resources agencies to ensure efficient and effective use of resources across the Secretariat.

4. The Joint Subcommittee may seek support and technical assistance from staff of the House Appropriations and Senate Finance and Appropriations Committees, the staff of the Joint Legislative Audit and Review Commission, the staff of the Joint Commission on Health Care, and the staff of the Department of Medical Assistance Services. Other state agency staff shall provide support upon request.

5. The staff of the House Appropriations and Senate Finance and Appropriations Committees and the Joint Commission on Health Care shall help facilitate the scope of work to be completed by the Joint Subcommittee for Health and Human Resources Oversight.

L.1. The Chair of the Senate Finance and Appropriations Committee shall appoint five members from their Committee and the Chair of the House Appropriations Committee shall appoint four members from his Committee and two members of the House Finance Committee to a Joint Subcommittee on Local Government Fiscal Stress. The Joint Subcommittee shall elect a chairman and vice-chairman from among its membership.

2. The goals and objectives of the Joint Subcommittee will be to review (i) savings opportunities from increased regional cooperation and consolidation of services, including by jointly operating or merging small school divisions; (ii) local responsibilities for service delivery of state-mandated or high priority programs, (iii) causes of fiscal stress among local governments, (iv) potential financial incentives and other governmental reforms to encourage increased regional cooperation; and (v) the different taxing

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authorities of cities and counties.

3. Administrative staff support shall be provided by the Office of the Clerks of the House and Senate. The Joint Subcommittee may seek support and technical assistance from the staff of the Division of Legislative Services, House Appropriations and Senate Finance and Appropriations Committees, and the Commission on Local Government. All agencies of the Commonwealth shall provide assistance to the Joint Subcommittee for this study, upon request.

4. No recommendation of the Joint Subcommittee shall be adopted if a majority votes against the recommendation. The Joint Subcommittee shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year.

M.1. Any nonlegislative citizen member appointed by either the Speaker of the House, the Senate Committee on Rules or the Joint Rules Committee to any Authority, Board, Commission, Committee, or other deliberative body in the Commonwealth shall serve at the pleasure of such appointing authority. Any such member may be relieved of his appointment at any time, with or without cause.

2. Notwithstanding any other provision of law, the Speaker of the House of Delegates or the President Pro Tempore of the Senate may appoint a designee to any council, commission, or other body in the legislative or executive branch of state government in lieu of any member of the House of Delegates or Senate, respectively, who is serving as an ex officio member of such body.

N.1. The Chair of the Senate Finance and Appropriations Committee shall appoint six members from the Senate Committee on Finance and Appropriations and the Chair of the House Appropriations Committee shall appoint three members from the House Committee on Appropriations and three members of the House Committee on Finance to a Joint Subcommittee on Tax Policy. The Joint Subcommittee shall elect a chairman and vice-chairman from among its membership.

2. The goals and objectives of the Joint Subcommittee shall include (i) evaluating the fiscal impact of amendments to tax brackets, tax rates, credits, deductions, and exemptions, as well as any other factors it deems relevant to making Virginia's individual income tax system more fair and equitable; (ii) giving consideration to the fairness, certainty, convenience of payment, economy in collection, simplicity, neutrality, and economic efficiency of the Commonwealth's tax policies and any changes thereto; and (iii) recommending whether the General Assembly should amend the Code of Virginia.

3. To assist the Joint Subcommittee, the Chair of the Joint Subcommittee may appoint a workgroup which includes the staff of the House Committee on Finance, the House Committee on Appropriations, the Senate Committee on Finance and Appropriations, and any other stakeholders deemed appropriate. All agencies of the Commonwealth shall provide technical assistance to the Joint Subcommittee, upon request.

4. The Joint Subcommittee shall explore efforts to modernize the Commonwealth's income and sales and use taxes during the 2024 interim. The goals and objectives shall include: (i) evaluating existing sales and use tax exemptions; (ii) applying sales and use tax to digital goods and services, including transactions involving businesses; (iii) evaluating efforts to increase the progressivity of the income tax; (iv) and long-term revenue growth to maintain core government services.

5. The Joint Subcommittee on Tax Policy shall study the data center sales and use tax exemption and other data center impacts during the 2026 interim. The Joint Subcommittee shall meet at least two times with the following goals and objectives: (i) reviewing Virginia's data center sales and use tax exemption; (ii) examining the impact of the existing and any potential future exemption or incentives; (iii) approaches taken in other states related to the data center industry including tax preferences, incentives, environmental standards and mitigation, moratoriums on incentives or location of new facilities, and sustainable development requirements; (iv) reviewing methods related to data center investment in non-urbanized areas of the Commonwealth; (v) reviewing the recommendations and options in the 2024 JLARC study on Data Centers in Virginia; (vi) reviewing the estimated direct and

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indirect economic benefits of data center investment in Virginia; (vii) reviewing the direct or indirect impacts on the environment and quality of life related to data center location and siting; (viii) evaluating the impact of Artificial Intelligence on employment; (ix) reviewing the State Corporation Commission reported data on electric service agreements, water usage, permitted generators; and (x) recommended mechanisms to provide direct revenue to the state from the data center industry. The Joint Subcommittee shall report recommendations to the General Assembly by December 15, 2026. All agencies of the Commonwealth, applicable utilities, and the Weldon Cooper Center for Public Service shall provide technical assistance to the Joint Subcommittee on Tax Policy.

O.1. The Virginia Minority Business Commission (the Commission) shall promote the growth and competitiveness of Virginia minority-owned businesses.

2.a. The Commission shall consist of 13 members that include seven legislative members and six nonlegislative citizen members. Members shall be appointed as follows: four members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; three members of the Senate to be appointed by the Senate Committee on Rules; three nonlegislative citizen members with expertise in entrepreneurship, economics, and business to be appointed by the Speaker of the House of Delegates; and three nonlegislative citizen members with expertise in entrepreneurship, economics, and business to be appointed by the Senate Committee on Rules. Nonlegislative citizen members of the Commission shall be citizens of the Commonwealth of Virginia. Unless otherwise approved in writing by the Chair of the Commission and the respective Clerk, nonlegislative citizen members shall only be reimbursed for travel originating and ending within the Commonwealth of Virginia for the purpose of attending meetings.

b. Legislative members and ex officio members of the Commission shall serve terms coincident with their terms of office. Nonlegislative citizen members shall be appointed for a term of two years. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. Legislative members and nonlegislative citizen members may be reappointed. However, no nonlegislative citizen member shall serve more than four consecutive two-year terms. The remainder of any term to which a member is appointed to fill a vacancy shall not constitute a term in determining the member's eligibility for reappointment. Vacancies shall be filled in the same manner as the original appointments. The Commission shall elect a Chair and Vice-Chair from among its membership, who shall be members of the General Assembly.

c. Legislative members of the Commission shall receive such compensation as provided in § 30-19.12, and nonlegislative citizen members shall receive such compensation for the performance of their duties as provided in § 2.2-2813. All members shall be reimbursed for reasonable and necessary expenses incurred in the performance of their duties as provided in § 2.2-2813 and § 2.2-2825. Compensation to members of the General Assembly for attendance at official meetings of the Commission shall be paid by the offices of the Clerk of the House of Delegates or Clerk of the Senate, as applicable. All other compensation and expenses shall be paid from existing appropriations to the Commission.

3. The Commission shall: (i) Evaluate the impact of existing statutes and proposed legislation on minority businesses; (ii) Assess the Commonwealth's minority business assistance programs and examine ways to enhance their effectiveness; (iii) Provide minority business owners and advocates with a forum to address their concerns; (iv) Develop strategies and recommendations to promote the growth and competitiveness of Virginia minority-owned businesses; and, (v) Collaborate with the Department of Small Business and Supplier Diversity and other appropriate entities to facilitate the Commission's work and mission.

4. The Chair shall submit to the General Assembly and the Governor an annual executive summary of the interim activity and work of the Commission no later than November 1st of each year. The executive summary shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

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P.1. Included within this appropriation is $628,678 the first year and $543,678 the second year from the general fund for operational support for the following legislative commissions:

Legislative Commission/Council	Authority	FY 2027	FY 2028
American Revolution 250 Commission (Legislative Member Expenses)	Title 30, Chapter 25, Code of Virginia	$12,200	$12,200
Autism Advisory Council	Title 30, Chapter 50, Code of Virginia	$6,330	$6,330
Boys and Men Advisory Commission	Chapter 749, 2026 Acts of Assembly	$42,184	$42,184
Commission on Civics Education	Title 30, Chapter 55, Code of Virginia	$25,000	$15,000
Commission on School Construction and Modernization	Title 30, Chapter 60, Code of Virginia	$34,340	$34,340
Commission on Unemployment Compensation	Title 30, Chapter 33, Code of Virginia	$81,019	$6,019
Commission on Updating Virginia Law to Reflect Federal Recognition of Virginia Tribes	Title 30, Chapter 65, Code of Virginia	$37,540	$37,540
Commission to End Hunger	House Bill 607, 2024 General Assembly	$25,648	$25,648
Commission to Evaluate Opportunity for Minority Business Expansion	Discretionary Inclusion	$20,000	$20,000
Commission to Study the History of the Uprooting of Black Communities by Public Institutions of Higher Education	Discretionary Inclusion	$28,760	$28,760
Distributed Energy Resources Task Force (Legislative Member Expenses)	Chapter 1042, 2026 Acts of Assembly	$4,800	$4,800
Joint Commission on Administrative Rules	Title 30, Chapter 8.1, Code of Virginia	$10,065	$10,065
Joint Commission on Transportation Accountability	Title 30, Chapter 43, Code of Virginia	$40,302	$40,302
Joint Subcommittee for Early Childhood Care and Education	Chapter 1289, 2020 Acts of Assembly (Item 1, Paragraph Q)	$24,400	$24,400
Joint Subcommittee for Health and Human Resources Oversight	Chapter 836, 2017 Acts of Assembly (Item 1, Paragraph T)	$24,400	$24,400
Joint Subcommittee on Recurring Flooding	HJR 16, SJR 35, 2022 Acts of Assembly	$20,000	$20,000
Joint Subcommittee on Local Government Fiscal Stress	Chapter 836, 2017 Acts of Assembly (Item 1, Paragraph U)	$26,840	$26,840
Joint Subcommittee on Tax Policy	Chapter 552, 2021 Acts of Assembly, Special Session I (Item 1, Paragraph AA)	$29,280	$29,280
Joint Subcommittee to Study the Feasibility of Establishing the Virginia Gaming	House Joint Resolution 10, 2024 Acts of Assembly	$15,000	$15,000

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Commission					
Legislative Support Commission	Title 30, Chapter 3.1, Code of Virginia		$7,320		$7,320
Legislator Compensation Commission	Chapter 687, 2025 Acts of Assembly		$5,400		$5,400
Manufacturing Development Commission	Title 30, Chapter 41, Code of Virginia		$12,020		$12,020
School Health Services Committee	Title 30, Chapter 64, Code of Virginia		$28,040		$28,040
Small Business Commission	Title 30, Chapter 22, Code of Virginia		$15,131		$15,131
State Water Commission	Title 30, Chapter 24, Code of Virginia		$10,222		$10,222
Virginia Coal and Energy Commission	Title 30, Chapter 25, Code of Virginia		$21,629		$21,629
Virginia Disability Commission	Title 30, Chapter 35, Code of Virginia		$25,608		$25,608
Total			**$628,678**		**$543,678**

2. Out of the appropriation included in the table above, $10,000 the first year from the general fund for the Commission on Civic Education shall be provided for the one-time purpose of developing and maintaining a website for the Commission.

Q. The Division of Legislative Services shall provide staffing and operational support, as needed, for the legislative commissions listed within the table of the preceding paragraph of this item.

R.1. The Chairs of the House Appropriations and Senate Finance and Appropriations Committees shall each appoint four members from their respective committees to a joint subcommittee to review the recommendations of the November 2022 report from the Joint Legislative and Audit Review Commission (JLARC) regarding the actuarial surplus of the VA529 Defined Benefit Trust Fund (the Fund).

2. The Joint Subcommittee on VA529 Surplus Funds shall review the considerations set forth in the JLARC report and produce recommendations with regard to: (i) the method, timing, and amount of any withdrawals from the Fund, including the appropriate funded status at which withdrawals should be considered, with consideration to maintaining sufficient assets to ensure Fund solvency for future obligations; (ii) development of guidelines for the appropriate allocation and subsequent use of monies withdrawn from the Fund, including consideration of returning funds to Legacy Prepaid529 account holders and programs that support higher education access and affordability; and (iii) ongoing oversight of Fund balances to determine availability of any future actuarial surpluses.

3. The Subcommittee shall submit its findings and recommendations to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than October 15, 2025.

S.1. The Chairs of the House Appropriations and Senate Finance and Appropriations Committees shall each appoint up to five members from their respective committees to a Joint Subcommittee on Elementary and Secondary Education Funding to provide on-going direction and oversight of the Standards of Quality funding cost policies and to make recommendations to their respective committees.

2. As part of its oversight, the Joint Subcommittee shall: (i) review the recommendations and policy options offered in the Joint Legislative Audit and Review Commission's July 2023 report, “Virginia's K-12 Funding Formula"; (ii) determine the appropriateness of implementing each recommendation or policy option, (iii) propose appropriate amendments to each recommendation or policy option and (iv) develop a long-range plan for the phased implementation of its recommendations. In its deliberations, the Joint Subcommittee shall consider the long-term fiscal implications of each recommendation.

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3. The Joint Subcommittee shall submit initial recommendations and an implementation plan to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than November 1, 2024.

4. The school divisions, the staff of the Virginia Department of Education, and staff of the Joint Legislative Audit and Review Commission, are directed to provide technical assistance, as required, to the joint subcommittee.

T.1. The Chairs of the House Appropriations and Senate Finance and Appropriations Committees shall each appoint four members from their respective committees to a joint subcommittee to review public higher education funding policies and make recommendations to their respective committees.

2. The initial review of the Joint Subcommittee on Higher Education Funding Policies shall: (i) prioritize the review of funding related to operations and financial aid; (ii) provide recommendations to improve funding models; and (iii) develop a short- and long-term plan for phased implementation of any recommendations. As part of its review, the Joint Subcommittee shall consider the recommendations provided in reports related to higher education funding, including recent Joint Legislative Audit and Review Commission reports and the State Council of Higher Education for Virginia's report on Cost and Funding Needs.

3. The Joint Subcommittee shall convene after December 1, 2024 and shall submit initial recommendations to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than September 15, 2025.

4. The Joint Subcommittee may seek support from the staff of the Senate Finance and Appropriations and House Appropriations Committees, the State Council of Higher Education for Virginia, public institutions of higher education, and other higher education and state agency representatives. At its discretion, the Joint Subcommittee may contract for consulting services.

U.1. The Commission to Study the History of the Uprooting of Black Communities by Public Institutions of Higher Education in the Commonwealth (the Commission) is established in the legislative branch of state government. The purpose of the Commission is to study and determine (i) whether any public institution of higher education has purchased, expropriated, or otherwise taken possession of property owned by any individual or entity within the boundaries of a community in which a majority of the residents are Black in order to establish or expand the institution's campus and (ii) whether and what form of compensation or relief would be appropriate for any individual described in clause (i) or any of his lineal descendants. As used in this chapter, "public institution of higher education" has the same meaning as provided in § 23.1-100, Code of Virginia.

2. The Commission shall consist of 19 members that include ten legislative members, seven nonlegislative citizen members, and 2 ex officio members. Members shall be appointed as follows: six members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; four members of the Senate to be appointed by the Senate Committee on Rules; four nonlegislative citizen members to be appointed by the Speaker of the House of Delegates; three nonlegislative citizen members to be appointed by the Senate Committee on Rules; and the Secretary of Education and the Director of the State Council of Higher Education for Virginia or their designees to serve ex officio with voting privileges. Nonlegislative citizen members of the Commission shall be citizens of the Commonwealth. Unless otherwise approved in writing by the chair of the Commission and the respective Clerk, nonlegislative citizen members shall only be reimbursed for travel originating and ending within the Commonwealth for the purpose of attending meetings.

3. Legislative members and ex officio members of the Commission shall serve terms coincident with their terms of office. Nonlegislative citizen members shall be appointed for a term of two years. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. Legislative members and nonlegislative citizen members may be reappointed. However, no nonlegislative citizen member shall serve more than four consecutive two-year terms. The remainder of any term to which a member is appointed to fill a vacancy shall not constitute a term in determining the member's eligibility for reappointment. Vacancies shall be filled in the same manner as the original appointments. The

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Commission shall elect a chair and vice-chair from among its membership, who shall be members of the General Assembly.

4. Legislative members of the Commission shall receive such compensation as provided in § 30-19.12, and nonlegislative citizen members shall receive such compensation for the performance of their duties as provided in § 2.2-2813. All members shall be reimbursed for reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825. Compensation to members of the General Assembly for attendance at official meetings of the Commission shall be paid by the offices of the Clerk of the House of Delegates or Clerk of the Senate, as applicable. All other compensation and expenses shall be paid from existing appropriations to the Commission. Any general fund balances attributable to the Commission to Study Slavery and Subsequent De Jure and De Facto Racial and Economic Discrimination Against African Americans established by Title 2.2, Chapter 25, Article 11, Code of Virginia, may be transferred to this item for use by the Commission for the purposes outlined herein.

5. The Commission shall have the following duties:

a. Consult with each public institution of higher education to determine whether the institution has purchased, expropriated, or otherwise taken possession of property owned by any individual within the boundaries of a community in which a majority of the residents are Black in order to establish or expand the institution's campus;

b. Research whether acquisitions similar to those described in subdivision 1 have occurred in other states;

c. Analyze, in conjunction with the relevant public institution of higher education and such other stakeholders as it deems appropriate, whether and what form of compensation or relief would be appropriate for any individual described in subdivision 1 or any of his lineal descendants; and

d. Consult with such experts as it deems appropriate to assist it in carrying out its duties as set forth in this section.

V. There is hereby established a workgroup to review the rate and distrubtion of pari-mutuel pools generated by wagering on historic horse racing at satellite facilities pursuant to § 59.1-392, Code of Virginia. The workgroup shall be comprised of three members each of the House Appropriations and Senate Finance and Appropriations Committees to be appointed by their respective chairs. The workgroup shall assess trends in pari-mutuel pools generated by historic horse racing wagering at satellite facilities, including the corresponding distribution of revenues to localities, and make recommendations regarding future distributions of such revenues beginning July 1, 2025. The workgroup shall provide its findings and recommendations to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than October 15, 2024.

W.1. There is hereby established a Legislative Information Technology (IT) Council to oversee the operations and implementation of technology for the legislative branch. Membership of the Council shall include: the Clerk of the House, the Clerk of the Senate, the Staff Directors of the House Appropriations and Senate Finance and Appropriations Committees, the Director of the Division of Legislative Services, the Director of the Joint Legislative Audit and Review Commission, and the Director of the Division of Legislative Automated Systems (DLAS) as an ex officio non-voting member. Members of the Council may be represented by a designee. Meetings of the Council may occur at least four times a year to review, discuss, and make recommendations regarding services provided by DLAS, such as: (i) ongoing operational support; (ii) system development, implementation, refresh, and maintenance; (iii) information technology security; (iv) incident response; and (v) any other services provided to legislative agencies. The workgroup may direct DLAS to seek input from non-legislative stakeholders as needed to enhance the efficiency, effectiveness, and user-friendly capabilities of public-facing legislative systems. The Council may conduct an annual survey to evaluate the customer service that DLAS provides to legislative agencies. Finally, the Council shall, as needed, provide updates to the Joint Committee on Rules with regard to operational or performance issues, recommendations, or other feedback as needed to ensure the optimal operation of legislative entities.

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	2. No later than August 1, 2026, DLAS shall submit for approval to the Legislative IT Council, the agency's development priorities through the 2027 fiscal year. Those priorities shall include resolution of outstanding issues with the Legislative Information System (LIS), Lobbyist-in-a-Box, and redesign of bill drafting and e-filing. DLAS shall cease development of all other systems unless otherwise directed by the Joint Committee on Rules or the Legislative IT Council.				
	X. Amounts appropriated to, and fund balances retained by, the Commission on Unemployment Compensation may be utilized to hire actuarial services to provide assessments that include but are not limited to the impacts of annual adjustments to the weekly benefit of the UI Trust Fund solvency and employer tax rates.				
	Total for General Assembly of Virginia			**$67,619,627**	**$69,666,116**
	General Fund Positions	230.00	230.00		
	Position Level	230.00	230.00		
	Fund Sources: General	$67,619,627	$69,666,116		
	§ 1-2. AUDITOR OF PUBLIC ACCOUNTS (133)				
2.	Legislative Evaluation and Review (78300)			$17,994,047	$17,994,047
	Financial and Compliance Audits (78301)	$17,994,047	$17,994,047		
	Fund Sources: General	$15,841,049	$15,841,049		
	Special	$2,152,998	$2,152,998		
	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, $248,255 from July 1, 2026 to July 24, 2026, $256,944 from July 25, 2026 to June 9, 2027 and $265,937 from June 10, 2027 to June 30, 2028.				
	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. 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				

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	related to other internal control deficiencies or other financial matters that merit the attention of management and the governing body must be made in the form of official, written communication.				
	F. 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, 2023, and thereafter.				
	Total for Auditor of Public Accounts			**$17,994,047**	**$17,994,047**
	General Fund Positions	120.00	120.00		
	Nongeneral Fund Positions	16.00	16.00		
	Position Level	136.00	136.00		
	Fund Sources: General	$15,841,049	$15,841,049		
	Special	$2,152,998	$2,152,998		
	§ 1-3. COMMISSION ON THE VIRGINIA ALCOHOL SAFETY ACTION PROGRAM (413)				
3.	Ground Transportation System Safety Services (60500)			$2,993,392	$2,993,392
	Ground Transportation Safety Promotion (60503)	$2,993,392	$2,993,392		
	Fund Sources: Special	$2,993,392	$2,993,392		
	Authority: §§ 18.2-271.1 and 18.2-271.2, Code of Virginia.				
	A. Out of this appropriation shall be paid the annual salary of the Executive Director, $159,761 from July 1, 2026 to July 24, 2026, $165,353 from July 25, 2026 to June 9, 2027 and $171,140 from June 10, 2027 to June 30, 2028.				
	B. Notwithstanding the salaries listed in paragraph A. of this item, the Commission on the Virginia Alcohol Safety Action Program may establish a salary range for the Executive Director of the program.				
	Total for Commission on the Virginia Alcohol Safety Action Program			**$2,993,392**	**$2,993,392**
	Nongeneral Fund Positions	11.50	11.50		
	Position Level	11.50	11.50		
	Fund Sources: Special	$2,993,392	$2,993,392		
	§ 1-4. DIVISION OF CAPITOL POLICE (961)				
4.	Administrative and Support Services (39900)			$17,465,347	$17,465,347
	Security Services (39923)	$17,465,347	$17,465,347		
	Fund Sources: General	$17,465,347	$17,465,347		
	Authority: Title 30, Chapter 3.1, Code of Virginia.				
	Out of this appropriation shall be paid the annual salary of the Chief, Division of Capitol Police, $250,538 from July 1, 2026 to July 24, 2026, $259,307 from July 25, 2026 to June 9, 2027 and $268,383 from June 10, 2027 to June 30, 2028.				
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	Total for Division of Capitol Police			**$17,465,347**	**$17,465,347**
	General Fund Positions	122.00	122.00		
	Position Level	122.00	122.00		
	Fund Sources: General	$17,465,347	$17,465,347		

§ 1-5. DIVISION OF LEGISLATIVE AUTOMATED SYSTEMS (109)

5.	Information Technology Development and Operations (82000)			$7,292,016	$7,292,016
	Computer Operations Services (82001)	$7,292,016	$7,292,016		
	Fund Sources: General	$7,004,435	$7,004,435		
	Special	$287,581	$287,581		

Authority: Title 30, Chapter 3.2, Code of Virginia.

A. Out of this appropriation shall be paid the annual salary of the Director, Division of Legislative Automated Systems, $216,766 from July 1, 2026 to July 24, 2026, $224,353 from July 25, 2026 to June 9, 2027 and $232,205 from June 10, 2027 to June 30, 2028.

B. Included in this appropriation is funding sufficient for the ongoing replacement of a legacy legislative bill tracking system. The expenditure of these funds is contingent on the Director of the Division of Legislative Automated Systems developing a detailed implementation plan and submitting the plan to the Committee on Joint Rules for its approval. Any procurement of a replacement legislative bill tracking system shall be exempt from the provisions of the Virginia Public Procurement Act (§ 2.2-4300 et. seq.) of the Code of Virginia and the contract review provisions of § 2.2-2012. The plan may propose to procure a replacement legislative bill tracking system using (i) a request for information or a request for proposal, singly or jointly or in any combination thereof, (ii) such other industry recognized procurement method for procuring a management information system, or (iii) such other procurement method that comports with the best interests of the Commonwealth in the determination of the Director.

C. The Director, Division of Legislative Automated Systems, shall provide a detailed accounting of funding provided since fiscal year 2020 for the replacement of the legacy legislative tracking system, and separately for other legislative system replacements and upgrades. Such accounting shall be provided to the Chairs of the Joint Rules Committee, the House Appropriations Committee, and the Senate Finance and Appropriations Committee by October 1, 2024.

D. Out of the amounts included in this item, $201,140 the first year and $201,140 the second year from the general fund is provided to complete the replacement of a legacy legislative bill tracking system.

E. Out of the amounts included in this item, $50,000 the first year and $50,000 the second year from the general fund is provided for software, security, and infrastructure upgrades for the Division of Legislative Automated Systems.

	Total for Division of Legislative Automated Systems.			**$7,292,016**	**$7,292,016**
	General Fund Positions	21.00	21.00		
	Position Level	21.00	21.00		
	Fund Sources: General	$7,004,435	$7,004,435		
	Special	$287,581	$287,581		

§ 1-6. DIVISION OF LEGISLATIVE SERVICES (107)

6.	Legislative Research and Analysis (78400)			$10,220,270	$10,220,270

ITEM 6.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Bill Drafting and Preparation (78401)	$10,220,270	$10,220,270		
	Fund Sources: General	$10,200,243	$10,200,243		
	Special	$20,027	$20,027		

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, $219,221 from July 1, 2026 to July 24, 2026, $226,894 from July 25, 2026 to June 9, 2027 and $234,835 from June 10, 2027 to June 30, 2028.

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

E. The Division shall 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.

F. Out of this appropriation, $275,325 the first year from dedicated special revenue is provided to implement the recommendations of the Chesapeake Bay Restoration Fund Advisory Committee.

G. Out of this appropriation, $120,000 from the general fund the second year shall be provided for one position to support the Commission on Women's Health.

	Total for Division of Legislative Services			**$10,220,270**	**$10,220,270**
	General Fund Positions	67.00	67.00		
	Position Level	67.00	67.00		
	Fund Sources: General	$10,200,243	$10,200,243		
	Special	$20,027	$20,027		
	Dr. Martin Luther King, Jr. Memorial Commission (845)				
7.	Human Relations Management (14600)			$100,426	$100,426
	Human Relations Management (14601)	$100,426	$100,426		
	Fund Sources: General	$100,426	$100,426		

Authority: Title 30, Chapter 27, Code of Virginia.

	Total for Dr. Martin Luther King, Jr. Memorial Commission			**$100,426**	**$100,426**
	Fund Sources: General	$100,426	$100,426		
	Joint Commission on Technology and Science (847)				
8.	Technology Research, Planning, and Coordination (53700)			$486,878	$461,878

ITEM 8.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Technology Research (53701)	$486,878	$461,878		
	Fund Sources: General	$486,878	$461,878		
	Authority: Title 30, Chapter 11, Code of Virginia.				
	Total for Joint Commission on Technology and Science			**$486,878**	**$461,878**
	General Fund Positions	2.00	2.00		
	Position Level	2.00	2.00		
	Fund Sources: General	$486,878	$461,878		
	Commissioners for the Promotion of Uniformity of Legislation in the United States (145)				
9.	Governmental Affairs Services (70100)			$105,148	$105,148
	Interstate Affairs (70103)	$105,148	$105,148		
	Fund Sources: General	$105,148	$105,148		
	Authority: Title 30, Chapter 29, Code of Virginia.				
	Commissioners shall receive no compensation for their services from the funds appropriated in this item, but their necessary travel and hotel expenses shall be reimbursed, subject to the approval of the Joint Rules Committee or to the joint approval of the Speaker of the House of Delegates and the Chair of the Senate Committee on Rules.				
	Total for Commissioners for the Promotion of Uniformity of Legislation in the United States			**$105,148**	**$105,148**
	Fund Sources: General	$105,148	$105,148		
	Virginia Code Commission (108)				
10.	Enactment of Laws (78200)			$93,380	$93,380
	Code Modernization (78201)	$93,380	$93,380		
	Fund Sources: General	$69,362	$69,362		
	Special	$24,018	$24,018		
	Authority: Title 30, Chapter 15, Code of Virginia.				
	The Code Commission shall not authorize, or undertake, a re-numbering or re-codification of the Code of Virginia, 1950 as amended unless there is a specific appropriation included in a general Appropriation Act addressing the fiscal impact of such an action. The Commission is authorized to develop a proposal, for review by the Committee on Joint Rules, to re-number the Code of Virginia, including the proposed re-numbering structure and a detailed estimate of any potential fiscal impact on state agencies from the restructuring.				
	Total for Virginia Code Commission			**$93,380**	**$93,380**
	Fund Sources: General	$69,362	$69,362		
	Special	$24,018	$24,018		
	Virginia Freedom of Information Advisory Council (834)				
11.	Governmental Affairs Services (70100)			$548,372	$548,372
	Public Information Services (70109)	$548,372	$548,372		
	Fund Sources: General	$548,372	$548,372		
	Authority: Title 30, Chapter 21, Code of Virginia.				
	Total for Virginia Freedom of Information Advisory Council			**$548,372**	**$548,372**
	General Fund Positions	4.00	4.00		

ITEM 11.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Position Level	4.00	4.00		
	Fund Sources: General	$548,372	$548,372		
	Virginia Housing Commission (840)				
12.	Housing Assistance Services (45800)			$510,883	$510,883
	Housing Research and Planning (45803)	$510,883	$510,883		
	Fund Sources: General	$510,883	$510,883		
	Authority: § 30-257, Code of Virginia.				
	Total for Virginia Housing Commission			**$510,883**	**$510,883**
	General Fund Positions	3.00	3.00		
	Position Level	3.00	3.00		
	Fund Sources: General	$510,883	$510,883		
	Brown v. Board of Education Scholarship Committee (858)				
13.	Human Relations Management (14600)			$1,025,326	$1,025,326
	Human Relations Management (14601)	$1,025,326	$1,025,326		
	Fund Sources: General	$1,025,326	$1,025,326		
	Authority: Title 30, Chapter 34.1, Code of Virginia.				
	Total for Brown v. Board of Education Scholarship Committee			**$1,025,326**	**$1,025,326**
	Fund Sources: General	$1,025,326	$1,025,326		
	Virginia Conflict of Interest and Ethics Advisory Council (876)				
14.	Personnel Management Services (70400)			$972,593	$972,593
	Personnel Management Services (70400)	$863,320	$863,320		
	Agency Human Resource Services (70401)	$109,273	$109,273		
	Fund Sources: General	$972,593	$972,593		
	Authority: Chapters 792 and 804 of the 2014 Acts of Assembly.				
	Out of the amounts appropriated to the Council, an amount estimated at $195,000 each year is from lobbyist registration fees pursuant to § 2.2-424, Code of Virginia.				
	Total for Virginia Conflict of Interest and Ethics Advisory Council			**$972,593**	**$972,593**
	General Fund Positions	7.00	7.00		
	Position Level	7.00	7.00		
	Fund Sources: General	$972,593	$972,593		
	Virginia-Israel Advisory Board (330)				
15.	Economic Development Services (53400)			$316,655	$316,655
	Economic Development Research, Planning, and Coordination (53401)	$288,908	$288,908		
	Economic Development Services (53412)	$27,747	$27,747		
	Fund Sources: General	$316,655	$316,655		
	Total for Virginia-Israel Advisory Board			**$316,655**	**$316,655**
	General Fund Positions	1.00	1.00		

ITEM 15.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Position Level	1.00	1.00		
	Fund Sources: General	$316,655	$316,655		
	Commission on the May 31, 2019 Virginia Beach Mass Shooting (879)				
16.	Research, Planning, and Coordination (78800)			$38,512	$38,512
	Policy Research and Planning (78801)	$38,512	$38,512		
	Fund Sources: General	$38,512	$38,512		

Authority: Discretionary Inclusion

A. The Commission to Investigate the May 31, 2019, Virginia Beach Mass Shooting is established as an independent commission. The purpose of the Commission is to conduct an independent, thorough, objective incident review of the May 31, 2019, tragedy and make recommendations regarding improvements that can be made in the Commonwealth's laws, policies, procedures, systems, and institutions, as well as those of other governmental agencies and private providers.

B.1. The Commission shall consist of 22 members appointed as follows: five nonlegislative citizen members to be appointed by the Speaker of the House of Delegates; five nonlegislative citizen members to be appointed by the Senate Committee on Rules; and 11 nonlegislative citizen members to be appointed by the Governor. The Superintendent of State Police shall serve ex officio as a nonvoting member of the Commission. One of the nonlegislative citizen members shall serve as a victim advocate; all other nonlegislative citizen member of the Commission shall have significant experience as either a (i) law-enforcement officer, (ii) jurist, (iii) local government administrator, (iv) qualified, licensed forensic psychologist, (v) first responder, (vi) security expert, or (vii) IT specialist, and no nonlegislative citizen members of the Commission shall be currently serving in an elected capacity. The Governor shall appoint at least one person from each of the occupations and professions described in clauses (i) through (vii). Every effort shall be made to ensure that appointees do not have a conflict of interest yet can provide the best insight into their specialization. The Commission shall elect a chairman and vice-chairman from among its membership.

2. Unless otherwise approved in writing by the chairman of the Commission, Commission members shall only be reimbursed for travel originating and ending within the Commonwealth for the purpose of attending meetings.

C.1. The Commission shall: (i) investigate the underlying motive for the May 31, 2019, Virginia Beach mass shooting; (ii) investigate the gunman's personal background and entire prior employment history with the City of Virginia Beach and his interactions with coworkers and supervisors, including but not limited to formal documentation and informal incidents; (iii) determine how the gunman was able to carry out his actions; (iv) identify any obstacles confronted by first responders; (v) identify and examine the security procedures and protocols in place immediately prior to the mass shooting; (vi) examine the post-shooting communications between law enforcement and the families of the victims; (vii) assess such other matters as it deems necessary to gain a comprehensive understanding of the tragic events of May 31, 2019, and (viii) develop recommendations regarding improvements that can be made in the Commonwealth's laws, policies, procedures, systems, and institutions, as well as those of other government agencies and private providers, to minimize the risk of a tragedy of this nature from ever occurring again in the Commonwealth.

2. To the extent required by law, the Commission shall (i) protect the confidentiality of any individual's or family member's personal or health information and (ii) make public or publish information and findings only in summary or aggregate form without identifying personal or health information related to any individual or family member unless authorization is obtained from an individual or family member that specifically permits the Commission to disclose that person's personal or health information; and (iii) ensure that its investigation does not impede any investigation into the matter being conducted by law enforcement.

D. The Office of the State Inspector General shall provide staff support to the Commission. All agencies of the Commonwealth shall provide assistance to the Office of the State Inspector General upon request. Upon the request of the Chairman, the Director of the

ITEM 16.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Department of Planning and Budget may authorize a transfer of this appropriation to the Office of the State Inspector General to support the work of the Commission.				
	E. Beginning in 2021, the Chairman shall submit to the General Assembly and the Governor an annual executive summary of the interim activity and work of the Commission no later than November 1 of each year. The executive summary shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.				
	Total for Commission on the May 31, 2019 Virginia Beach Mass Shooting			**$38,512**	**$38,512**
	Fund Sources: General	$38,512	$38,512		
	Commission to Study Slavery and Subsequent De Jure and De Facto Racial and Economic Discrimination Against African Americans (880)				
17.	Research, Planning, and Coordination (78800)			$94,213	$94,213
	Policy Research and Planning (78801)	$94,213	$94,213		
	Fund Sources: General	$94,213	$94,213		
	Authority: Title 2.2, Chapter 25, Article 11, Code of Virginia.				
	Total for Commission to Study Slavery and Subsequent De Jure and De Facto Racial and Economic Discrimination Against African Americans			**$94,213**	**$94,213**
	Fund Sources: General	$94,213	$94,213		
	Grand Total for Division of Legislative Services			**$14,512,656**	**$14,487,656**
	General Fund Positions	84.00	84.00		
	Position Level	84.00	84.00		
	Fund Sources: General	$14,468,611	$14,443,611		
	Special	$44,045	$44,045		
	§ 1-7. CHESAPEAKE BAY COMMISSION (842)				
18.	Resource Management Research, Planning, and Coordination (50700)			$385,467	$385,467
	Resource Management Policy and Program Development (50701)	$385,467	$385,467		
	Fund Sources: General	$385,467	$385,467		
	Authority: Title 30, Chapter 36, Code of Virginia.				
	Total for Chesapeake Bay Commission			**$385,467**	**$385,467**
	General Fund Positions	1.00	1.00		
	Position Level	1.00	1.00		
	Fund Sources: General	$385,467	$385,467		
	§ 1-8. JOINT COMMISSION ON HEALTH CARE (844)				
19.	Health Research, Planning, and Coordination (40600)			$1,440,057	$1,440,057
	Health Policy Research (40606)	$1,440,057	$1,440,057		
	Fund Sources: General	$1,440,057	$1,440,057		
	Authority: Title 30, Chapter 18, Code of Virginia.				

ITEM 19.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Total for Joint Commission on Health Care			**$1,440,057**	**$1,440,057**
	General Fund Positions	9.00	9.00		
	Position Level	9.00	9.00		
	Fund Sources: General	$1,440,057	$1,440,057		
	§ 1-9. BEHAVIORAL HEALTH COMMISSION (882)				
20.	Health Research, Planning, and Coordination (40600)			$797,940	$797,940
	Behavioral Health Policy Research (40610)	$797,940	$797,940		
	Fund Sources: General	$797,940	$797,940		
	Authority: Title 30, Chapter 63, Code of Virginia.				
	Total for Behavioral Health Commission			**$797,940**	**$797,940**
	General Fund Positions	5.00	5.00		
	Position Level	5.00	5.00		
	Fund Sources: General	$797,940	$797,940		
	§ 1-10. VIRGINIA COMMISSION ON YOUTH (839)				
21.	Social Services Research, Planning, and Coordination (45000)			$505,201	$505,201
	Social Services Research and Planning (45003)	$505,201	$505,201		
	Fund Sources: General	$505,201	$505,201		
	Authority: Title 30, Chapter 20, Code of Virginia.				
	The Commission on Youth shall develop recommendations, working with stakeholders, to incentivize local governments to draw down additional funding (above a base allocation) to support Child Advocacy Centers through partnership arrangements that may include the allocation of space, administrative support, or other supports. These recommendations shall also include potential access to funding through various court fees or other revenue options. The Commission shall report to relevant legislative committees by November 1, 2026.				
	Total for Virginia Commission on Youth			**$505,201**	**$505,201**
	General Fund Positions	3.00	3.00		
	Position Level	3.00	3.00		
	Fund Sources: General	$505,201	$505,201		
	§ 1-11. VIRGINIA STATE CRIME COMMISSION (142)				
22.	Criminal Justice Research, Planning and Coordination (30500)			$2,033,782	$2,033,782
	Criminal Justice Research (30503)	$2,033,782	$2,033,782		
	Fund Sources: General	$1,896,288	$1,896,288		
	Federal Trust	$137,494	$137,494		
	Authority: Title 30, Chapter 16, Code of Virginia.				
	A.1. The Virginia State Crime Commission shall review cases at the Virginia Department of Forensic Science (Department), in consultation with the Department's Scientific Advisory Committee, where testing or analysis was performed by Mary Jane Burton and report on the total number of the following: (i) case files that contain at least one named suspect; (ii) cases where scientific testimony was provided; and (iii) named suspects who were convicted of an offense related to such testing, categorized by persons: (a) currently incarcerated, on probation, or on parole; (b) executed; or, (c) deceased.				

ITEM 22.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

2. Notwithstanding any other provision of law, the Crime Commission and other state and local agencies may receive and disseminate to individuals, state and local agencies, and private organizations involved in the completion of this review (i) personal or case identifying information related to the named suspects, (ii) Virginia criminal history record information related to the named suspects, (iii) expunged or sealed police and court records related to the Department case file of a named suspect, and (iv) any other information that may be necessary to the successful and timely completion of the review. Information received or disseminated for purposes of this review shall not be subject to the Virginia Freedom of Information Act (§ 2.2-3700).

3. The Virginia State Crime Commission shall have the authority to review additional case files to address related matters as deemed appropriate, in consultation with the House Appropriations and Senate Finance and Appropriations Committees. The Crime Commission shall report on its findings by the first day of each General Assembly Session until completion of this review.

B.1. For the purpose of carrying out its duties and notwithstanding any contrary provision of law, the Virginia State Crime Commission shall have the legal authority to access the records, information, facilities, and employees of every department, division, board, bureau, commission, authority, or other agency created by the Commonwealth or to which the Commonwealth is a party or from any political subdivision of the Commonwealth. Upon request, such entities shall provide the Virginia State Crime Commission with records and any other information deemed necessary by the Virginia State Crime Commission for the performance of its duties. Additionally, upon request, such entities shall allow the Virginia State Crime Commission access to their facilities and ample opportunity to observe their operations. Such entities may not require the Virginia State Crime Commission to pay a fee to obtain records or any other information, or to access their facilities or observe their operations. Upon request, the Executive Secretary of the Supreme Court of Virginia shall provide the Virginia State Crime Commission with case data, in an electronic format, from its district and circuit court case management systems for all adults and juveniles charged with a criminal offense, civil offense, or traffic violation. If a clerk of the circuit court does not participate in the statewide Circuit Case Management System maintained by the Executive Secretary of the Supreme Court of Virginia, then upon request such clerk of the circuit court shall provide the Virginia State Crime Commission with case data, in an electronic format, from its own case management system for all adults and juveniles charged with a criminal offense, civil offense, or traffic violation.

2. The Virginia State Crime Commission may use the data provided by the Executive Secretary of the Supreme Court of Virginia or any clerk of the circuit court for research, evaluation, or statistical purposes only and shall ensure the confidentiality and security of the data. The Virginia State Crime Commission shall not publish personal or case identifying information, including names, social security numbers, and dates of birth, which may be included in the data from the case management systems. Upon transfer to the Virginia State Crime Commission, such data shall not be subject to the Virginia Freedom of Information Act. Except for the publishing of personal or case identifying information, including names, social security numbers, and dates of birth, the restrictions in this section shall not prohibit the Virginia State Crime Commission from publishing aggregate data as part of its reports or presentations, or from sharing aggregate data when requested by a member of the General Assembly, a member of the Virginia State Crime Commission, the Office of the Attorney General, the Office of the Governor, or a member of the Governor's Cabinet.

Total for Virginia State Crime Commission			**$2,033,782**	**$2,033,782**
General Fund Positions	11.00	11.00		
Nongeneral Fund Positions	4.00	4.00		
Position Level	15.00	15.00		
Fund Sources: General	$1,896,288	$1,896,288		
Federal Trust	$137,494	$137,494		

ITEM 22.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	§ 1-12. COMMISSION ON ELECTRIC UTILITY REGULATION (863)				
23.	Research, Planning, and Coordination (78800)			$691,123	$891,123
	Policy Research and Planning (78801)	$691,123	$891,123		
	Fund Sources: General	$691,123	$891,123		
	The Commission is authorized to use up to $200,000 of general fund balances carried forward from fiscal year 2026 to fund an additional position.				
	Total for Commission on Electric Utility Regulation			**$691,123**	**$891,123**
	General Fund Positions	7.00	7.00		
	Position Level	7.00	7.00		
	Fund Sources: General	$691,123	$891,123		
	§ 1-13. AMERICAN REVOLUTION 250 COMMISSION (883)				
24.	Historic and Commemorative Attraction Management (50200)			$44,700	$44,700
	Revolutionary War Commemoration (50210)	$44,700	$44,700		
	Fund Sources: General	$44,700	$44,700		

A. All agencies and institutions of the Commonwealth shall, upon request, designate liaisons and provide assistance and advice to the American Revolution 250 Commission and the Virginia Commemorations, Inc. for the planning, coordination, and implementation of the 250th anniversary of the American Revolution.

B. Any employees paid from this appropriation shall be exempt from the Virginia Personnel Act. Employees shall not be entitled to severance and unemployment as stipulated in hiring agreements.

C. The American Revolution 250 Commission and the Virginia Commemorations, Inc. may perform the following actions directly relating to the planning, coordination, and implementation of the 250th anniversary of the American Revolution:

1. Solicit and accept donations of materials and services to defray expenses;

2. Retain all nongeneral funds from grants, donations, contributions, gifts, fees, sales, or other funds received, collected, or undertaken by the American Revolution 250 Commission for the 250th anniversary commemoration. Such nongeneral funds shall be retained and not reverted back to the general fund at the end of the fiscal year;

3. Procure, with the maximum delegated authority available to any executive branch agency or institution in the Commonwealth, any goods and services with which there are minimum procurement requirements associated;

4. Hire employees up to the Maximum Employment Level for the Foundation as provided in the general appropriation act, despite any potential suspension from hiring that may be mandated for state agencies;

5. Receive assistance and advice from agencies and institutions of the Commonwealth without charge; and

6. Contact international, national, interstate, state, regional, and local elected and appointed officials.

D. The American Revolution 250 Commission and the Virginia Commemorations, Inc. may enter into agreements or contracts with private entities for the promotion of tourism through marketing without competitive sealed bidding or competitive negotiation provided a demonstrable cost savings can be realized by the Commission and such agreements or contracts are based on competitive principles.

E. Except as provided otherwise in this paragraph, the provisions of the Virginia Public

ITEM 24.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

Procurement Act shall not apply to the expenditure of funds from the 250th anniversary commemoration. However, the provisions of this paragraph shall not be effective until such time as the American Revolution 250 Commission has adopted guidelines generally applicable to the procurement of goods and services by the Commonwealth. The guidelines shall implement a system of competitive negotiation for goods and services that: (i) shall prohibit discrimination because of race, religion, color, sex, age, disability, national origin, sexual orientation, gender identity, political affiliation, veteran status, or any other basis prohibited by state law relating to discrimination; (ii) may take into account in all cases the dollar amount of the intended procurement, the term of the anticipated contract, and the likely extent of competition; (iii) may implement a prequalification procedure for contractors or products; (iv) may include provisions for cooperative procurement arrangements; shall incorporate the prompt payment principles of §§ 2.2-4350 and 2.2-4354, Code of Virginia; and may implement provisions of law.

F. The American Revolution 250 Commission shall establish guidelines, procedures, and objective criteria for the award and distribution of grants from the appropriation to state agencies, localities, and non-government organizations. Activities eligible for grants from the appropriation shall be focused on high-impact, collaborative projects that focus on the ideals of the American Revolution. The American Revolution 250 Commission shall advertise the availability of grant funds and shall solicit, receive, and review grant applications as defined by adopted guidelines. The decisions regarding who receives the grant awards shall be the responsibility of the American Revolution 250 Commission.

G. All general funds received by the American Revolution 250 Commission shall be retained and not reverted back to the general fund at the end of any fiscal year.

Total for American Revolution 250 Commission.....			**$44,700**	**$44,700**
Fund Sources: General.....	$44,700	$44,700		

§ 1-14. JOINT LEGISLATIVE AUDIT AND REVIEW COMMISSION (110)

25.	Legislative Evaluation and Review (78300).....			$6,363,479	$6,363,479
	Performance Audits and Evaluation (78303).....	$6,363,479	$6,363,479		
	Fund Sources: General.....	$6,214,575	$6,214,575		
	Trust and Agency.....	$148,904	$148,904		

Authority: Title 30, Chapters 7 and 8, Code of Virginia.

A. Out of this appropriation shall be paid the annual salary of the Director, Joint Legislative Audit and Review Commission (JLARC), $212,372 from July 1, 2026 to July 24, 2026, $219,805 from July 25, 2026 to June 9, 2027 and $227,498 from June 10, 2027 to June 30, 2028

B. Expenses associated with the oversight responsibility of the Virginia Retirement System by JLARC and the House Appropriations and Senate Finance and Appropriations Committees shall be reimbursed by the Virginia Retirement System upon documentation by the Director, JLARC of the expenses incurred.

C. Out of this appropriation, funds are provided to continue the technical support staff of JLARC, in order to assist with legislative fiscal impact analysis when an impact statement is referred from the Chairman of a standing committee of the House or Senate, and to conduct oversight of the expenditure forecasting process. Pursuant to existing statutory authority, all agencies of the Commonwealth shall provide access to information necessary to accomplish these duties.

D.1. The General Assembly hereby designates the Joint Legislative Audit and Review Commission (JLARC) to review and evaluate the Virginia Information Technologies Agency (VITA) on a continuing basis and to make such special studies and reports as may be requested by the General Assembly, the House Appropriations Committee, or the Senate Finance and Appropriations Committee.

2. The areas of review and evaluation to be conducted by the Commission shall include, but are not limited to, the following: (i) VITA's infrastructure outsourcing contracts and

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any amendments thereto; (ii) adequacy of VITA's planning and oversight responsibilities, including VITA's oversight of information technology projects and the security of governmental information; (iii) cost-effectiveness and adequacy of VITA's procurement services and its oversight of the procurement activities of State agencies.

3. For the purpose of carrying out its duties and notwithstanding any contrary provision of law, JLARC shall have the legal authority to access the information, records, facilities, and employees of VITA.

4. Records provided to VITA by a private entity pertaining to VITA's comprehensive infrastructure agreement or any successor contract, or any contractual amendments thereto for the operation of the Commonwealth's information technology infrastructure shall be exempt from the Virginia Freedom of Information Act (§ 2.2-3700 et seq.), to the extent that such records contain (i) trade secrets of the private entity as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.) or (ii) financial records of the private entity, including balance sheets and financial statements, that are not generally available to the public through regulatory disclosure or otherwise. In order for the records specified in clauses (i) and (ii) to be excluded from the Virginia Freedom of Information Act, the private entity shall make a written request to VITA:

a. Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;

b. Identifying with specificity the data or other materials for which protection is sought; and

c. Stating the reasons why protection is necessary.

VITA shall determine whether the requested exclusion from disclosure is necessary to protect the trade secrets or financial records of the private entity. VITA shall make a written determination of the nature and scope of the protection to be afforded by it under this subdivision. Once a written determination is made by VITA, the records afforded protection under this subdivision shall continue to be protected from disclosure when in the possession of VITA or JLARC.

Except as specifically provided in this item, nothing in this item shall be construed to authorize the withholding of (a) procurement records as required by § 56-575.17; (b) information concerning the terms and conditions of any interim or comprehensive agreement, service contract, lease, partnership, or any agreement of any kind entered into by VITA and the private entity; (c) information concerning the terms and conditions of any financing arrangement that involves the use of any public funds; or (d) information concerning the performance of the private entity under the comprehensive infrastructure agreement, or any successor contract, or any contractual amendments thereto for the operation of the Commonwealth's information technology infrastructure.

5. The Chairman of JLARC may appoint a permanent subcommittee to provide guidance and direction for VITA review and evaluation activities, subject to the full Commission's supervision and such guidelines as the Commission itself may provide.

6. All agencies of the Commonwealth shall cooperate as requested by JLARC in the performance of its duties under this authority.

E.1. The General Assembly hereby designates the Joint Legislative Audit and Review Commission (JLARC) to conduct, on a continuing basis, a review and evaluation of economic development initiatives and policies and to make such special studies and reports as may be requested by the General Assembly, the House Appropriations Committee, or the Senate Finance and Appropriations Committee.

2. The areas of review and evaluation to be conducted by the Commission shall include, but are not limited to, the following: (i) spending on and performance of individual economic development incentives, including grants, tax preferences, and other assistance; (ii) economic benefits to Virginia of total spending on economic development initiatives at least biennially; (iii) effectiveness, value to taxpayers, and economic benefits to Virginia of individual economic development initiatives on a cycle approved by the Commission; and (iv) design, oversight, and accountability of economic development entities, initiatives, and policies as needed.

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3. For the purpose of carrying out its duties under this authority and notwithstanding any contrary provision of law, JLARC shall have the legal authority to access the facilities, employees, information, and records, including confidential information, and the public and executive session meetings and records of the board of VEDP, involved in economic development initiatives and policies for the purpose of carrying out such duties in accordance with the established standards, processes, and practices exercised by JLARC pursuant to its statutory authority. Access shall include the right to attend such meetings for the purpose of carrying out such duties. Any non-disclosure agreement that VEDP enters into on or after July 1, 2016, for the provision of confidential and proprietary information to VEDP by a third party shall require that JLARC also be allowed access to such information for the purposes of carrying out its duties.

4. Notwithstanding the provisions of subsection A or B of § 58.1-3 or any other provision of law, unless prohibited by federal law, an agreement with a federal entity, or a court decree, the Tax Commissioner is authorized to provide to JLARC such tax information as may be necessary to conduct oversight of economic development initiatives and policies.

5. The following records shall be excluded from the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.), and shall not be disclosed by JLARC:

(a) records provided by a public body as defined in § 2.2-3701, Code of Virginia, to JLARC in connection with its oversight of economic development initiatives and policies, where the records would not be subject to disclosure by the public body providing the records. The public body providing the records to JLARC shall identify the specific portion of the records to be protected and the applicable provision of the Freedom of Information Act or other provision of law that excludes the record or portions thereof from mandatory disclosure.

(b) confidential proprietary records provided by private entities pursuant to a promise of confidentiality from JLARC, used by JLARC in connection with its oversight of economic development initiatives and policies where, if such records are made public, the financial interest of the private entity would be adversely affected.

6. By August 15 of each year, the Secretary of Commerce and Trade shall provide to JLARC all information collected pursuant to § 2.2-206.2, Code of Virginia, in a format and manner specified by JLARC to ensure that the final report to be submitted by the Secretary fulfills the intent of the General Assembly and provides the data and evaluation in a meaningful manner for decision-makers.

7. JLARC shall assist the agencies submitting information to the Secretary of Commerce and Trade pursuant to the provisions of § 2.2-206.2, Code of Virginia, to ensure that the agencies work together to effectively develop standard definitions and measures for the data required to be reported and facilitate the development of appropriate unique project identifiers to be used by the impacted agencies.

8. The Chairman of JLARC may appoint a permanent subcommittee to provide guidance and direction for ongoing review and evaluation activities, subject to the full Commission's supervision and such guidelines as the Commission itself may provide.

9. JLARC may employ on a consulting basis such professional or technical experts as may be reasonably necessary for the Commission to fulfill its responsibilities under this authority.

10. All agencies of the Commonwealth shall cooperate as requested by JLARC in the performance of its duties under this authority.

F. Notwithstanding the salaries listed in paragraph A. of this item, the Joint Legislative Audit and Review Commission (JLARC) may establish a salary range for the Director of JLARC.

G.1. The General Assembly hereby designates the Joint Legislative Audit and Review Commission (JLARC) to review and evaluate the agencies and programs under the Secretary of Health and Human Resources (HHR) on a continuing basis.

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2. Review and evaluation work shall be directed by JLARC in consultation with the Joint Committee for Health and Human Resources Oversight.

3. Review and evaluation shall include, but not be limited to (i) studies of agencies or programs; (ii) targeted analysis of spending trends and other issues warranting examination; and (iii) assessment of the soundness and accuracy of population and spending forecasts, including the process, assumptions, methodology, and results.

4. For the purpose of carrying out its duties and notwithstanding any contrary provision of law, JLARC shall have the legal authority to access the information, records, facilities, and employees of all agencies within the HHR secretariat.

5. The following records shall be excluded from the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.), and shall not be disclosed by JLARC:

(a) records provided by a public body as defined in § 2.2-3701, Code of Virginia, to JLARC in connection with its evaluation of agencies and programs within the HHR secretariat, where the records would not be subject to disclosure by the public body providing the records. The public body providing the records to JLARC shall identify the specific portion of the records to be protected and the applicable provision of the Freedom of Information Act or other provision of law that excludes the record or portions thereof from mandatory disclosure.

(b) confidential proprietary records provided by private entities pursuant to a promise of confidentiality from JLARC, used by JLARC in connection with its evaluation of agencies and programs within the HHR secretariat where, if such records are made public, the financial interest of the private entity would be adversely affected.

6. The Chairman of JLARC may appoint a permanent subcommittee to provide guidance and direction for ongoing review and evaluation of agencies and programs within the HHR secretariat, subject to the full Commission's supervision and such guidelines as the Commission itself may provide.

7. JLARC may employ on a consulting basis such professional or technical experts as may be reasonably necessary for the Commission to fulfill its responsibilities under this authority.

8. All agencies of the Commonwealth shall cooperate as requested by JLARC in the performance of its duties under this authority.

H. The clerk of each circuit court shall provide the Joint Legislative Audit and Review Commission with all case data in an electronic format from its own case management system or the statewide Circuit Case Management System upon request of the Commission. If the statewide Circuit Case Management System is used by the clerk, when requested by the Commission, the Executive Secretary of the Supreme Court shall provide for the transfer of such data to the Commission. The Commission may use the data for research, evaluation, or statistical purposes only and shall ensure the confidentiality and security of the data. The Commission shall only publish analyses based on this data as needed for its reports, fiscal impact reviews, or racial and ethnic impact statements as required by the General Assembly. The Commission shall not publish personal or case identifying information, including names, social security numbers and dates of birth, which may be included in the data from a case management system. Upon transfer to the Joint Legislative Audit and Review Commission, such data shall not be subject to the Virginia Freedom of Information Act. Except for the publishing of personal or case identifying information, including names, social security numbers and dates of birth, the restrictions in this section shall not prohibit the Commission from sharing aggregate data in reports, fiscal impact reviews, or racial and ethnic impact statements.

I. The Joint Legislative Audit and Review Commission shall engage, on a limited basis, the professional and technical consultants retained for the November 2019 Report "Gaming in the Commonwealth" for a limited review of the potential state and local revenues that may be generated from a casino located in the City of Petersburg, including any potential negative revenue impact on casinos located in other authorized host cities.

J.1. For the purposes of conducting its study of the Department of Medical Assistance Services' (DMAS) oversight of managed care, consistent with its statutory authority to obtain information necessary for the performance of its duties from state agencies and any private

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	entity that has entered a contractual relationship to accomplish an agency program, JLARC shall have the legal authority to access all information and records pertaining to Virginia's Medicaid program in the possession of: (i) DMAS pertaining to managed care and MCOs' performance, the setting of capitation rates, and the annual forecast of Medicaid expenditures; (ii) private entities under contract with DMAS for the provision of managed care, including, but not limited to, surveys of members or providers, case management notes, health risk assessments, prior authorization files, and internal appeals files; and (iii) private entities under contract with either DMAS or its contracted MCOs for services related to the delivery of or payment for care through Medicaid or the Children's Health Insurance Program.				
	2. Records provided by DMAS and its contractors to JLARC in connection with this study, where the records would not be subject to disclosure by DMAS, shall be excluded from the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). DMAS and its contractors shall identify the specific portion of the records to be protected and the applicable provision of the Freedom of Information Act or other provision of law that excludes the record or portions thereof from mandatory disclosure.				
	K. The Joint Legislative Audit and Review Commission shall include, on at least an every five-year rotation, an analysis of state spending for aid to localities as part of its State Spending report.				
	L. The Joint Legislative Audit and Review Commission shall periodically review comprehensive teacher compensation in the Commonwealth, including benefits such as health insurance and retirement, and provide this information as part of the State Spending on K-12 Standards of Quality report.				
	Total for Joint Legislative Audit and Review Commission			**$6,363,479**	**$6,363,479**
	General Fund Positions	40.00	40.00		
	Nongeneral Fund Positions	1.00	1.00		
	Position Level	41.00	41.00		
	Fund Sources: General	$6,214,575	$6,214,575		
	Trust and Agency	$148,904	$148,904		
	§ 1-15. VIRGINIA COMMISSION ON INTERGOVERNMENTAL COOPERATION (105)				
26.	Governmental Affairs Services (70100)			$960,012	$960,012
	Interstate Affairs (70103)	$960,012	$960,012		
	Fund Sources: General	$960,012	$960,012		
	Authority: Title 30, Chapter 19, Code of Virginia.				
	Out of this appropriation may be paid from the general fund the annual assessments:				
	1. To the National Conference of State Legislatures;				
	2. To the Council of State Governments;				
	3. To the Southern Regional Education Board; and				
	4. To the Education Commission of the States.				
	Total for Virginia Commission on Intergovernmental Cooperation			**$960,012**	**$960,012**
	Fund Sources: General	$960,012	$960,012		
	§ 1-16. LEGISLATIVE DEPARTMENT REVERSION CLEARING ACCOUNT (102)				
27.	Enactment of Laws (78200)			$710,315	$710,315
	Undesignated Support for Enactment of Laws Services (78205)	$710,315	$710,315		

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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 $250,000 the first year and $250,000 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. Out of the amounts in this Item, $750,000 the first year from the general fund may be utilized to contract for the construction of a statue that commemorates the legacy of former Governor L. Douglas Wilder. The allocation of these funds shall be subject to the approval of the Committee on Joint Rules. The Virginia Capitol Foundation may accept donations for this purpose.

D. On or before June 30, 2027, the Committee on Joint Rules shall authorize a reversion to the general fund of $2,402,250, representing savings generated by the following legislative agencies:

Legislative Agency	Estimated Savings FY 2027
100: General Assembly	$50,394
107: Division of Legislative Services	$1,433,755
110: Joint Legislative Audit and Review Commission	$600,000
810: Capitol Square Preservation Council	$10
876: Virginia Conflict of Interest and Ethics Advisory Council	$318,091
Total:	**$2,402,250**

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			**$141,809,161**	**$144,030,650**
General Fund Positions	654.00	654.00		
Nongeneral Fund Positions	32.50	32.50		
Position Level	686.50	686.50		
Fund Sources: General	$136,044,747	$138,266,236		
Special	$5,478,016	$5,478,016		
Trust and Agency	$148,904	$148,904		
Federal Trust	$137,494	$137,494		

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	JUDICIAL DEPARTMENT				
	§ 1-17. SUPREME COURT (111)				
28.	Pre-Trial, Trial, and Appellate Processes (32100)			$18,546,944	$18,546,944
	Appellate Review (32101)	$11,761,044	$11,761,044		
	Other Court Costs And Allowances (Criminal Fund) (32104)	$6,785,900	$6,785,900		
	Fund Sources: General	$18,367,664	$18,367,664		
	Special	$179,280	$179,280		
	Authority: Article VI, Sections 1 through 6, Constitution of Virginia; Title 17.1, Chapter 3 and § 19.2-163, Code of Virginia.				
	A. Out of the amounts for Appellate Review shall be paid:				
	1. The annual salary of the Chief Justice, $252,944 from July 1, 2026 to July 24, 2026, $261,797 from July 25, 2026 to June 9, 2027 and $270,960 from June 10, 2027 to June 30, 2028.				
	2. The annual salaries of the six (6) Associate Justices, each $237,253 from July 1, 2026 to July 24, 2026, $245,557 from July 25, 2026 to June 9, 2027 and $254,151 from June 10, 2027 to June 30, 2028.				
	3. To each justice, $13,500 the first year and $13,500 the second year, for expenses not otherwise reimbursed, said expenses to be paid out of the current appropriation to the Court.				
	B. There is hereby reappropriated the unexpended balance remaining at the close of business on June 30, 2026, in the appropriation made in Item 28, Chapter 725, 2025 Acts of Assembly, in the item detail Other Court Costs and Allowances (Criminal Fund) and the balance remaining in this item detail on June 30, 2027.				
	C.1. Out of the amounts appropriated in this Item, $5,175,000 the first year and $5,175,000 the second year from the general fund is included for increased reimbursements for court-appointed counsel pursuant to § 19.2-163, Code of Virginia.				
	2. The Director, Department of Planning and Budget, shall upon the request of the Executive Secretary of the Supreme Court of Virginia, transfer from the second year amount identified in Paragraph C.1. of this item to the first year an amount equal to the estimated shortfall for criminal fund waivers in the first year. Any such request shall be submitted by the Executive Secretary no later than May 1st of any fiscal year. Any amounts transferred shall be communicated to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than 30 days following any such transfer.				
	D. The Executive Secretary of the Supreme Court of Virginia shall encourage training of Juvenile and Domestic Relations District Court judges regarding the options available for court-ordered services for families in truancy cases prior to the initiation of other remedies.				
29.	Law Library Services (32300)			$1,200,866	$1,200,866
	Law Library Services (32301)	$1,200,866	$1,200,866		
	Fund Sources: General	$1,200,866	$1,200,866		
	Authority: §§ 42.1-60 through 42.1-64, Code of Virginia.				
30.	Adjudication Training, Education, and Standards (32600)			$899,140	$899,140
	Judicial Training (32603)	$899,140	$899,140		
	Fund Sources: General	$899,140	$899,140		

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	Authority: Title 16.1, Chapter 9; Title 17.1, Chapter 7; §§ 2.2-4025, 19.2-38.1 and 19.2-43, Code of Virginia.				
31.	Administrative and Support Services (39900)			$65,020,260	$66,096,455
	General Management and Direction (39901)	$65,020,260	$66,096,455		
	Fund Sources: General	$54,617,857	$55,694,052		
	Special	$124,375	$124,375		
	Dedicated Special Revenue	$8,963,283	$8,963,283		
	Federal Trust	$1,314,745	$1,314,745		

Authority: §§ 16.1-69.30, 16.1-69.33, 17.1-314 through 17.1-320 and 17.1-502, Code of Virginia.

A. The Executive Secretary of the Supreme Court shall submit an annual fiscal year summary, on or before September 1 of each year, to the Chairmen of the House Appropriations and Senate Finance Committees and to the Director, Department of Planning and Budget, which will report the number of individuals for whom legal or medical services were provided and the nature and cost of such services as are authorized for payment from the criminal fund or the involuntary mental commitment fund.

B. Notwithstanding the provisions of § 19.2-326, Code of Virginia, the amount of attorney's fees allowed counsel for indigent defendants in appeals to the Supreme Court shall be in the discretion of the Supreme Court.

C. The Chief Justice is authorized to reallocate legal support staff between the Supreme Court and the Court of Appeals of Virginia, in order to meet changing workload demands.

D. Prior to January 1 of each year, the Judicial Council and the Committee on District Courts are requested to submit a fiscal impact assessment of their recommendations for the creation of any new judgeships, including the cost of judicial retirement, to the Chairs of the House Courts of Justice and Senate Courts of Justice committees, and the House Appropriations and Senate Finance and Appropriations Committees.

E. Included in this Item is $4,750,000 the first year and $4,750,000 the second year from the general fund, which may support computer system improvements for the several circuit and district courts. The Executive Secretary of the Supreme Court shall submit an annual report to the Director, Department of Planning and Budget on or before September 1 of each year outlining the improvement projects undertaken and the project status of each project. Each project in the report should include the life to date cost of the project, the amount spent on the project in the most recently completed fiscal year, the year the project began, the estimated cost to complete the remainder of the project and an estimated project completion date.

F. Given the continued concern about providing adequate compensation levels for court-appointed attorneys providing criminal indigent defense in the Commonwealth, the Executive Secretary of the Supreme Court, in conjunction with the Governor, Attorney General, Indigent Defense Commission, representatives of the Indigent Defense Stakeholders Group and Chairs of the House Courts of Justice and Senate Courts of Justice committees, shall continue to study and evaluate all available options to enhance Virginia's Indigent Defense System.

G. In addition to any filing fee or other fee permitted by law, an electronic access fee may be charged for each case filed electronically pursuant to Rule 1:17 of the Rules of the Supreme Court of Virginia. The amount of this fee shall be set by the Supreme Court of Virginia. Moneys collected pursuant to this fee shall be deposited into the State Treasury to the credit of the Courts Technology Fund established pursuant to § 17.1-132, to be used to support the costs of statewide electronic filing systems.

H. 1. No state funds used to support the operation of drug court programs shall be provided to programs that serve first-time substance abuse offenders only or do not include probation violators. This restriction shall not apply to juvenile drug court programs.

2. Notwithstanding the provisions of subsection O. of § 18.2-254.1, Code of Virginia, any locality is authorized to establish a drug treatment court supported by existing state resources and by federal or local resources that may be available. This authorization is subject to the requirements and conditions regarding the establishment and operation of a local drug

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treatment court advisory committee as provided by § 18.2-254.1 and the requirements and conditions established by the state Drug Treatment Court Advisory Committee. Any drug court treatment program established after July 1, 2012, shall limit participation in the program to offenders who have been determined, through the use of a nationally recognized, validated assessment tool, to be addicted to or dependent on drugs. However, no such drug court treatment program shall limit its participation to first-time substance abuse offenders only; nor shall it exclude probation violators from participation.

3. The evaluation of drug treatment court programs required by § 18.2-254.1 shall include the collection of data needed for outcome measures, including recidivism. Drug treatment court programs shall provide to the Office of the Executive Secretary of the Supreme Court the information needed to conduct such an evaluation.

4. Included within this appropriation is $960,000 the first year and $960,000 the second year from the general fund for drug courts in jurisdictions with high drug caseloads, to be allocated by the State Drug Treatment Court Advisory Committee to existing drug courts which have been approved by the Supreme Court of Virginia but have not previously received state funding.

I. Notwithstanding the provisions of § 16.1-69.48, Code of Virginia, the Executive Secretary of the Supreme Court shall ensure the deposit of all Commonwealth collections directly into the State Treasury for Item 34 General District Courts, Item 35 Juvenile and Domestic Relations District Courts, Item 36 Combined District Courts, and Item 37 Magistrate System.

J. Included in this appropriation, $289,000 the first year and $289,000 the second year from the general fund is provided to implement the Judicial Performance Evaluation Program established by § 17.1-100 of the Code of Virginia.

K. Included in this appropriation, $157,828 from the general fund and $17,493 from nongeneral funds the first year and $157,828 from the general fund and $17,493 from nongeneral funds the second year and two positions to support drug treatment court evaluation and monitoring. The source of nongeneral funds is the Drug Offender Assessment Fund.

L. Included in the amounts appropriated for this item are $400,000 the first year and $400,000 the second year from the general fund to be allocated by the State Drug Treatment Court Advisory Committee for the establishment of drug courts in jurisdictions with high drug-related caseloads, or to increase funding provided to existing drug court programs experiencing high caseload growth.

M. Included in this appropriation is $500,000 the first year and $500,000 the second year from the general fund to support the creation and expansion of mental health court dockets in jurisdictions with high caseloads, to be allocated by the Virginia Supreme Court.

N.1. There is hereby created in the state treasury a special nonreverting fund to be known as the Attorney Wellness Fund, hereinafter referred to as the Fund. The Fund shall be established on the books of the Comptroller. Interest earned on 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 the fiscal year shall not revert to the general fund, but shall remain in the Fund. Except for transfers pursuant to this Item, there shall be no transfers out of the Fund, including transfers to the general fund.

2. Notwithstanding the provisions of § 54.1-3912, Code of Virginia, in addition to any other fee permitted by law, the Supreme Court of Virginia may adopt rules assessing members of the Virginia State Bar an annual fee of up to $30 to be deposited in the State Bar Fund and transferred to the Attorney Wellness Fund.

3. Moneys in the Fund shall be allocated at the direction of the Supreme Court of Virginia solely for the purposes of wellness initiatives for attorneys, judges, and law students, to prevent substance abuse and behavioral health disorders. The revenue raised in support of the Fund shall not be used to supplant current funding to the judicial branch. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request of the Executive Secretary of the Supreme Court

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of Virginia.

O. The Office of the Executive Secretary of the Supreme Court shall prepare and distribute evaluation forms in all Circuit Court cases that are overseen by a retired judge for the purpose of collecting information on the number and types of cases referred to retired judges, and use such information to prepare and annually publish a report to be distributed to the members of the House Courts of Justice and the Senate Courts of Justice committees, on or about January 1, each year.

P. Included in this appropriation is $1,539,033 the first year and $1,539,033 the second year from the general fund for the implementation of an automatic expungement process pursuant to Chapter 524 and Chapter 542 of the 2021 Special Session I of the General Assembly.

Q. Included in the amounts appropriated for this item is $94,963 the first year and $94,963 the second year from the general fund to implement the Hope Card Program in all circuit and district courts in the Commonwealth.

R. The Office of the Executive Secretary (OES), in consultation with the Veterans Docket Advisory Committee established pursuant to Virginia Supreme Court Rule 1:25(e) and the Virginia Department of Veterans Services, will promote localized training to enable correctional and other criminal justice system entities to identify inmates or defendants who have served in the United States military. Such training will encourage use of the Virginia Reentry Search Services (VRSS) developed by the U.S. Veterans Administration to facilitate direct outreach to these veterans, and to inform the development of veteran-specific programs in the criminal justice system including the establishment of a Veterans Docket pursuant to Rule 1:25(b). OES will offer support for jurisdictions applying for funding consistent with Virginia Code § 18.2-254.2 (B).

S. Included in the amounts appropriated for this item is $679,649 the first year and $679,649 the second year from the general fund to increase per diem compensation to $350 for substitute judges in district courts when working a full day and $175 if the substitute judge serves for less than a full court docket or less than four hours, notwithstanding § 16.1-69.44, Code of Virginia.

T. Included in this appropriation is $750,000 the first year and $750,000 the second year from the general fund to support specialty dockets.

U. The Office of the Executive Secretary of the Supreme Court shall assess the cost and feasibility of providing a unified efiling system for civil and criminal cases in circuit courts and requiring each circuit court to use the unified system. The assessment shall update the information in the 2018 report on statewide electronic filing of civil cases in circuit court submitted pursuant to Chapter 2, 2018 Special Session I, Acts of Assembly, and provide the updated assessment to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1, 2026.

Total for Supreme Court			**$85,667,210**	**$86,743,405**
General Fund Positions	249.63	252.63		
Nongeneral Fund Positions	8.00	8.00		
Position Level	257.63	260.63		
Fund Sources: General	$75,085,527	$76,161,722		
Special	$303,655	$303,655		
Dedicated Special Revenue	$8,963,283	$8,963,283		
Federal Trust	$1,314,745	$1,314,745		

Court of Appeals of Virginia (125)

32.	Pre-Trial, Trial, and Appellate Processes (32100)		$30,240,833	$29,764,053
	Appellate Review (32101)	$30,235,833	$29,759,053	
	Other Court Costs And Allowances (Criminal Fund) (32104)	$5,000	$5,000	
	Fund Sources: General	$30,240,833	$29,764,053	

ITEM 32.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Authority: Title 17.1, Chapter 4 and § 19.2-163, Code of Virginia. A. Out of the amounts in this Item for Appellate Review shall be paid: 1. The annual salary of the Chief Judge, $228,389 from July 1, 2026 to July 24, 2026, $236,383 from July 25, 2026 to June 9, 2027 and $244,656 from June 10, 2027 to June 30, 2028. 2. The annual salaries of the sixteen (16) judges, each at $225,389 from July 1, 2026 to July 24, 2026, $233,278 from July 25, 2026 to June 9, 2027 and $241,443 from June 10, 2027 to June 30, 2028. 3. Salaries of the judges are to be 95 percent of the salaries of justices of the Supreme Court except for the Chief Judge, who shall receive an additional $3,000 annually. 4. To each judge, $6,500 the first year and $6,500 the second year, for expenses not otherwise reimbursed, said expenses to be paid out of the current appropriation to the Court. B. There is hereby reappropriated the unexpended balance remaining at the close of business on June 30, 2026, in the appropriation made in Item 32, Chapter 725, Acts of Assembly of 2025, in the item detail Other Court Costs and Allowances (Criminal Fund) and the balance remaining in this item detail on June 30, 2027. C. The amount of attorney's fees allowed counsel to indigent defendants in appeals to the Court of Appeals shall be in the discretion of the court. D. Out of the amounts appropriated in this Item, $9,493,443 the first year and $9,493,443 the second year from the general fund to support additional judges and associated staff to address anticipated workload increases related to legislation adopted by the 2021 Session of the General Assembly that expands the jurisdiction and organization of the Court of Appeals of Virginia.				
	Total for Court of Appeals of Virginia			**$30,240,833**	**$29,764,053**
	General Fund Positions	158.13	158.13		
	Position Level	158.13	158.13		
	Fund Sources: General	$30,240,833	$29,764,053		
	Circuit Courts (113)				
33.	Pre-Trial, Trial, and Appellate Processes (32100)			$145,110,502	$144,046,277
	Trial Processes (32103)	$63,118,337	$63,466,086		
	Other Court Costs And Allowances (Criminal Fund) (32104)	$81,992,165	$80,580,191		
	Fund Sources: General	$145,110,502	$144,046,277		
	Authority: Article VI, Section 1, Constitution of Virginia; Title 17.1, Chapter 5; § 19.2-163, Code of Virginia. A. Out of the amounts in this Item for Trial Processes shall be paid: 1. The annual salaries of Circuit Court judges, $220,255 from July 1, 2026 to July 24, 2026, $227,964 from July 25, 2026 to June 9, 2027 and $235,943 from June 10, 2027 to June 30, 2028. Such salaries shall represent the total compensation from all sources for Circuit Court judges. 2. Expenses necessarily incurred for the position of judge of the Circuit Court, including clerk hire not exceeding $1,500 a year for each judge. 3. The state's share of expenses incident to the prosecution of a petition for a writ of habeas corpus by an indigent petitioner, including payment of counsel fees as fixed by the Court; the expenses shall be paid upon receipt of an appropriate order from a Circuit Court.				

ITEM 33.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

4. A circuit court judge shall only be reimbursed for mileage for commuting if the judge has to travel to a courthouse in a county or city other than the one in which the judge resides and the distance between the judge's residence and the courthouse is greater than 25 miles.

B. The Chief Circuit Court Judge shall restrict the appointment of special justices to conduct involuntary mental commitment hearings to those unusual instances when no General District Court or Juvenile and Domestic Relations District Court Judge can be made available or when the volume of the hearings would require more than eight hours a week.

C. There is hereby reappropriated the unexpended balance remaining at the close of business on June 30, 2026, in the appropriation made in Item 33, Chapter 725, 2025 Acts of Assembly, in the item detail Other Court Costs and Allowances (Criminal Fund) and the balance remaining in this item detail on June 30, 2027.

D. The appropriation in this Item for Other Court Costs and Allowances (Criminal Fund) shall be used to implement the provisions of § 8.01-384.1:1, Code of Virginia.

E.1. General fund appropriations for Other Court Costs and Allowances (Criminal Fund) total $169,443,468 the first year and $168,031,494 the second year in this Item and Items 28, 32, 34, 35, and 36.

2. The Chief Justice of the Supreme Court of Virginia shall determine how the amounts appropriated to Other Courts Costs and Allowances (Criminal Fund) will be allocated, consistent with statutory provisions in the Code of Virginia. Funds within these appropriations are to be used to fund fully the statutory caps on compensation applicable to attorneys appointed by the court to defend criminal charges. Should this appropriation not be sufficient to fund fully all of the statutory caps on compensation as established by § 19.2-163, Code of Virginia, that this appropriation shall be applied first to fully fund the statutory caps for the most serious noncapital felonies and then, should funds still remain in this appropriation, to the other statutory caps, in declining order of the severity of the charges to which each cap is applicable.

3. Notwithstanding the provisions of § 19.2-163, Code of Virginia, the amount of compensation allowed to counsel appointed by the court to defend a felony charge that may be punishable by death shall be calculated on an hourly basis at a rate set by the Supreme Court of Virginia.

4. The Department of Planning and Budget is authorized to transfer appropriations between the Criminal Fund and the Involuntary Mental Commitment Fund, as appropriated in any item within the courts system, to support authorized program expenses in the event of an unanticipated shortfall in either fund. Any such transfers shall be made only as needed and shall be reported to the House Appropriations and Senate Finance and Appropriations Committees within 60 days.

F. Mandated changes or improvements to court facilities pursuant to § 15.2-1643, Code of Virginia, or otherwise, including any new construction, shall be delayed at the request of the local governing body in which the court is located until June 30, 2028. The provisions of this item shall not apply to facilities that were subject to litigation on or before November 30, 2008.

G. In order to reduce expenditures through the Criminal Fund for court-appointed counsel, compensation paid to attorneys appointed pursuant to Virginia Code § 53.1-40 shall be limited to $55 per hour, with a maximum per diem compensation of $200, except in cases where the appointed attorney is appointed to represent indigent prisoners at more than one state prison, and in such cases their billing shall be capped monthly at $6,000, plus reasonable expenses, to be paid from the Criminal Fund.

H.1. Notwithstanding the provisions of § 19.2-155, Code of Virginia, in cases where an Attorney for the Commonwealth must recuse himself from a case or a special prosecutor must be appointed, the circuit court judge must appoint an Attorney for the Commonwealth or an Assistant Attorney for the Commonwealth from another jurisdiction. If the circuit court judge determines that the appointment of such Attorney for the Commonwealth or such Assistant Attorney for the Commonwealth is not appropriate or that such an attorney or assistant is unavailable then the judge must request approval from the Executive Secretary of the

ITEM 33.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Supreme Court for an exception to this requirement. 2. The Executive Secretary of the Supreme Court shall include in the annual report required in paragraph A. of Item 31 information on the number of exceptions granted related to special prosecutors and the related expenditures. I. Notwithstanding any other provisions of Chapter 23 of Title 8.1 of the Code of Virginia, a reasonable fee not to exceed $150 may be charged by Commissioners of Accounts for any foreclosures on a timeshare estate to reimburse them for the reasonable costs associated therewith. J. Out of the amounts appropriated in this Item, $3,250,000 the first year and $3,250,000 the second year from the general fund is provided to support an increase in the rate paid to guardians ad litem from the Criminal Fund to $87.00 per hour for time spent in court and $63.00 for time spent out of court. K. As part of the annual Criminal Fund forecasting process conducted by the Office of the Executive Secretary (OES) in consultation with staff from the Department of Planning and Budget and the House Appropriations and Senate Finance and Appropriations Committees, the OES shall continue to include notice of any intended rate changes that would have an impact on Criminal Fund expenditures in materials provided to support the forecasting process. OES may approve a rate increase if (i) it will not require an increase in subsequent Criminal Fund appropriations, as determined by the group consensus on the six-year Criminal Fund forecast; or (ii) if sufficient funding is provided to the Criminal Fund to accommodate anticipated cost impacts from the increase.				
	Total for Circuit Courts			**$145,110,502**	**$144,046,277**
	General Fund Positions	159.00	160.00		
	Position Level	159.00	160.00		
	Fund Sources: General	$145,110,502	$144,046,277		
	General District Courts (114)				
34.	Pre-Trial, Trial, and Appellate Processes (32100)			$184,813,813	$184,805,613
	Trial Processes (32103)	$136,388,328	$136,380,128		
	Other Court Costs And Allowances (Criminal Fund) (32104)	$39,851,928	$39,851,928		
	Involuntary Mental Commitments (32105)	$8,573,557	$8,573,557		
	Fund Sources: General	$184,813,813	$184,805,613		
	Authority: Article VI, Section 8, Constitution of Virginia; §§ 16.1-69.1 through 16.1-137, 19.2-163 and 37.2-809 et seq., Code of Virginia. A. Out of the amounts in this Item for Trial Processes shall be paid: 1. The annual salaries of all General District Court judges, $198,229 from July 1, 2026 to July 24, 2026, $205,167 from July 25, 2026 to June 9, 2027 and $212,348 from June 10, 2027 to June 30, 2028. Such salary shall be 90 percent of the annual salary fixed by law for judges of the Circuit Courts and shall represent the total compensation for General District Court Judges and incorporate all supplements formerly paid by the various localities. 2. The salaries of substitute judges and court personnel. B. There is hereby reappropriated the unexpended balances remaining at the close of business on June 30, 2026, in the appropriation made in Item 34, Chapter 725, 2025 Acts of Assembly, in the item details Other Court Costs and Allowances (Criminal Fund) and Involuntary Mental Commitments and the balances remaining in these item details on June 30, 2027. C. Any balance, or portion thereof, in the item detail Involuntary Mental Commitments, may be transferred between Items 34, 35, 36, and 289, as needed, to cover any deficits				

ITEM 34.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services. D. The appropriation in this Item for Other Court Costs and Allowances (Criminal Fund) shall be used to implement the provisions of § 8.01-384.1:1, Code of Virginia. E. A district court judge shall only be reimbursed for mileage for commuting if the judge has to travel to a courthouse in a county or city other than the one in which the judge resides and the distance between the judge's residence and the courthouse is greater than 25 miles. F. Upon the retirement or separation from employment of any chief general district court clerks from the 7th judicial district or the 13th judicial district, any vacant chief clerk positions in excess of one chief clerk for each general district court shall be reallocated by the Committee on District Courts to district courts with the highest documented unmet staffing requirements.				
	Total for General District Courts			**$184,813,813**	**$184,805,613**
	General Fund Positions	1,204.60	1,204.60		
	Position Level	1,204.60	1,204.60		
	Fund Sources: General	$184,813,813	$184,805,613		
	Juvenile and Domestic Relations District Courts (115)				
35.	Pre-Trial, Trial, and Appellate Processes (32100)			$132,367,488	$132,685,516
	Trial Processes (32103)	$91,294,266	$91,612,294		
	Other Court Costs And Allowances (Criminal Fund) (32104)	$40,808,475	$40,808,475		
	Involuntary Mental Commitments (32105)	$264,747	$264,747		
	Fund Sources: General	$132,367,488	$132,685,516		
	Authority: Article VI, Section 8, Constitution of Virginia; §§ 16.1-69.1 through 16.1-69.58, 16.1-226 through 16.1-334, 19.2-163 and 37.2-809 through 37.2-813., Code of Virginia. A. Out of the amounts in this Item for Trial Processes shall be paid: 1. The annual salaries of all full-time Juvenile and Domestic Relations District Court Judges, $198,229 from July 1, 2026 to July 24, 2026, $205,167 from July 25, 2026 to June 9, 2027 and $212,348 from June 10, 2027 to June 30, 2028. Such salary shall be 90 percent of the annual salary fixed by law for judges of the Circuit Courts and shall represent the total compensation for Juvenile and Domestic Relations District Court Judges. 2. The salaries of substitute judges and court personnel. B. There is hereby reappropriated the unexpended balances remaining at the close of business on June 30, 2026, in the appropriation made in Item 35, Chapter 725, 2025 Acts of Assembly, in the Item details Other Court Costs and Allowances (Criminal Fund) and Involuntary Mental Commitments and the balances remaining in these item details on June 30, 2027. C. Any balance, or portion thereof, in the Item detail Involuntary Mental Commitments, may be transferred between Items 34, 35, 36, and 289, as needed, to cover any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services. D. The appropriation in this Item for Other Court Costs and Allowances (Criminal Fund) shall be used to implement the provisions of § 8.01-384.1:1, Code of Virginia. E. Out of the amounts appropriated in this Item, $310,300 the first year and $310,300 the second year from the general fund is included to cover the cost of fee changes to mediators appointed in any custody and support or visitation cases. F. Notwithstanding the provisions of § 20-124.4, Code of Virginia, the fee paid to mediators shall be $120 per appointment mediated. For such purpose, $303,000 the first year and $303,000 the second year from the general fund is included in the appropriation for this item.				

ITEM 35.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	G. Notwithstanding any other provision of law, during a declared judicial state of emergency as defined in § 17.1-330, Code of Virginia, and for up to 90 days after the declaration has been rescinded or expires, a chief judge may waive the ceremonial requirements pursuant to § 46.2-336, Code of Virginia, or otherwise conduct juvenile licensing ceremonies in an alternative manner prescribed by the court. The judge may mail or otherwise deliver driver's licenses to licensees at the time such licenses are received by the judge. The Chief judge may also coordinate with the Department of Motor Vehicles to have licenses mailed directly to licensees.				
	Total for Juvenile and Domestic Relations District Courts			**$132,367,488**	**$132,685,516**
	General Fund Positions	674.80	675.80		
	Position Level	674.80	675.80		
	Fund Sources: General	$132,367,488	$132,685,516		
	Combined District Courts (116)				
36.	Pre-Trial, Trial, and Appellate Processes (32100)			$18,962,514	$18,962,514
	Trial Processes (32103)	$17,413,454	$17,413,454		
	Involuntary Mental Commitments (32105)	$1,549,060	$1,549,060		
	Fund Sources: General	$18,962,514	$18,962,514		
	Authority: Article VI, Section 8, Constitution of Virginia, §§ 16.1-69.1 through 16.1-137, 16.1-226 through 16.1-334, 19.2-163, and 37.2-809 through 37.2-813, Code of Virginia.				
	A. Out of the amounts in this Item for Trial Processes shall be paid the salaries of substitute judges and court personnel.				
	B. There is hereby reappropriated the unexpended balances remaining at the close of business on June 30, 2026, in the appropriation made in Item 36, Chapter 725, 2025 Acts of Assembly, in the item detail Involuntary Mental Commitments and the balance remaining in this item detail on June 30, 2027.				
	C. Any balance, or portion thereof, in the Item detail Involuntary Mental Commitments, may be transferred between Items 34, 35, 36, and 289, as needed, to cover any deficits incurred for Involuntary Mental Commitments by the Supreme Court or the Department of Medical Assistance Services.				
	Total for Combined District Courts			**$18,962,514**	**$18,962,514**
	General Fund Positions	212.35	212.35		
	Position Level	212.35	212.35		
	Fund Sources: General	$18,962,514	$18,962,514		
	Magistrate System (103)				
37.	Pre-Trial, Trial, and Appellate Processes (32100)			$43,774,146	$43,774,146
	Pre-Trial Assistance (32102)	$43,774,146	$43,774,146		
	Fund Sources: General	$43,774,146	$43,774,146		
	Authority: Article VI, Section 8, Constitution of Virginia; Title 19.2, Chapter 3, Code of Virginia.				
	Total for Magistrate System			**$43,774,146**	**$43,774,146**
	General Fund Positions	423.20	423.20		
	Position Level	423.20	423.20		
	Fund Sources: General	$43,774,146	$43,774,146		

ITEM 37.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Grand Total for Supreme Court			**$640,936,506**	**$640,781,524**
	General Fund Positions	3,081.71	3,086.71		
	Nongeneral Fund Positions	8.00	8.00		
	Position Level	3,089.71	3,094.71		
	Fund Sources: General	$630,354,823	$630,199,841		
	Special	$303,655	$303,655		
	Dedicated Special Revenue	$8,963,283	$8,963,283		
	Federal Trust	$1,314,745	$1,314,745		
	§ 1-18. BOARD OF BAR EXAMINERS (233)				
38.	Regulation of Professions and Occupations (56000)			$1,989,100	$1,989,100
	Lawyer Regulation (56019)	$1,989,100	$1,989,100		
	Fund Sources: Special	$1,989,100	$1,989,100		
	Authority: Title 54.1, Chapter 39, Articles 3 and 4 and § 54.1-3934, Code of Virginia.				
	The State Comptroller shall continue the Board of Bar Examiners Fund on the Cardinal system. Revenues collected from fees paid by applicants for admission to the bar shall be deposited into the Board of Bar Examiners Fund. The source of nongeneral funds included in this item is the Board of Bar Examiners Fund. Interest generated by the fund shall be retained by the fund.				
	Total for Board of Bar Examiners			**$1,989,100**	**$1,989,100**
	Nongeneral Fund Positions	9.00	9.00		
	Position Level	9.00	9.00		
	Fund Sources: Special	$1,989,100	$1,989,100		
	§ 1-19. JUDICIAL INQUIRY AND REVIEW COMMISSION (112)				
39.	Adjudication Training, Education, and Standards (32600)			$847,456	$847,456
	Judicial Standards (32602)	$847,456	$847,456		
	Fund Sources: General	$847,456	$847,456		
	Authority: Article VI, Section 10, Constitution of Virginia; Title 17.1, Chapter 9, Code of Virginia.				
	Total for Judicial Inquiry and Review Commission			**$847,456**	**$847,456**
	General Fund Positions	3.00	3.00		
	Position Level	3.00	3.00		
	Fund Sources: General	$847,456	$847,456		
	§ 1-20. INDIGENT DEFENSE COMMISSION (848)				
40.	Legal Defense (32700)			$98,481,234	$98,481,234
	Criminal Indigent Defense Services (32701)	$93,670,914	$93,670,914		
	Legal Defense Regulatory Services (32703)	$255,344	$255,344		
	Administrative Services (32722)	$4,554,976	$4,554,976		
	Fund Sources: General	$93,595,773	$93,595,773		
	Special	$4,885,461	$4,885,461		
	Authority: §§ 19.2-163.01 through 19.2-163.8, Code of Virginia				
	A. Pursuant to § 19.2-163.01, Code of Virginia, the Executive Director of the Indigent Defense Commission shall serve at the pleasure of the commission.				

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B. Out of the amounts in this Item, $200,000 the first year and $200,000 the second year from the general fund is provided to support two positions to enforce and monitor compliance with the new Standards of Practice for court-appointed counsel.

C. Out of the amounts in this item, $6,558,009 the first year and $6,558,009 the second year from the general fund is provided to hire additional public defender positions to address increased workloads and reduce turnover in offices across the Commonwealth. The Commission may direct a portion of the funding for salary adjustments, including increasing starting salaries for attorneys and adjusting salaries for current staff to address turnover rates within the offices.

D. The Commission shall convene a workgroup to assess the feasibility of creating an Appellate Defender Office.

E. Out of the amounts in this item, funding is provided for three positions for the Fairfax Indigent Defense Commission to provide public defender services to the Town of Herndon, the Town of Vienna, and the City of Fairfax.

F.1. The Indigent Defense Commission, in consultation with the Executive Secretary of the Supreme Court or his designee, shall convene a work group composed of all relevant stakeholders, including the Attorney General or his designee and representatives from the Compensation Board, the Virginia State Crime Commission, the Virginia Joint Legislative Audit and Review Commission, the Virginia Court Clerks' Association, the Virginia Association of Commonwealth's Attorneys, the Virginia Probation and Parole Association, staff from the House Appropriations and Senate Finance and Appropriations Committees, and two criminal justice reform organizations with relevant expertise.

2. The work group shall examine fees, fines, and other financial assessments imposed in criminal prosecutions, including amounts assessed and collected by type of offense, any guidelines or data related to the fees assessed for various types of cases, use of collected funds to include any programs such funds support, state and local reimbursement, imposition of costs on delinquent accounts, and practices used by other states. The work group shall submit an interim executive summary and report of its findings and recommendations to the Governor and the General Assembly by November 1, 2026, and a final report no later than November 1, 2027.

Total for Indigent Defense Commission			**$98,481,234**	**$98,481,234**
General Fund Positions	776.00	776.00		
Nongeneral Fund Positions	8.00	8.00		
Position Level	784.00	784.00		
Fund Sources: General	$93,595,773	$93,595,773		
Special	$4,885,461	$4,885,461		

§ 1-21. VIRGINIA CRIMINAL SENTENCING COMMISSION (160)

41.	Adjudicatory Research, Planning, and Coordination (32400)		$1,953,582	$1,953,582
	Adjudicatory Research And Planning (32403)	$1,953,582	$1,953,582	
	Fund Sources: General	$1,883,564	$1,883,564	
	Special	$70,018	$70,018	

Authority: Title 17.1, Chapter 8, Code of Virginia

A. For any fiscal impact statement prepared by the Virginia Criminal Sentencing Commission pursuant to § 30-19.1:4, Code of Virginia, for which the commission does not have sufficient information to project the impact, the commission shall assign a minimum fiscal impact of $50,000 to the bill and this amount shall be printed on the face of each such bill, but shall not be codified. The provisions of § 30-19.1:4, paragraph H. shall be applicable to any such bill.

B. The clerk of each circuit court shall provide the Virginia Criminal Sentencing Commission case data in an electronic format from its own case management system or

ITEM 41.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

the statewide Circuit Case Management System. If the statewide Circuit Case Management System is used by the clerk, when requested by the Commission, the Executive Secretary of the Supreme Court shall provide for the transfer of such data to the Commission. The Commission may use the data for research, evaluation, or statistical purposes only and shall ensure the confidentiality and security of the data. The Commission shall only publish statistical reports and analyses based on this data as needed for its annual reports or for other reports as required by the General Assembly. The Commission shall not publish personal or case identifying information, including names, social security numbers and dates of birth, that may be included in the data from a case management system. Upon transfer to the Virginia Criminal Sentencing Commission, such data shall not be subject to the Virginia Freedom of Information Act. Except for the publishing of personal or case identifying information, including names, social security numbers and dates of birth, the restrictions in this section shall not prohibit the Commission from sharing aggregate data when requested by a member of the General Assembly, the Office of the Attorney General, the Office of the Governor, or a member of the Governor's Cabinet.

C. The Executive Secretary of the Supreme Court shall provide for the transfer of juvenile case information maintained in electronic format in a case management system to the Virginia Criminal Sentencing Commission. Such information shall include: (i) case identifying information, including names, complete dates of birth and social security numbers, and case or docket numbers; (ii) charges, including statutes, descriptions, and Virginia Crime Codes established by § 19.2-390.01; (iii) offenses for which the juvenile was found delinquent, including statutes, descriptions, and Virginia Crime Codes; (iv) dispositions in delinquency cases, and; (v) information to identify cases in which a preliminary hearing was held pursuant to § 16.1-269.1 and cases transferred for trial in circuit court. The Commission may use the data only for research, evaluation, or statistical purposes, for the preparation or assistance with the preparation of sentencing guidelines required by § 19.2-298.01, or for aggregate analysis necessary for the development or revision of sentencing guidelines as provided in § 17.1-806. The data may also be used in the preparation of aggregate reports required by law or requested by a member or office of the General Assembly, the Office of the Attorney General, the Office of the Governor, or a member of the Governor's Cabinet. The Commission shall ensure the confidentiality and security of the data. The Commission shall not publish personal or case identifying information, including names, social security numbers, and dates of birth, included in the data. Upon transfer, such data shall not be subject to the Virginia Freedom of Information Act.

Total for Virginia Criminal Sentencing Commission			**$1,953,582**	**$1,953,582**
General Fund Positions	12.00	12.00		
Position Level	12.00	12.00		
Fund Sources: General	$1,883,564	$1,883,564		
Special	$70,018	$70,018		

§ 1-22. VIRGINIA STATE BAR (117)

42.	Legal Defense (32700)		$18,578,003	$18,578,003
	Indigent Defense, Civil (32704)	$18,578,003	$18,578,003	
	Fund Sources: General	$9,228,003	$9,228,003	
	Special	$8,350,000	$8,350,000	
	Dedicated Special Revenue	$1,000,000	$1,000,000	

Authority: § 17.1-278, Code of Virginia.

A.1. The amounts for Indigent Defense, Civil, include up to $75,000 the first year and up to $75,000 the second year from the general fund for the Community Tax Law Project, to provide indigent defense services in matters related to taxation disputes, and educational services involving the rights and responsibilities of taxpayers.

2. The amounts for Indigent Defense, Civil, include up to $9,131,100 the first year and up to $9,131,100 the second year from the general fund to provide grants for high quality civil legal assistance to low income Virginians and to promote equal access to justice.

ITEM 42.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	B. The Virginia State Bar and the Legal Services Corporation of Virginia shall annually, on or about January 1, provide a report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director, Department of Planning and Budget regarding the status of legal services assistance programs in the Commonwealth. The report shall include, but not be limited to, efforts to maintain and improve the accuracy of caseload data, case opening and case closure information, and program activity levels as it relates to clients.				
43.	Regulation of Professions and Occupations (56000)			$17,806,461	$17,806,461
	Lawyer Regulation (56019)	$17,806,461	$17,806,461		
	Fund Sources: Dedicated Special Revenue	$17,806,461	$17,806,461		
	Authority: Title 54.1, Chapter 39, Article 2 and §§ 54.1-3935 through 54.1-3938, Code of Virginia.				
	A. It is the intention of the General Assembly that the Virginia State Bar strictly direct its activities toward the purposes of regulating the legal profession and improving the quality of legal services available to the people of the Commonwealth, and that, insofar as reasonably possible, the Virginia State Bar shall refrain from commercial or other undertakings not necessarily or reasonably related to the above stated purposes.				
	B. Out of the amounts appropriated for this Item, $1,000,000 the first year and $1,000,000 the second year from revenues generated from the assessment of annual fees by the Supreme Court of Virginia upon members of the Virginia State Bar, pursuant to Chapter 847, 2007 Acts of Assembly, is provided for transfer to the Clients' Protection Fund of the Virginia State Bar.				
	C. The Virginia State Bar shall review its member fee structure and make changes necessary to ensure fees are set at amounts needed only to cover costs and to provide for an appropriate balance.				
	Total for Virginia State Bar			**$36,384,464**	**$36,384,464**
	Nongeneral Fund Positions	89.00	89.00		
	Position Level	89.00	89.00		
	Fund Sources: General	$9,228,003	$9,228,003		
	Special	$8,350,000	$8,350,000		
	Dedicated Special Revenue	$18,806,461	$18,806,461		
	TOTAL FOR JUDICIAL DEPARTMENT			**$780,592,342**	**$780,437,360**
	General Fund Positions	3,872.71	3,877.71		
	Nongeneral Fund Positions	114.00	114.00		
	Position Level	3,986.71	3,991.71		
	Fund Sources: General	$735,909,619	$735,754,637		
	Special	$15,598,234	$15,598,234		
	Dedicated Special Revenue	$27,769,744	$27,769,744		
	Federal Trust	$1,314,745	$1,314,745		

ITEM 44.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	EXECUTIVE DEPARTMENT				
	EXECUTIVE OFFICES				
	§ 1-23. OFFICE OF THE GOVERNOR (121)				
44.	Administrative and Support Services (79900)			$9,843,357	$9,843,357
	General Management and Direction (79901)	$9,843,357	$9,843,357		
	Fund Sources: General	$9,843,357	$9,843,357		
	Authority: Article V, Constitution of Virginia; Title 2.2, Chapter 1, Code of Virginia.				
	A. This appropriation includes $175,000 the first year and $175,000 the second year from the general fund to pay the salary of the Governor.				
	B. Out of the amounts for General Management and Direction, $75,000 each year is included for the Governor's discretionary expenses.				
	C. Out of the appropriation for this item $103,800 from the general fund is provided each year for the Governor's Fellows program. Any balances remaining from the appropriation identified in this paragraph shall be brought forward and made available to support the Governor's Fellows in the subsequent fiscal year. The Department of Planning and Budget is authorized to transfer amounts from the appropriation in this paragraph to applicable state agencies as required to execute the purposes of this paragraph.				
	D. This item includes $1,029,735 the first year and $1,029,735 the second year from the general fund and seven and a half positions for the Office of the Children's Ombudsman.				
	E. The Governor shall designate a member of the Executive Branch to be an advisor on Health Workforce Development in Virginia. This advisor may or may not have other duties and responsibilities. The Health Workforce Development advisor shall gather information to evaluate the status of health workforce development in the Commonwealth. The advisor also shall recommend options to improve such workforce development to make Virginia's health workforce the best it can be to maximize the health status of Virginians and the quality of health care provided to Virginians. The advisor shall work with Secretariats and state agencies, with designated boards, with the Virginia Health Workforce Development Authority, with regional bodies in Virginia, with private entities involved in health workforce development, and with charitable entities working to promote development of an outstanding health workforce. The advisor shall work with designated persons in the offices of the Secretaries of Labor, Health and Human Resources, Education, and Commerce and Trade. The Health Workforce Development advisor shall produce any reports requested by the Governor to help use the workforce to improve the health of Virginians and the quality of care provided.				
	F. The Governor shall direct the Director, Department of Human Resources Management to include in the quarterly report required by § 2.2-607, Code of Virginia. the funding amount, including fund sources from the agencies that are covering the payroll for such employee, for state employees that are transferred from one state agency to another without transferring appropriations.				
45.	Human Relations Management (14600)			$1,816,772	$1,816,772
	Diversity, Equity, and Inclusion Services (14602)	$1,816,772	$1,816,772		
	Fund Sources: General	$1,816,772	$1,816,772		
	Authority: Title 2.2, Chapter 6, Article 1, Code of Virginia.				
46.	Historic and Commemorative Attraction Management (50200)			$885,246	$885,246
	Executive Mansion Operations (50207)	$885,246	$885,246		
	Fund Sources: General	$885,246	$885,246		

ITEM 46.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Authority: Title 2.2, Chapter 1, Code of Virginia.				
47.	Governmental Affairs Services (70100)			$619,342	$619,342
	Intergovernmental Relations (70101)	$619,342	$619,342		
	Fund Sources: General	$387,218	$387,218		
	Commonwealth Transportation	$232,124	$232,124		
	Authority: Title 2.2, Chapter 3, Code of Virginia.				
48.	Disaster Planning and Operations (72200)			a sum sufficient	
	Disaster Operations (72202)	a sum sufficient			
	Disaster Assistance (72203)	a sum sufficient			
	Authority: Title 44, Chapter 3.2, Code of Virginia.				
	A.1. The amount for Disaster Assistance is from all funds of the state treasury, not constitutionally restricted, and is to be effective only in the event of a declared state of emergency or authorization by the Governor of the sum sufficient, pursuant to § 44-146.28, Code of Virginia. Any appropriation authorized by this Item shall be transferred to state agencies for payment of eligible costs according to written directions of the Governor or by such other person or persons as may be designated by him for this purpose.				
	2. Any amount authorized for expenditure pursuant to § 44-146.28, Code of Virginia, shall be paid to eligible jurisdictions in accordance with guidelines and procedures established by the Department of Emergency Management, pursuant to § 44-146.28, Code of Virginia.				
	3. The amount calculated for disaster assistance for any event provided under this authority shall be made in consultation with the Secretary of Finance, and, as deemed appropriate by the Secretary, the Department of Planning and Budget.				
	B. In the event of a Presidentially declared disaster, the state and local share of any federal assistance, hazard mitigation, or flood control programs in which the state participates will be determined in accordance with the procedures in the "Commonwealth of Virginia Emergency Operations Plan, Basic Plan," promulgated by the Department of Emergency Management. The state share of any such program shall be no less than 10 percent.				
	Total for Office of the Governor			**$13,164,717**	**$13,164,717**
	General Fund Positions	74.17	74.17		
	Nongeneral Fund Positions	1.33	1.33		
	Position Level	75.50	75.50		
	Fund Sources: General	$12,932,593	$12,932,593		
	Commonwealth Transportation	$232,124	$232,124		
	§ 1-24. LIEUTENANT GOVERNOR (119)				
49.	Administrative and Support Services (79900)			$624,875	$624,875
	General Management and Direction (79901)	$624,875	$624,875		
	Fund Sources: General	$624,875	$624,875		
	Authority: Article V, Sections 13, 14, and 16, Constitution of Virginia; and Title 24.2, Chapter 2, Article 3, Code of Virginia.				
	Out of this appropriation shall be paid:				
	1. The salary of the Lieutenant Governor, $36,321 the first year and $36,321 the second year;				
	2. Expenses of the Lieutenant Governor during sessions of the General Assembly on the same basis as for the members of the General Assembly;				
	3. Salaries and benefits for compensation of up to three staff positions in the Office of the				

ITEM 49.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Lieutenant Governor.				
	Total for Lieutenant Governor			**$624,875**	**$624,875**
	General Fund Positions	4.00	4.00		
	Position Level	4.00	4.00		
	Fund Sources: General	$624,875	$624,875		

§ 1-25. ATTORNEY GENERAL AND DEPARTMENT OF LAW (141)

50.	Legal Advice (32000)			$65,117,064	$66,102,035
	State Agency/Local Legal Assistance and Advice (32002)	$65,117,064	$66,102,035		
	Fund Sources: General	$43,495,365	$44,480,336		
	Special	$19,870,867	$19,870,867		
	Dedicated Special Revenue	$500,000	$500,000		
	Federal Trust	$1,250,832	$1,250,832		

Authority: Title 2.2 Chapter 5, Code of Virginia.

A. Out of this appropriation shall be paid:

1. The salary of the Attorney General, $150,000 the first year and $150,000 the second year.

2. Expenses of the Attorney General not otherwise reimbursed, $9,000 each year in equal monthly installments.

3. Salary expenses necessary to provide legal services pursuant to Title 2.2, Chapter 5, Code of Virginia.

B. Out of this appropriation, $738,536 the first year and $738,536 the second year from the general fund is designated for efforts to enforce the 1998 Tobacco Master Settlement Agreement and Article 1 (§ 3.2-4200, et seq.), Chapter 42, Title 3.2, Code of Virginia. The Department of Law shall be responsible for enforcement of Article 1 (§ 3.2-4200, et seq.), Chapter 42, Title 3.2, Code of Virginia and the 1998 Tobacco Master Settlement Agreement. The general fund shall be reimbursed on a proportional basis from the Tobacco Indemnification and Community Revitalization Fund and the Virginia Tobacco Settlement Fund for costs associated with the enforcement of the 1998 Tobacco Master Settlement Agreement pursuant to transfers directed by Item 468 and § 3-1.01, Paragraph N of this act.

C. Upon notification by the Attorney General, agencies that administer programs which are funded wholly or partially from nongeneral fund appropriations shall transfer to the Department of Law the necessary funds to cover the costs of legal services that are related to such nongeneral funds. The Attorney General, in consultation with the respective agency heads, shall determine the amounts for transfer. It is the intent of the General Assembly that legal services provided by the Office of the Attorney General for general fund-supported programs shall be provided out of this appropriation.

D. At the request of the Attorney General, the Director, Department of Planning and Budget, shall provide an amount not to exceed $100,000 per year from the Miscellaneous Contingency Reserve Account to pay the compensation, fees, and expenses of (i) counsel appointed by the Office of the Attorney General in actions brought pursuant to § 15.2-1643, Code of Virginia, to cause court facilities to be made secure, or put in good repair, or rendered otherwise safe, and (ii) counsel representing court personnel, including clerks, judges, and Justices in actions arising out of their official duties.

E.1. Pursuant to § 2.2-507, Code of Virginia, the Office of the Attorney General shall provide legal service in civil matters and consultation and legal advice in suits and other legal actions to soil and water conservation district directors and districts upon the request of those district directors or districts at no charge, inclusive of all fees, expenses, or other costs associated with litigation, excluding the payment of damages.

2. If the Office of the Attorney General is unable to provide legal services to the soil and

ITEM 50.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

water conservation districts, and as a result the districts incur costs from retaining other counsel, then the Director of the Department of Planning and Budget shall transfer general fund appropriations from the Office of the Attorney General to the Department of Conservation and Recreation in an amount equal to the cost incurred by the soil and water conservation districts to be used to reimburse the districts for costs incurred.

F. The Attorney General shall prepare and submit a report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1 of each year detailing expenditures in the prior fiscal year for special outside counsel by any executive branch agencies. The report shall include the reasoning why outside counsel is necessary, the hourly rate charged by outside counsel, total expenditures, and funding source.

G. Except as otherwise specifically provided by law, all legal services of the Office of the Attorney General shall be performed exclusively by (i) an employee of the Office, (ii) an employee of another Virginia governmental entity as may be provided by law, (iii) an employee of a federal governmental entity pursuant to an agreement between the Office of the Attorney General and such federal governmental entity, or (iv) law students who receive a non-salary stipend from their law school or another institution or recent law school graduates who graduated within the past two years sponsored by their graduating institution with a non-salary stipend. Except as otherwise specifically provided under this act, the sole source of compensation paid to employees of the Office of the Attorney General for performing legal services on behalf of the Commonwealth shall be from the appropriations provided under this act. In any case in which the Office of the Attorney General is authorized under law to contract with, hire, or engage a person other than a person described in clauses (i), (ii), (iii), or (iv) to perform legal services on behalf of the Commonwealth, the sole consideration for such legal services shall be a monetary amount bargained for in an arm's length transaction with such person and the Office of the Attorney General or another Virginia governmental entity, stating under what authority that office enters the contract. Only persons described in clauses (i), (ii), (iii), or (iv) shall perform legal services on premises leased by the Office of the Attorney General. Nothing in this paragraph shall prohibit the Office of the Attorney General from entering into a settlement agreement with a defendant arising from a case litigated or prosecuted by a federal governmental entity, local governmental entity, or an Attorney General's Office in another state or United States territory. Nothing in this paragraph shall prohibit the Office of the Attorney General from employing and providing office space to an unpaid intern assisting in performing legal services, provided that such intern does not possess a current license to practice law in the Commonwealth, any other state, or any United States territory.

H.1. There is hereby created in the state treasury a special, nonreverting fund to be known as the Electronic Nicotine Delivery Systems Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund at the end of each fiscal year, including interest thereon, shall not revert to the general fund but shall remain in the Fund.

2. Notwithstanding any other provision of law, upon receipt of amounts from a settlement, judgment, verdict, or other court order relating to consumer protection claims regarding the marketing and distribution of electronic nicotine delivery systems (ENDS) products toward youth, such amounts shall be deposited into the Fund. Any amounts appropriated from the Fund shall be used, to the maximum extent possible, for efforts to prevent, abate, and cease the use of ENDS and other related nicotine products.

I. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the Electronic Nicotine Delivery Systems Fund shall be transferred to the Virginia Foundation for Healthy Youth to support a youth vaping prevention campaign.

J. Out of this appropriation, $500,000 the first year and $500,000 the second year from the Commonwealth Opioid Abatement and Remediation Fund shall be transferred to the Virginia Foundation for Healthy Youth to address the opioid crisis through a marketing campaign and classroom-based programmatic efforts.

K. Out of this appropriation, $1,300,000 the first year and $1,300,000 the second year from the general fund is designated for supporting group violence intervention efforts as

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	defined in Item 394, subsection N of this act.				
	L. Out of this appropriation, $1,825,000 the first year and $1,825,000 the second year from the Electronic Nicotine Delivery Systems Fund is authorized for the Office of the Attorney General to support initial startup regulatory and enforcement costs associated with implementation of Chapters 1021 and 1044, 2026 Acts of Assembly.				
51.	Medicaid Program Services (45600)			$14,435,921	$14,435,921
	Medicaid Fraud Investigation and Prosecution (45614)	$14,435,921	$14,435,921		
	Fund Sources: Special	$3,828,316	$3,828,316		
	Federal Trust	$10,607,605	$10,607,605		
	Authority: Title 32.1, Chapter 9, Code of Virginia.				
	The Medicaid Fraud Control Unit shall submit an annual report no later than October 1, to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees detailing caseload activity, enforcement outcomes, staffing levels, expenditures, Medicaid recoveries, and return-on-investment metrics, including trends and performance measures.				
52.	Regulation of Business Practices (55200)			$7,140,138	$7,140,138
	Regulatory and Consumer Advocacy (55201)	$7,140,138	$7,140,138		
	Fund Sources: General	$4,844,607	$4,844,607		
	Special	$2,295,531	$2,295,531		
	Authority: Title 2.2, Chapter 5, Code of Virginia.				
	Included in this Item is $1,250,000 the first year and $1,250,000 the second year from special funds for the Regulatory, Consumer Advocacy, Litigation, and Enforcement Revolving Trust Fund as established in Item 48 of Chapter 966 of the Acts of Assembly 1994 and amended herein. The Department of Law is authorized to deposit to the fund any fees, civil penalties, costs, recoveries, or other moneys which from time to time may become available as a result of regulatory and consumer advocacy litigation, litigation in which the Office of the Attorney General participates, or civil enforcement efforts including, but not limited to, those brought pursuant to Article 1 (§ 3.2-4200 et seq.) and Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of Title 3.2 of the Code of Virginia. The Department of Law is also authorized to deposit to the fund any attorneys' fees which from time to time may be obtained. Any deposit to, and interest earnings on, the fund shall be retained in the fund, provided, however, that any amounts contained in the fund that exceed $1,250,000 on the final day of the fiscal year shall be deposited to the credit of the general fund. In addition to the uses of the fund permitted by Item 48 of Chapter 966 of the Acts of Assembly of 1994, the fund may be used to pay costs associated with enforcement efforts pursuant to Article 1 (§ 3.2-4200 et seq.) and Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of Title 3.2 of the Code of Virginia, costs associated with litigation initiated by the Office of the Attorney General, and costs associated with civil commitment procedures pursuant to Chapter 9 of Title 37.2 of the Code of Virginia.				
53.	Any judgment rendered pursuant to the Virginia Tort Claims Act shall be paid out of the state treasury under the direction of the Attorney General. Claims against agencies funded solely from the general fund shall be paid from the general fund. Claims against agencies funded by both general and nongeneral funds shall be paid from a combination of funds based upon the appropriations from such funds.				
54.	Personnel Management Services (70400)			$5,012,493	$5,012,493
	Compliance and Enforcement (70414)	$5,012,493	$5,012,493		
	Fund Sources: General	$4,936,044	$4,936,044		
	Federal Trust	$76,449	$76,449		
	Authority: Title 2.2, Chapter 26, Article 12, and Chapter 39; Title 15.2, Chapter 16, § 15.2-1604, Code of Virginia.				
	Out of the amounts included in this appropriation, $3,540,042 the first year and $3,540,042				

ITEM 54.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	the second year from the general fund is provided for compensation adjustments for attorneys within the Office of the Attorney General to address high turnover and vacancies.				
	Total for Attorney General and Department of Law			**$91,705,616**	**$92,690,587**
	General Fund Positions	376.50	376.50		
	Nongeneral Fund Positions	253.50	253.50		
	Position Level	630.00	630.00		
	Fund Sources: General	$53,276,016	$54,260,987		
	Special	$25,994,714	$25,994,714		
	Dedicated Special Revenue	$500,000	$500,000		
	Federal Trust	$11,934,886	$11,934,886		
	Division of Debt Collection (143)				
55.	Collection Services (74000)			$3,782,779	$3,782,779
	State Collection Services (74001)	$3,468,564	$3,468,564		
	State Fraud Recovery Services (74002)	$314,215	$314,215		
	Fund Sources: Special	$3,782,779	$3,782,779		

Authority: Title 2.2, Chapter 5 and Title 8.01, Chapter 3, Code of Virginia.

A. 1. The Division of Debt Collection shall provide legal services and advice related to the collection of funds owed the Commonwealth, including the recovery of certain funds pursuant to the Virginia Fraud Against Taxpayers Act (FATA) (§ 8.01-216.1 et seq.) by the Commonwealth as defined by 8.01-216.2. All agencies and institutions shall follow the procedures for collection of funds owed the Commonwealth as specified in §§ 2.2-518 and 2.2-4800 et seq. of the Code of Virginia, and all agencies, institutions, and political subdivisions shall follow the procedures for recovery of funds as specified in §§ 2.2-518 and 8.01-216.1 et seq. of the Code of Virginia, except as provided otherwise therein or in this act.

2. The provisions of this section shall not apply to any investigations, litigation, or recoveries related to matters handled under the authority granted to the Medicaid Fraud Control Unit within the Department of Law pursuant to the provisions of 42 C.F.R. § 1007 et seq. All matters pertaining to the recovery of such Medicaid funds, including damages, fines, and penalties received pursuant to FATA, are specifically excluded from the provisions of this section.

B.1. The Division of Debt Collection is entitled to retain as fees up to 30 percent of any revenues generated by its collection services pursuant to paragraph A. to pay operating costs supported by the appropriation in this item.

2. Upon closing its books at the end of the fiscal year, after the execution of all transfers to state agencies having claims collected by the Division of Debt Collection, the Division may retain up to a $400,000 balance in its operating accounts. Any amounts contained in the operating accounts that exceed $400,000 on the final day of the fiscal year shall be deposited to the credit of the general fund no later than September 1 of the succeeding fiscal year.

3. The Division of Debt Collection is entitled to retain as special revenue up to 30 percent of any funds recovered on behalf of the Commonwealth as well as any separate attorney's fees awarded to the Commonwealth pursuant to FATA for its fraud recovery services pursuant to paragraph A., to pay operating costs supported by the appropriation in this item.

4. There shall be created on the books of the Comptroller a special, nonreverting, revolving fund to be known as the Fraud Recovery Fund (FATA Fund). The Division is authorized to deposit to the FATA Fund any revenue, fees, civil penalties, costs, recoveries, or other moneys which from time to time may become available as a result of its fraud recovery services. The Division is also authorized to deposit to the FATA Fund

ITEM 55.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
any attorneys' fees which from time to time may be awarded to the Commonwealth. Any deposit to, and interest earnings on, the FATA Fund shall be retained in the FATA Fund. The Division shall retain 30% of any funds recovered as well as any separate attorney's fees awarded to the Commonwealth pursuant to FATA, and shall transfer the remaining funds to the appropriate state agencies and political subdivisions on a periodic basis or such other period of time approved by the Division.				
5. The Director, Department of Planning and Budget, may grant an exception to the provisions in paragraph B.2. if the Division of Debt Collection can show just cause.				
C. The Division of Debt Collection may contract with private collection agents for the collection of debts amounting to less than $15,000.				
Total for Division of Debt Collection			**$3,782,779**	**$3,782,779**
Nongeneral Fund Positions	27.00	27.00		
Position Level	27.00	27.00		
Fund Sources: Special	$3,782,779	$3,782,779		
Grand Total for Attorney General and Department of Law			**$95,488,395**	**$96,473,366**
General Fund Positions	376.50	376.50		
Nongeneral Fund Positions	280.50	280.50		
Position Level	657.00	657.00		
Fund Sources: General	$53,276,016	$54,260,987		
Special	$29,777,493	$29,777,493		
Dedicated Special Revenue	$500,000	$500,000		
Federal Trust	$11,934,886	$11,934,886		
§ 1-26. SECRETARY OF THE COMMONWEALTH (166)				
56. Central Records Retention Services (73800)			$4,258,152	$4,258,152
Appointments (73801)	$4,258,152	$4,258,152		
Fund Sources: General	$3,650,089	$3,650,089		
Dedicated Special Revenue	$608,063	$608,063		
Authority: §§ 2.2-400 through 2.2-435, 2.2-3106, Code of Virginia.				
A. The fee charged by the Secretary of the Commonwealth under the provisions of § 2.2-409, Code of Virginia, for a Service of Process shall be $28.00.				
B. Included in the general fund appropriation for this item is $18,470 each year for costs related to the Virginia Indian Advisory Board, pursuant to § 2.2-401.01, Code of Virginia.				
Total for Secretary of the Commonwealth			**$4,258,152**	**$4,258,152**
General Fund Positions	23.00	23.00		
Position Level	23.00	23.00		
Fund Sources: General	$3,650,089	$3,650,089		
Dedicated Special Revenue	$608,063	$608,063		
§ 1-27. OFFICE OF THE STATE INSPECTOR GENERAL (147)				
57. Inspection, Monitoring, and Auditing Services (78700)			$9,154,452	$9,154,452
Inspection and Compliance of Program Operations (78701)	$9,154,452	$9,154,452		
Fund Sources: General	$6,448,432	$6,448,432		
Special	$282,390	$282,390		
Commonwealth Transportation	$2,423,630	$2,423,630		

ITEM 57.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

Authority: Title 2.2, Chapter 3.2, Code of Virginia.

A. The Office of the State Inspector General shall be responsible for investigating the management and operations of state agencies and nonstate agencies to determine whether acts of fraud, waste, abuse, or corruption have been committed or are being committed by state officers or employees or any officers or employees of a nonstate agency, including any allegations of criminal acts affecting the operations of state agencies or nonstate agencies. However, no investigation of an elected official of the Commonwealth to determine whether a criminal violation has occurred, is occurring, or is about to occur under the provisions of § 52-8.1 shall be initiated, undertaken, or continued except upon the request of the Governor, the Attorney General, or a grand jury.

B. The Office of the State Inspector General shall be responsible for coordinating and recommending standards for those internal audit programs in existence as of July 1, 2012, and developing and maintaining other internal audit programs in state agencies and nonstate agencies as needed in order to ensure that the Commonwealth's assets are subject to appropriate internal management controls. The State Inspector General shall assess the condition of the accounting, financial, and administrative controls of state agencies and nonstate agencies.

C. The Office of the State Inspector General shall be responsible for providing timely notification to the appropriate attorney for the Commonwealth and law-enforcement agencies whenever the State Inspector General has reasonable grounds to believe there has been a violation of state criminal law.

D. The Office of the State Inspector General shall be responsible for assisting citizens in understanding their rights and the processes available to them to express concerns regarding the activities of a state agency or nonstate agency or any officer or employee of the foregoing;

E.1. The Office of the State Inspector General shall be responsible for development, coordination and management of a program to train internal auditors. The Office of the State Inspector General shall assist internal auditors of state agencies and institutions in receiving continued professional education as required by professional standards. The Office of the State Inspector General shall coordinate its efforts with state institutions of higher education and offer training programs to the internal auditors as well as coordinate any special training programs for the internal auditors.

2. To fund the direct costs of hiring training instructors, the Office of the State Inspector General is authorized to collect fees from training participants to provide training events for internal auditors.

F.1. Out of the amounts appropriated in this item is $968,555 the first year and $968,555 the second year from the general fund to support the Office of the Department of Corrections Ombudsman and the Corrections Oversight Committee.

2. Notwithstanding Article 4 of Chapter 1, Title 53.1, the Office of the Department of Corrections Ombudsman (Office) shall not be required to establish policies for a statewide uniform reporting system, as described in § 53.1-17.2 (A) (5), and may include in its annual report the items in § 53.1-17.8 (A) (2-6) and (8-10). Other statutory reporting requirements, including the directive to collect and analyze data related to complaints received by the Department of Corrections (Department), remain in effect. As the Department deploys tablets to inmates, the Department shall ensure that the Office continues to have access to: the status of complaints; all emergency grievances, written complaints, and regular grievances from inmates, as well as the Department's responses and resolutions to complaints (to include the institutional ombudsman notes on why a complaint is accepted or rejected); and issued grievance receipts, appeal requests, and responses to appeals. In addition, the Department shall assess the feasibility, including cost estimates if any additional funding is needed, to establish a mechanism by which the Office may respond to inmate complaints electronically in accordance with § 53.1-17.4(B) and § 53.1-17.5 of the Code of Virginia and shall provide such assessment to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 15, 2026.

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	Total for Office of the State Inspector General			**$9,154,452**	**$9,154,452**
	General Fund Positions	30.00	30.00		
	Nongeneral Fund Positions	16.00	16.00		
	Position Level	46.00	46.00		
	Fund Sources: General	$6,448,432	$6,448,432		
	Special	$282,390	$282,390		
	Commonwealth Transportation	$2,423,630	$2,423,630		
	§ 1-28. INTERSTATE ORGANIZATION CONTRIBUTIONS (921)				
58.	Governmental Affairs Services (70100)			$250,933	$250,933
	Interstate Affairs (70103)	$250,933	$250,933		
	Fund Sources: General	$250,933	$250,933		
	Authority: Discretionary Inclusion.				
	Out of the amounts for Interstate Affairs funding is provided for the following organizational memberships:				
	1. National Association of State Budget Officers				
	2. National Governors' Association				
	3. Federal Funds Information for States				
	Total for Interstate Organization Contributions			**$250,933**	**$250,933**
	Fund Sources: General	$250,933	$250,933		
	TOTAL FOR EXECUTIVE OFFICES			**$122,941,524**	**$123,926,495**
	General Fund Positions	507.67	507.67		
	Nongeneral Fund Positions	297.83	297.83		
	Position Level	805.50	805.50		
	Fund Sources: General	$77,182,938	$78,167,909		
	Special	$30,059,883	$30,059,883		
	Commonwealth Transportation	$2,655,754	$2,655,754		
	Dedicated Special Revenue	$1,108,063	$1,108,063		
	Federal Trust	$11,934,886	$11,934,886		

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	OFFICE OF ADMINISTRATION				
	§ 1-29. SECRETARY OF ADMINISTRATION (180)				
59.	Administrative and Support Services (79900)			$2,308,090	$2,308,090
	General Management and Direction (79901)	$1,089,035	$1,089,035		
	Accounting and Budgeting Services (79903)	$1,219,055	$1,219,055		
	Fund Sources: General	$2,308,090	$2,308,090		
	Authority: Title 2.2, Chapter 2, Code of Virginia.				
	Total for Secretary of Administration			**$2,308,090**	**$2,308,090**
	General Fund Positions	14.00	14.00		
	Position Level	14.00	14.00		
	Fund Sources: General	$2,308,090	$2,308,090		
	§ 1-30. COMPENSATION BOARD (157)				
60.	Financial Assistance for Sheriffs' Offices and Regional Jails (30700)			$681,285,470	$681,285,470
	Financial Assistance for Regional Jail Operations (30710)	$218,924,148	$218,924,148		
	Financial Assistance for Local Law Enforcement (30712)	$131,710,366	$131,710,366		
	Financial Assistance for Local Court Services (30713)	$80,685,829	$80,685,829		
	Financial Assistance to Sheriffs (30716)	$17,539,120	$17,539,120		
	Financial Assistance for Local Jail Operations (30718)	$232,426,007	$232,426,007		
	Fund Sources: General	$673,282,812	$673,282,812		
	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, 2026 to June 30, 2027	**July 1, 2027 to June 30, 2028**
Law Enforcement and Jail Responsibility		
0 to 69,999	$127,312	$131,768
70,000 to 99,999	$141,457	$146,408
100,000 to 174,999	$157,179	$162,680

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175,000 to 249,999	$165,447			$171,238
250,000 and above	$183,831			$190,265
Law Enforcement or Jail				
0 to 69,999	$124,767			$129,134
70,000 to 99,999	$138,629			$143,481
100,000 to 174,999	$154,031			$159,422
175,000 to 249,999	$162,141			$167,816
250,000 and above	$181,075			$187,413
No Law Enforcement or Jail Responsibility				
0 to 69,999	$117,128			$121,227
70,000 to 99,999	$130,143			$134,698
100,000 to 174,999	$144,600			$149,661
175,000 to 249,999	$152,209			$157,536
250,000 and above	$170,964			$176,948

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 67, 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 State Board of Local and Regional Jails. 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 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

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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 February 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 67 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 60 and 61, 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, $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

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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 $2,169,583 the first year and $2,169,583 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.

3. Notwithstanding § 18.2-308.2:2, Code of Virginia, the Department of State Police may operate telephone, mail, VCheck, or other authorized communication response systems to provide dealers in firearms with information on the legal eligibility of prospective purchasers to possess or transport firearms covered under these regulations. This information may be released only to authorized dealers and/or those who have registered to receive notifications through the Virginia VINE Protective Order Notification System, including victims (or a legal representative of a victim), crime victim and witness assistance program employees, law enforcement officials and court officials.

N. Out of the amounts appropriated in this Item, $9,835,820 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.

O. Notwithstanding the provisions of paragraph H. of Item 67 of this act, included in this appropriation is $2,053,904 the first year and $2,053,904 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.

61.	Financial Assistance for Confinement of Inmates in Local and Regional Facilities (35600)			$43,889,791	$43,889,791
	Financial Assistance for Local Jail Per Diem (35601)	$18,053,054	$18,053,054		
	Financial Assistance for Regional Jail Per Diem (35604)	$25,836,737	$25,836,737		
	Fund Sources: General	$43,889,791	$43,889,791		

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, 2027, and June 1, 2028, 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

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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 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. For local responsible inmates--$5 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 $19 per inmate day.

2. For state responsible inmates--$15 per inmate day.

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

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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 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.

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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 60 and 61, 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 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, $390,939 the first year and $390,939 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.

62.	Financial Assistance for Local Finance Directors (71700)				$7,343,517	$7,343,517
	Financial Assistance to Local Finance Directors (71701)	$909,898	$909,898			
	Financial Assistance for Operations of Local Finance Directors (71702)	$6,433,619	$6,433,619			
	Fund Sources: General	$7,343,517	$7,343,517			

Authority: Title 15.2, Chapter 16, Articles 2 and 6.1, Code of Virginia.

A.1. The annual salaries of elected or appointed officers who hold the combined office of city treasurer and commissioner of the revenue, or elected or appointed officers who hold the combined office of county treasurer and commissioner of the revenue subject to the

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provisions of § 15.2-1636.17, Code of Virginia, shall be as hereinafter prescribed, based on the services provided, except as otherwise provided in § 15.2-1636.12, Code of Virginia.

	August 1, 2026 to June 30, 2027	July 1, 2027 to June 30, 2028
Less than 10,000	$83,495	$86,417
10,000-19,999	$92,778	$96,025
20,000-39,999	$103,085	$106,693
40,000-69,999	$114,535	$118,544
70,000-99,999	$127,263	$131,717
100,000-174,999	$141,398	$146,347
175,000 to 249,999	$148,846	$154,056
250,000 and above	$169,143	$175,063

2. Whenever any officer whether elected or appointed, who holds that combined office of city treasurer and commissioner of the revenue, is such for two or more cities or for a county and city together, the aggregate population of such political subdivisions shall be the population for the purpose of arriving at the salary of such officer under the provisions of this Item.

B.1. Subject to appropriations by the General Assembly for this purpose, the Treasurers' Career Development Program shall be made available by the Compensation Board to appointed officers who hold the combined office of city or county treasurer and commissioner of the revenue subject to the provisions of § 15.2-1636.17, Code of Virginia.

2. The Compensation Board may increase the annual salary in paragraph A 1 of this Item following receipt of the appointed officer's certification that the minimum requirements of the Treasurers' Career Development Program have been met, provided that such certifications are submitted by appointed officers as part of their annual budget request to the Compensation Board on February 1 of each year.

63.	Financial Assistance for Local Commissioners of the Revenue (77100)			$28,949,013	$28,949,013
	Financial Assistance to Local Commissioners of the Revenue for Tax Value Certification (77101)	$13,837,758	$13,837,758		
	Financial Assistance for Operations of Local Commissioners of the Revenue (77102)	$14,648,636	$14,648,636		
	Financial Assistance for State Tax Services by Commissioners of the Revenue (77103)	$462,619	$462,619		
	Fund Sources: General	$28,949,013	$28,949,013		

Authority: Title 15.2, Chapter 16, Articles 2 and 6.1, Code of Virginia.

A. The annual salaries of county or city commissioners of the revenue shall be as hereinafter prescribed, except as otherwise provided in § 15.2-1636.12, Code of Virginia.

	August 1, 2026 to June 30, 2027	July 1, 2027 to June 30, 2028
Less than 10,000	$83,495	$86,417
10,000-19,999	$92,778	$96,025
20,000-39,999	$103,085	$106,693
40,000-69,999	$114,535	$118,544
70,000-99,999	$127,263	$131,717
100,000-174,999	$141,398	$146,347
175,000 to 249,999	$148,846	$154,056
250,000 and above	$169,143	$175,063

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B. 1. Subject to appropriations by the General Assembly for this purpose, the Compensation Board shall provide for a Commissioners of the Revenue Career Development Program.

2. Following receipt of the commissioner's certification that the minimum requirements of the Commissioners of the Revenue Career Development Program have been met, and provided that such certification is submitted by commissioners of the revenue as part of their annual budget request to the Compensation Board on or before February 1 of each year, the Compensation Board may increase the annual salary in paragraph A of this item by 9.3 percent following receipt of the commissioner's certification that the minimum requirements of the Commissioners' Career Development Program have been met, provided that such certifications are submitted by commissioners as part of their annual budget request to the Compensation Board on February 1 of each year.

C.1. Subject to appropriations by the General Assembly for this purpose, the Compensation Board shall provide for a Deputy Commissioners Career Development Program.

2. For each deputy commissioner selected by the commissioner of the revenue for participation in the Deputy Commissioners Career Development Program, the Compensation Board shall increase the annual salary established for that position by 9.3 percent, following receipt of the commissioner of the revenue's certification that the minimum requirements of the Deputy Commissioners Career Development Program have been met, and provided that such certification is submitted by the commissioner of the revenue as part of the annual budget request to the Compensation Board on or before February 1 of each year for an effective date of salary increase of the following July 1.

64.	Financial Assistance for Attorneys for the Commonwealth (77200)			$118,633,989	$118,809,312
	Financial Assistance to Attorneys for the Commonwealth (77201)	$20,368,097	$20,368,097		
	Financial Assistance for Operations of Local Attorneys for the Commonwealth (77202)	$98,265,892	$98,441,215		
	Fund Sources: General	$118,044,139	$118,219,462		
	Dedicated Special Revenue	$589,850	$589,850		

Authority: Title 15.2, Chapter 16, Articles 4 and 6.1, Code of Virginia.

A.1. The annual salaries of attorneys for the Commonwealth shall be as hereinafter prescribed according to the population of the city or county served except as otherwise provided in § 15.2-1636.12, Code of Virginia.

	August 1, 2026 to June 30, 2027	July 1, 2027 to June 30, 2028
Less than 44,999	$162,796	$168,494
45,000-99,999	$180,881	$187,212
100,000-249,999	$187,665	$194,233
250,000 and above	$194,454	$201,260

2. Whenever an attorney for the Commonwealth 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 attorney for the Commonwealth under the provisions of this paragraph and such attorney for the Commonwealth shall receive as additional compensation the sum of one thousand dollars.

B. No expenditure shall be made out of this Item for the employment of investigators, clerk-investigators or other investigative personnel in the office of an attorney for the Commonwealth.

C. Consistent with the provisions of § 19.2-349, Code of Virginia, attorneys for the

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Commonwealth may, in addition to the options otherwise provided by law, employ individuals to assist in collection of outstanding fines, costs, forfeitures, penalties, and restitution. Notwithstanding any other provision of law, beginning on the date upon which the order or judgment is entered, the costs associated with employing such individuals may be paid from the proceeds of the amounts collected provided that the cost is apportioned on a pro rata basis according to the amount collected which is due the state and that which is due the locality. The attorneys for the Commonwealth shall account for the amounts collected and apportion costs associated with the collections consistent with procedures issued by the Auditor of Public Accounts.

D. The provisions of this act notwithstanding, no Commonwealth's attorney, public defender or employee of a public defender, shall be paid or receive reimbursement for the state portion of a salary in excess of the salary paid to judges of the circuit court. Nothing in this paragraph shall be construed to limit the ability of localities to supplement the salaries of locally elected constitutional officers or their employees.

E. The Statewide Juvenile Justice project positions, as established under the provisions of Item 74 E, of Chapter 912, 1996 Acts of Assembly, and Chapter 924, 1997 Acts of Assembly, are continued under the provisions of this act. The Commonwealth's attorneys receiving such positions shall annually certify to the Compensation Board that the positions are used primarily, if not exclusively, for the prosecution of delinquency and domestic relations felony cases, as defined by Chapters 912 and 924. In the event the positions are not primarily or exclusively used for the prosecution of delinquency and domestic relations felony cases, the Compensation Board shall reallocate such positions by using the allocation provisions as provided for the board in Item 74 E of Chapters 912 and 924.

F. The Compensation Board shall monitor the Department of Taxation program regarding the collection of unpaid fines and court costs by private debt collection firms contracted by Commonwealth's attorneys and shall include, in its annual report to the General Assembly on the collection of court-ordered fines and fees for clerks of the courts and Commonwealth's attorneys, the amount of unpaid fines and costs collected by this program.

G. Out of this appropriation, $685,705 the first year and $685,705 the second year from the general fund is designated for the Compensation Board to fund five additional positions in Commonwealth's attorney's offices that shall be dedicated to prosecuting gang-related criminal activities. The board shall ensure that these positions work across jurisdictional lines, serving the Northern Virginia area (counties of Fairfax, Loudoun, Prince William, and Arlington and the cities of Falls Church, Alexandria, Manassas, Manassas Park and Fairfax).

H. In accordance with the provisions of § 19.2-349, Code of Virginia, attorneys for the Commonwealth may employ individuals, or contract with private attorneys, private collection agencies, or other state or local agencies, to assist in collection of delinquent fines, costs, forfeitures, penalties, and restitution. If the attorney for the Commonwealth employs individuals, the costs associated with employing such individuals may be paid from the proceeds of the amounts collected provided that the cost is apportioned on a pro rata basis according to the amount collected which is due the state and that which is due the locality. If the attorney for the Commonwealth does not undertake collection, the attorney for the Commonwealth shall, as soon as practicable, take steps to ensure that any agreement or contract with an individual, attorney or agency complies with the terms of the current Master Guidelines Governing Collection of Unpaid Delinquent Court-Ordered Fines and Costs Pursuant to Virginia Code § 19.2-349 promulgated by the Office of the Attorney General, the Executive Secretary of the Supreme Court, the Department of Taxation, and the Compensation Board ("the Master Guidelines"). Notwithstanding any other provision of law, the delinquent amounts owed shall be increased by seventeen (17) percent to help offset the costs associated with employing such individuals or contracting with such agencies or individuals. If such increase would exceed the contracted collection agent's fee, then the delinquent amount owed shall be increased by the percentage or amount of the collection agent's fee. Effective July 1, 2015, as provided in § 19.2-349, Code of Virginia, treasurers not being compensated on a contingency basis as of January 1, 2015 shall be prohibited from being compensated on a contingency basis but shall instead be compensated for administrative costs pursuant to § 58.1-3958, Code of Virginia. Treasurers currently collecting a contingency fee shall be eligible to contract on a contingency fee basis. Effective July 1, 2015, any treasurer collecting a contingency fee shall retain only the expenses of

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collection, and the excess collection shall be divided between the state and the locality in the same manner as if the collection had been done by the attorney for the Commonwealth. The attorneys for the Commonwealth shall account for the amounts collected and the fees and costs associated with the collections consistent with procedures issued by the Auditor of Public Accounts.

I. Notwithstanding the provisions of Article 7, Chapter 4, Title 38, Code of Virginia, beginning July 1, 2018, $600,000 each year from the Insurance Fraud Fund is included in this appropriation to fund multi-jurisdictional Assistant Commonwealth's Attorney positions that shall be dedicated to prosecuting insurance fraud and related criminal activities. The Department of State Police shall identify those jurisdictions most affected by insurance fraud based upon data provided by the Virginia State Police Insurance Fraud Program. The Virginia State Police Insurance Fraud Program shall ensure that these positions work across jurisdictional lines, serving jurisdictions identified as most in need of these resources as supported by data. These funds shall remain unallocated until the Compensation Board and Virginia State Police notify the Director of the Department of Planning and Budget of the joint agreements reached with the Commonwealth's Attorneys of the jurisdictions receiving the additional Assistant Commonwealth's Attorney positions and the jurisdictions to be served by these positions. The Commonwealth's Attorneys receiving such positions shall annually certify to the Compensation Board that these positions are used primarily, if not exclusively, for the prosecution of insurance fraud and related criminal activities.

J. Any locality in the Commonwealth that employs the use of body worn cameras for its law enforcement officers shall be required to establish and fund one full-time equivalent entry-level Assistant Commonwealth's Attorney, at a salary no less than that established by the Compensation Board for an entry-level Commonwealth's Attorney, at a rate of one Assistant Commonwealth's Attorney for up to 75 body worn cameras employed for use by local law enforcement officers, and one Assistant Commonwealth's Attorney for every 75 body worn cameras employed for use by local law enforcement officers, thereafter. However, with the consent of the Commonwealth's Attorney, a locality may provide their Commonwealth's Attorney's office with additional funding, using a different formula than stated above, as needed to accommodate the additional workload resulting from the requirement to review, redact and present footage from body worn cameras. If, as of July 1, 2019, a locality is providing additional funding to the Commonwealth's Attorney's office specifically to address the staffing and workload impact of the implementation of body worn cameras on that office, that additional funding shall be credited to the formula used in that locality. Any agreed upon funding formula between the impacted Commonwealth's Attorney and the locality employing body worn cameras shall be filed with the Compensation Board by July 1 of each year and shall remain in effect unless modified by the agreement of both parties until June 30th of the following year. The term "locality" means every county or independent city with an Attorney for the Commonwealth. The term "employed for use" includes all body worn cameras maintained by the law enforcement agency or agencies of that locality, regardless of any temporary inoperability.

K. Included in this appropriation is $3,351,136 the first year and $3,351,136 the second year from the general fund for the allocation of 18 additional paralegal positions and 29 additional Assistant Commonwealth Attorney positions.

L.1. Out of the amounts in this item, $5,506,783 the first year and $5,506,783 the second year from the general fund is for the allocation of 70 additional Assistant Commonwealth's Attorney positions, to be distributed in accordance with current staffing standard needs to assist with anticipated workload increases resulting from implementation of Chapter 671 and Chapter 634 of the 2025 Acts of Assembly. Localities shall utilize such funding to supplement, not supplant, local funds provided for salaries of Commonwealth's Attorneys and their employees. Any amounts provided in this paragraph not expended by June 30, 2026, shall not revert to the general fund and shall carryforward to support anticipated expenses in the next biennium.

2. If directed by the Compensation Board to do so, all Commonwealth's Attorneys' offices shall report, in such format and on such timeline as prescribed by the Board, required information regarding workloads directly resulting from implementation of the bills'

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provisions.				
M. Included in this appropriation is $270,970 the first year and $270,970 the second year from the general fund to convert the Bath County Commonwealth's Attorney's Office and the Highland County Commonwealth's Attorney's Office from part- to full-time status, effective July 1, 2025.				
65. Financial Assistance for Circuit Court Clerks (77300)			$82,201,914	$82,252,924
Financial Assistance to Circuit Court Clerks (77301)	$19,720,007	$19,720,007		
Financial Assistance for Operations for Circuit Court Clerks (77302)	$42,884,972	$42,935,982		
Financial Assistance for Circuit Court Clerks' Land Records (77303)	$19,596,935	$19,596,935		
Fund Sources: General	$74,198,544	$74,249,554		
Trust and Agency	$8,003,370	$8,003,370		

Authority: Title 15.2, Chapter 16, Article 6.1; §§ 51.1-706 and 51.1-137, Title 17.1, Chapter 2, Article 7, Code of Virginia.

A.1. The annual salaries of clerks of circuit courts shall be as hereinafter prescribed.

	August 1, 2026 to June 30, 2027	July 1, 2027 to June 30, 2028
Less than 10,000	$106,374	$110,097
10,000 to 19,999	$130,734	$135,310
20,000-39,999	$149,470	$154,701
40,000-69,999	$156,960	$162,454
70,000-99,999	$170,070	$176,022
100,000-174,999	$185,060	$191,537
175,000-249,999	$190,757	$197,433
250,000 and above	$196,303	$203,174

2. Whenever a clerk of a circuit court is such for a county and a city, for two or more counties, 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 the circuit court clerk under the provisions of this Item.

3. Except as provided in Item 67 A 2, the annual salary herein prescribed shall be full compensation for services performed by the office of the circuit court clerk as prescribed by general law, and for the additional services of acting as general receiver of the court pursuant to § 8.01-582, Code of Virginia, indexing and filing land use application fees pursuant to § 58.1-3234, Code of Virginia, and all other services provided from, or utilizing the facilities of, the office of the circuit court clerk. Pursuant to § 8.01-589, Code of Virginia, the court shall provide reasonable compensation to the office of the clerk of the circuit court for acting as general receiver of the court. Out of the compensation so allowed, the clerk shall pay his bond or bonds. The remainder of the compensation so allowed shall be fee and commission income to the office of the circuit court clerk.

4. In any county or city operating under provisions of law which authorizes the governing body to fix the compensation of the clerk on a salary basis, such clerk shall receive such salary as shall be allowed by the governing body. Such salary shall not be fixed at an amount less than the amount that would be allowed the clerk under paragraphs A 1 through A 3 of this Item.

5. All clerks shall deposit all clerks' fees and state revenue with the State Treasurer in a manner consistent with § 2.2-806, Code of Virginia, unless otherwise provided by the Compensation Board as set forth in § 17.1-284, Code of Virginia or otherwise provided by law.

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B. The reports filed by each circuit court clerk pursuant to § 17.1-283, Code of Virginia, for each calendar year shall include all income derived from the performance of any office, function or duty described or authorized by the Code of Virginia whether directly or indirectly related to the office of circuit court clerk, including, by way of description and not limitation, services performed as a commissioner of accounts, receiver, or licensed agent, but excluding private services performed on a personal basis which are completely unrelated to the office. The Compensation Board may suspend the allowance for office expenses for any clerk who fails to file such reports within the time prescribed by law, or when the board determines that such report does not comply with the provisions of this paragraph.

C. Each clerk of the circuit court shall submit to the Compensation Board a copy of the report required pursuant to § 19.2-349, Code of Virginia, at the same time that it is submitted to the Commonwealth's attorney.

D. Included within this appropriation are Trust and Agency funds necessary to support one position to assist circuit court clerks in implementing the recommendations of the Land Records Management Task Force Report dated January 1, 1998.

E. Notwithstanding the provisions of § 17.1-279 E, Code of Virginia, the Compensation Board may allocate to the clerk of any circuit court funds for the acquisition of equipment and software for a pilot project for the automated application for, and issuance of, marriage licenses by such court. Any such funds allocated shall be deemed to have been expended pursuant to clause (iii) of § 17.1-279 E for the purposes of the limitation on allocations set forth in that subsection.

F. Notwithstanding the provisions of § 17.1-279, Code of Virginia, the Compensation Board when distributing funds to the Circuit Court Clerk's Offices from the Technology Trust Fund shall ensure that each office has at least $1,000 per year for technology related expenditures.

G. Notwithstanding § 17.1-287, Code of Virginia, any elected official funded through this Item may elect to relinquish any portion of his state funded salary established in paragraph A 1 of this Item. In any office where the official elects this option, the Compensation Board shall ensure the amount relinquished is used to fund salaries of other office staff.

H.1. For audits of clerks of the circuit court completed after July 1, 2004, the Auditor of Public Accounts shall report any internal control matter that could be reasonably expected to lead to the loss of revenues or assets, or otherwise compromise fiscal accountability. The Auditor of Public Accounts will also report on compliance with appropriate law and other financial matters of the clerks' office.

2. For internal control matters that could be reasonably expected to lead to the loss of revenues or assets, or otherwise compromise fiscal accountability, the clerk shall provide the Auditor of Public Accounts a written corrective action plan to any such audit findings within 10 business days of the audit exit conference, which will state what actions the clerk will take to remediate the finding. The clerk's response may also address the other matters in the report. During the next audit, the Auditor of Public Accounts shall determine and report if the clerk has corrected the finding related to internal control matters that could be reasonably expected to lead to the loss of revenues or assets, or otherwise compromise fiscal accountability.

3. Notwithstanding the provisions of Item 469, the Compensation Board shall not provide any salary increase to any circuit court clerk identified by the Auditor of Public Accounts who has not taken corrective action for the matters reported above, however, upon taking into consideration the size of the office of a circuit court clerk and their staffing capacity, the Compensation Board may determine there are extenuating circumstances in which any salary increases should not be withheld.

I.1. Subject to appropriation by the General Assembly for this purpose, the Compensation Board may implement a Circuit Court Clerks' Career Development Program.

2. Following receipt of a clerk's certification that the minimum requirements of the Clerks' Career Development Program have been met, and provided that such certification is

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submitted by Clerks as part of their annual budget request to the Compensation Board by February 1 of each year, the Compensation Board shall increase the annual salary shown in Paragraph A.1. of this Item by 9.3 percent with the salary increase becoming effective on the following July 1 for a 12-month period.

J.1. Subject to appropriation by the General Assembly for this purpose, the Compensation Board may implement a Deputy Clerks of Circuit Courts' Career Development Program.

2. For each deputy clerk selected by the clerk for participation in the Deputy Clerks' Career Development Program, the Compensation Board shall increase the annual salary established for that position by 9.3 percent following receipt of the clerk's certification that the minimum requirements of the Deputy Clerks' Career Development Program have been met and provided that such certification is submitted by clerks as part of their annual budget request to the Compensation Board by February 1 of each year.

K. Upon request of the attorney for the Commonwealth, the clerk of the circuit court shall contemporaneously provide the attorney for the Commonwealth copies of all documents provided to the Virginia Criminal Sentencing Commission pursuant to § 19.2-298.01 E, Code of Virginia.

L. The Compensation Board may obligate Trust and Agency funds in excess of the current biennium appropriation for the automation efforts of the clerks' offices from the Technology Trust Fund provided that sufficient cash is available to cover projected costs in each year and that sufficient revenues are projected to meet all cash obligations for new obligations as well as all other commitments and appropriations approved by the General Assembly in the biennial budget.

M. Offices of the Clerks of the Circuit Court, jails, adult detention centers, and the Department of Corrections are further authorized to enter into agreements to electronically transmit and process criminal court orders to assure timely and accurate recordation and processing of such records.

N.1. Out of the amounts in this Item, $5,524,340 the first year and $5,524,340 the second year from the general fund is for the allocation of 117 Deputy Clerk IV positions to assist with anticipated workload increases resulting from implementation of Chapter 671 and Chapter 634 of the 2025 Acts of Assembly. Localities shall utilize such funding to supplement, not supplant, local funds provided for salaries of Circuit Court Clerks and their employees. Any amounts provided in this paragraph not expended by June 30, 2026, shall not revert to the general fund and shall carryforward to support anticipated expenses in the next biennium.

2. If directed by the Compensation Board to do so, all Circuit Court Clerk offices shall report, in such format and on such timeline as prescribed by the Board, information with regard to workloads directly resulting from the bills that are not otherwise collected in the staffing study authorized by paragraph V. of Item 67, Chapter 725, 2025 Acts of Assembly.

66.	Financial Assistance for Local Treasurers (77400).....			$29,107,045	$29,107,045
	Financial Assistance to Local Treasurers (77401).....	$13,859,775	$13,859,775		
	Financial Assistance for Operations of Local Treasurers (77402).....	$15,141,298	$15,141,298		
	Financial Assistance for State Tax Services by Local Treasurers (77403).....	$105,972	$105,972		
	Fund Sources: General.....	$29,107,045	$29,107,045		

Authority: Title 15.2, Chapter 16, Articles 2 and 6.1, Code of Virginia.

A.1. The annual salaries of treasurers, elected or appointed officers who hold the combined office of city treasurer and commissioner of the revenue, or elected or appointed officers who hold the combined office of county treasurer and commissioner of the revenue subject to the provisions of § 15.2-1636.17, Code of Virginia, shall be as hereinafter prescribed, based on the services provided, except as otherwise provided in § 15.2-1636.12, Code of Virginia.

		August 1, 2026 to	July 1, 2027 to

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		June 30, 2027		June 30, 2028
Less than 10,000		$83,495		$86,417
10,000 to 19,999		$92,778		$96,025
20,000-39,999		$103,085		$106,693
40,000-69,999		$114,535		$118,544
70,000-99,999		$127,263		$131,717
100,000-174,999		$141,398		$146,347
175,000-249,999		$148,846		$154,056
250,000 and above		$169,143		$175,063

2. Provided, however, that in cities having a treasurer who neither collects nor disburses local taxes or revenue or who distributes local revenues but does not collect the same, such salaries shall be seventy-five percent of the salary prescribed above for the population range in which the city falls except that in no case shall any such treasurer, or any officer whether elected or appointed, who holds that combined office of city treasurer and commissioner of the revenue, receive an increase in salary less than the annual percentage increase provided from state funds to any other treasurer, within the same population range, who was at the maximum prescribed salary in effect for the fiscal year 1980.

3. Whenever a treasurer is such for two or more cities or for a county and city together, the aggregate population of such political subdivisions shall be the population for the purpose of arriving at the salary of such treasurer under the provisions of this Item.

B.1. Subject to appropriations by the General Assembly for this purpose, the Treasurers' Career Development Program shall be made available by the Compensation Board to appointed officers who hold the combined office of city or county treasurer and commissioner of the revenue subject to the provisions of § 15.2-1636.17, Code of Virginia.

2. The Compensation Board may increase the annual salary in paragraph A 1 of this Item by 9.3 percent following receipt of the treasurer's certification that the minimum requirements of the Treasurers' Career Development Program have been met, provided that such certifications are submitted by treasurers as part of their annual budget request to the Compensation Board on February 1 of each year.

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

2. For each deputy treasurer selected by the treasurer for participation in the Deputy Treasurers' Career Development Program, the Compensation Board shall increase the annual salary established for that position by 9.3 percent following receipt of the treasurer's certification that the minimum requirements of the Deputy Treasurers' Career Development Program have been met, and provided that such certification is submitted by the treasurer as part of the annual budget request to the Compensation Board on or before February 1 of each year for an effective date of salary increase of the following July 1st.

D. Notwithstanding the provisions of § 8.01-490, Code of Virginia, a treasurer, sheriff or other officer distraining or levying upon personal property may employ a licensed auctioneer or auction firm, as defined in § 54.1-600, Code of Virginia, to sell such property on behalf of the officer, and may transport such property to the site of an auction for such purpose, regardless of whether the site is within or outside the officer's county or city.

67.	Administrative and Support Services (79900).....			$5,875,548	$5,815,548
	General Management and Direction (79901).....	$4,179,724	$4,179,724		
	Information Technology Services (79902).....	$1,660,674	$1,600,674		
	Training Services (79925).....	$35,150	$35,150		
	Fund Sources: General.....	$5,875,548	$5,815,548		

Authority: Title 2.2-1839; Title 15.2, Chapter 16, Articles 2, 3, 4, 5, and 6.1; Title 17.1,

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Chapter 2, Article 7, Code of Virginia.

A.1. In determining the salary of any officer specified in Items 60, 62, 63, 64, 65, and 66 of this act, the Compensation Board shall use the greater of the most recent actual United States census count or the most recent provisional population estimate from the United States Bureau of the Census or the Weldon Cooper Center for Public Service of the University of Virginia available when fixing the officer's annual budget and shall adjust such population estimate, where applicable, for any annexation or consolidation order by a court when such order becomes effective. There shall be no reduction in salary by reason of a decline in population during the terms in which the incumbent remains in office.

2. In determining the salary of any officer specified in Items 60, 62, 63, 64, 65, and 66 of this act, nothing herein contained shall prevent the governing body of any county or city from supplementing the salary of such officer in such county or city for the provisions of Chapter 822, 2012 Acts of Assembly or for additional services not required by general law; provided, however, that any such supplemental salary shall be paid wholly by such county or city.

3. Any officer whose salary is specified in Items 60, 62, 63, 64, 65, and 66 of this act shall provide reasonable access to his work place, files, records, and computer network as may be requested by his duly elected successor after the successor has been certified.

B.1. Notwithstanding any other provision of law, the Compensation Board shall authorize and fund permanent positions for the locally elected constitutional officers, subject to appropriation by the General Assembly, including the principal officer, at the following levels:

	FY 2027	FY 2028
Sheriffs	11,798	11,798
Partially Funded: Jail Medical, Treatment, and Classification and Records Positions	939	939
Commissioners of the Revenue	851	851
Treasurers	861	861
Directors of Finance	383	383
Commonwealth's Attorneys	1,449	1,449
Clerks of the Circuit Court	1,275	1,275
TOTAL	**17,627**	**17,627**

2. The Compensation Board is authorized to provide funding for 581 temporary positions the first year and 581 temporary positions the second year.

3. The board is authorized to adjust the expenses and other allowances for such officers to maintain approved permanent and temporary manpower levels.

4. Paragraphs B 1 and B 2 of this Item shall not apply to the clerks of the circuit courts and their employees specified in § 17.1-288, Code of Virginia, or those under contract pursuant to § 17.1-290, Code of Virginia.

C.1. Reimbursement by the Compensation Board for the use of vehicles purchased or leased with public funds used in the discharge of official duties shall be at a rate equal to that approved by the Joint Legislative Audit and Review Commission for Central Garage Car Pool services. No vehicle purchased or leased with public funds on or after July 1, 2002, shall display lettering on the exterior of the vehicle that includes the name of the incumbent sheriff.

2. Reimbursement by the Compensation Board for the use of personal vehicles in the discharge of official duties shall be at a rate equal to that established in § 4-5.04 e 2. of this act. All such requests for reimbursement shall be accompanied by a certification that a publicly owned or leased vehicle was unavailable for use.

D. The Compensation Board is directed to examine the current level of crowding of inmates in local jails among the several localities and to reallocate or reduce temporary positions among local jails as may be required, consistent with the provisions of this act.

E. Any new positions established in Item 67 of this act shall be allocated by the Compensation

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Board upon request of the constitutional officers in accordance with staffing standards and ranking methodologies approved by the Compensation Board to fulfill the requirements of any court order occurring from proceedings under § 15.2-1636.8, Code of Virginia, in accordance with the provisions of Item 60 of this act.

F. Any funds appropriated in this act for performance pay increases for designated deputies or employees of constitutional officers shall be allocated by the Compensation Board upon certification of the constitutional officer that the performance pay plan for that office meets the minimum standards for such plans as set by the Compensation Board. Nothing herein, and nothing in any performance pay plan set by the Compensation Board or adopted by a constitutional officer, shall change the status of employees or deputies of constitutional officers from employees at will or create a property or contractual right to employment. Such deputies and employees shall continue to be employees at will who serve at the pleasure of the constitutional officers.

G. The Compensation Board shall apply the current fiscal stress factor, as determined by the Commission on Local Government, to any general fund amounts approved by the board for the purchase, lease or lease purchase of equipment for constitutional officers. In the case of equipment requests from regional jail superintendents and regional special prosecutors, the highest stress factor of a member jurisdiction will be used.

H. The Compensation Board shall not approve or commit additional funds for the operational cost, including salaries, for any local or regional jail construction, renovation, or expansion project which was not approved for reimbursement by the State Board of Local and Regional Jails prior to January 1, 1996, unless: (1) the Secretary of Public Safety and Homeland Security certifies that such additional funding results in an actual cost savings to the Commonwealth or (2) an exception has been granted as provided for in Item 385 of this act.

I. Subject to appropriations by the General Assembly for this purpose, the Compensation Board may provide funding for executive management, lawful employment practices, and jail management training for constitutional officers, their employees, and regional jail superintendents.

J. Any local or regional jail that receives funding from the Compensation Board shall report inmate populations to the Compensation Board, through the local inmate data system, no less frequently than weekly. Each local or regional jail that receives funding from the Compensation Board shall use the Virginia Crime Codes (VCC) in identifying and describing offenses for persons arrested and/or detained in local and regional jails in Virginia.

K.1. The Compensation Board shall provide the Chairmen of the Senate Finance and House Appropriations Committees and the Secretaries of Finance and Administration with an annual report, on December 1 of each year, of jail revenues and expenditures for all local and regional jails and jail farms which receive funds from the Compensation Board. Information provided to the Compensation Board is to include an audited statement of revenues and expenses for inmate canteen accounts, telephone commission funds, inmate medical co-payment funds, any other fees collected from inmates and investment/interest monies for inclusion in the report.

2. Local and regional jails and jail farms and local governments receiving funds from the Compensation Board shall, as a condition of receiving such funds, provide such information as may be required by the Compensation Board, necessary to prepare the annual jail cost report.

3. If any sheriff, superintendent, county administrator, or city manager fails to send such information within five working days after the information should be forwarded, the Chairman of the Compensation Board shall notify the sheriff, superintendent, county administrator or city manager of such failure. If the information is not provided within ten working days from that date, then the chairman shall cause the information to be prepared from the books of the city, county, or regional jail and shall certify the cost thereof to the State Comptroller. The State Comptroller shall issue his warrant on the state treasury for that amount, deducting the same from any funds that may be due the sheriff or regional jail from the Commonwealth.

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L. In the event of the transition of a city to town status pursuant to the provisions of Chapter 41 (§ 15.2-4100 et seq.) of Title 15.2, Code of Virginia, or the consolidation of a city and a county into a single city pursuant to the provisions of Chapter 35 (§ 15.2-3500 et seq.) of Title 15.2, Code of Virginia, subsequent to July 1, 1999, the Compensation Board shall provide funding from Items 60, 63, 64, 65, and 66 of this act, consistent with the requirements of § 15.2-1302, Code of Virginia. Notwithstanding the provisions of paragraph E of this Item, any positions in the constitutional offices of the former city or former county which are available for reallocation as a result of the transition or consolidation shall be first reallocated in accordance with Compensation Board staffing standards to the constitutional officers in the county in which the town is situated or to the consolidated city, without regard to the Compensation Board's priority of need ranking for reallocated positions. The salary and fringe benefit costs for these positions shall be deducted from any amounts due the county or to the consolidated city, as provided in § 15.2-1302, Code of Virginia.

M. Notwithstanding any other provisions of § 15.2-1605, Code of Virginia, the Compensation Board shall provide no reimbursement for accumulated vacation time for employees of Constitutional Officers.

N. The Compensation Board is hereby authorized to deduct, from reimbursements made each year to localities out of the amounts in Items 60, 62, 63, 64, 65, and 66 of this act, an amount equal to 100 percent of each locality's share of the insurance premium paid by the Compensation Board on behalf of the constitutional officers, directors of finance, and regional jails. From sheriffs and regional jails, the Compensation Board shall deduct an additional $80,000 each year for the costs of conducting training on managing risk in the operation of local and regional jails.

O. Effective July 1, 2007, the Compensation Board is authorized to withhold reimbursements due the locality for sheriff and jail expenses upon notification from the Superintendent of State Police that there is reason to believe that crime data reported by a locality to the Department of State Police in accordance with § 52-28, Code of Virginia, is missing, incomplete or incorrect. Upon subsequent notification by the Superintendent that the data is accurate, the Compensation Board shall make reimbursement of withheld funding due the locality when such corrections are made within the same fiscal year that funds have been withheld.

P. Notwithstanding the provisions of § 51.1-1403 A, Code of Virginia, the Compensation Board is hereby authorized to deduct, from reimbursements made each year to localities out of the amounts in Items 60, 62, 63, 64, 65, and 66 of this act, an amount equal to each locality's retiree health premium paid by the Compensation Board on behalf of the constitutional offices, directors of finance, and regional jails.

Q.1. Compensation Board payments of, or reimbursements for, the employer paid contribution to the Virginia Retirement System, or any system offering like benefits, shall not exceed the Commonwealth's proportionate share of the following, whichever is less: (a) the actual retirement rate for the local constitutional officer's office or regional correctional facility as set by the Board of the Virginia Retirement System or (b) the employer rate established for the general classified workforce of the Commonwealth covered under and payable to the Virginia Retirement System.

2. The rate specified in paragraph Q.1. shall exclude the cost of any early retirement program implemented by the Commonwealth.

3. Any employer paid contribution costs for rates exceeding those specified in paragraph Q.1. shall be borne by the employer.

4. The benefits rate reimbursed by the Compensation Board to localities and regional jails shall not exceed the rate identified for fiscal year 2011 in Chapter 890, Item 469, paragraph I.1.

R. Localities shall not utilize Compensation Board funding to supplant local funds provided for the salaries of constitutional officers and their employees under the provisions of Chapter 822, 2012 Acts of Assembly, who were affected members in service on June 30, 2012.

S. Effective July 1, 2016, the Compensation Board is authorized to withhold reimbursements

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due to the locality for sheriff's law enforcement expenses if the sheriff fails to certify to the Board that the sheriff's office is compliant with the sex offender registration requirements of § 9.1-903, Code of Virginia. Upon subsequent certification by the sheriff that the sheriff's office is compliant with the sex offender registration requirements of § 9.1-903, Code of Virginia, the Compensation Board shall make reimbursement of withheld funding due to the locality when such subsequent certification is made within the same fiscal year that funds have been withheld.

T. Consistent with the provisions of Chapter 198 of the 2017 Session of the General Assembly, the Executive Secretary of the State Compensation Board shall implement the recommendations relating to the State Compensation Board made by the Department of Medical Assistance Services in its November 30, 2017 report on streamlining the Medicaid application and enrollment process for incarcerated individuals.

U. The special Constitutional Officer Reserve Fund (The Fund) created in Item 67 U. of Chapter 725, 2025 Acts of Assembly is to be held in reserve for the reimbursement of budgeted amounts for salaries and expenses in constitutional offices, should such expenses incurred for reimbursement exceed the amounts appropriated in Items 60, 64, and 65 of this Act. Amounts in The Fund shall be transferred among Items 60, 64, and 65 of this Act as determined by the Compensation Board to meet reimbursement requirements. Notwithstanding the provisions of § 15.2-1636.8, Code of Virginia, the Compensation Board may establish fiscal year budgets for constitutional offices in accordance with the amounts appropriated in their designated Items in this Act, along with funds appropriated and available in The Fund for each fiscal year. If the balance of The Fund falls below the amounts required to fully reimburse constitutional offices, the Compensation Board should request additional general fund appropriation to be deposited into The Fund.

V. The Compensation Board, in consultation with staff representatives from the Department of Human Resources Management, the Senate Finance and Appropriations Committee, the House Appropriations Committee, and the Department of Planning and Budget, shall assess potential options for additional information to be provided to the General Assembly to include: (i) any state roles whose duties are similar to duties performed by employees in each constitutional office and the state salaries for any similar roles; and (ii) any information available on local salary supplements provided in addition to state salaries that may provide a more comprehensive understanding of local constitutional officer salaries, including geographic differences. The Compensation Board shall report its recommendations to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1, 2026, and shall provide an interim report to the Chairs by November 1, 2025, on the plan for assessing such information.

W. Out of the appropriation for this Item shall be paid the annual salary of the Chair of the Compensation Board, $30,873 the first year and $31,490 the second year.

X. Effective July 1, 2026, the Compensation Board is authorized to withhold reimbursements due the locality or regional jail, as appropriate, for sheriff or regional jail administration and jail expenses upon notification from the Executive Director, Board of Local and Regional Jails, that the local or regional adult correctional facility failed to send the report required by subsection B, § 9.1-192.1, Code of Virginia, within 10 days of the individual's death. Upon subsequent notification by the Executive Director that the facility has submitted the report, the Compensation Board shall make reimbursement of withheld funding due the locality or regional jail, as appropriate, when such report is made within the same fiscal year that funds have been withheld.

Y. For July 1, 2026 through July 31, 2026, the annual salaries provided to officers specified in Items 60, 62, 63, 64, 65, and 66 of this act shall be set in accordance with the provisions of paragraph A.1. of this Item, according to the salary tables in effect as of June 30, 2026.

Total for Compensation Board			**$997,286,287**	**$997,452,620**
General Fund Positions	22.00	22.00		
Nongeneral Fund Positions	1.00	1.00		
Position Level	23.00	23.00		

ITEM 67.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Fund Sources: General	$980,690,409	$980,856,742		
	Trust and Agency	$8,003,370	$8,003,370		
	Dedicated Special Revenue	$8,592,508	$8,592,508		

§ 1-31. DEPARTMENT OF GENERAL SERVICES (194)

68.	Laboratory Services (72600)			$53,121,748	$53,244,396
	Statewide Laboratory Services (72604)	$35,305,893	$35,428,541		
	Newborn Screening Laboratory Services (72607)	$14,598,526	$14,598,526		
	Laboratory Accreditation Services (72608)	$771,645	$771,645		
	Drinking Water Testing Services (72609)	$2,445,684	$2,445,684		
	Fund Sources: General	$21,896,498	$21,896,498		
	Enterprise	$17,017,885	$17,017,885		
	Internal Service	$6,452,161	$6,574,809		
	Federal Trust	$7,755,204	$7,755,204		

Authority: Title 2.2, Chapter 11, Article 2, Code of Virginia.

A. The provisions of § 2.2-1104, Code of Virginia, notwithstanding, the Division of Consolidated Laboratory Services shall ensure that no individual is denied the benefits of laboratory tests mandated by the Department of Health for reason of inability to pay for such services.

B.1. The internal service fund appropriation for Statewide Laboratory Services is sum sufficient and these amounts are estimates which shall be paid from revenues derived from charges collected from state agencies and institutions of higher education for laboratory testing services. The internal service fund shall also consist of revenues transferred from the Department of Transportation for motor fuel testing as stated in § 3-1.02 of this act.

2. In the event that expenses for Statewide Laboratory Services become due before costs have been fully recovered in the department's internal service fund, a treasury loan shall be provided to the department to finance these costs. This treasury loan shall be repaid from the proceeds collected in the fund.

C.1. The provisions of § 2.2-1104 B, Code of Virginia, notwithstanding, the Division of Consolidated Laboratory Services may charge a fee for the limited and specific purpose of analyses of water samples where (i) testing is required by Department of Health regulations as mandated by the federal Safe Drinking Water Act, (ii) funding to support such testing is not otherwise provided for in this act, and (iii) fees shall not be increased unless a plan is first approved by the Governor.

2. The Division of Consolidated Laboratory Services may charge a fee to recover its costs to certify laboratories under the requirements of §§ 2.2-1104 A. 4 and 2.2-1105, Code of Virginia, where certification of these laboratories is required by the Department of Health regulations mandated by the federal Safe Drinking Water Act, Chapter 13 (§ 10.1-1300 et seq.) of Title 10.1, the Virginia Waste Management Act (§ 10.1-1400 et seq.), or the State Water Control Law (§ 62.1-44.2 et seq.), Code of Virginia.

3.a. Any regulations or guidelines necessary to implement or change the amount of the fees charged for testing of water samples or certification of laboratories may be adopted without complying with the Administrative Process Act (§ 2.2-4000 et seq.) provided that input is solicited from the public. Such input requires only that notice and an opportunity to submit written comments be given.

b. Notwithstanding any other provision of law, changes to fees charged for testing of water samples or certification of laboratories shall be subject to the provisions of § 4-5.03 of this act.

c. Fees charged for testing of water samples or certification of laboratories shall not exceed the cost of providing such services.

69.	Real Estate Services (72700)			$73,251,600	$73,251,600
	Statewide Leasing and Disposal Services (72705)	$73,251,600	$73,251,600		

ITEM 69.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Fund Sources: Internal Service	$73,251,600	$73,251,600		

Authority: Title 2.2, Chapter 11, Article 4, § 2.2-1156, Code of Virginia.

A.1. The internal service fund appropriation for Real Estate Services is sum sufficient and amounts shown are estimates which shall be paid from revenues from rent payments or fees to be paid by state agencies and institutions for their occupancy of facilities and management of real property transactions, including, but not necessarily limited to, leases of non-state owned office space throughout the Commonwealth for use by such agencies and institutions. Also included are funds to pay costs associated with the disposal of state-owned real property and interests therein. In implementing the program, the Department of General Services may utilize brokerage services, portfolio management strategies, personnel policies, and compensation practices generally consistent with prevailing industry best practices.

2. In the event that expenses for Real Estate Services become due before costs have been fully recovered in the department's internal service fund, a treasury loan shall be provided to the department to finance these costs. This treasury loan shall be repaid from the proceeds collected in the fund.

B. There is hereby created in the state treasury an internal service fund known as the Facilities Management Pass-through Fund to record revenues and expenditures for pass-through lease payments to private entities on behalf of state agencies.

C.1. The costs paid for each sale of state-owned property shall be returned to the fund upon sale of the property in an amount calculated at 115 percent of such costs.

2. The rate charged for administration of single-agency leases shall be three percent of lease costs and the rate for administration of master leases shall be five percent of lease costs. Fees approved in accordance with § 4-5.03 of this act may also be charged for one-time transactions.

70.	Procurement Services (73000)			$73,089,587	$73,171,396
	Statewide Procurement Services (73002)	$32,117,924	$32,117,924		
	Surplus Property Programs (73007)	$2,181,005	$2,181,005		
	Statewide Cooperative Procurement and Distribution Services (73008)	$38,790,658	$38,872,467		
	Fund Sources: Special	$5,258,139	$5,258,139		
	Enterprise	$26,859,785	$26,859,785		
	Internal Service	$40,971,663	$41,053,472		

Authority: Title 2.2, Chapter 11, Articles 3 and 6, Code of Virginia.

A.1. The internal service fund appropriation for Surplus Property Programs is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid from revenues derived from charges for services.

2. In the event that expenses for Surplus Property Programs become due before costs have been fully recovered in the department's internal service fund, a treasury loan shall be provided to the department to finance these costs. This treasury loan shall be repaid from the proceeds collected in the fund.

B.1. The internal service fund appropriation for Statewide Cooperative Procurement and Distribution Services is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid from revenues derived from charges for services.

2. In the event that expenses for Statewide Cooperative Procurement and Distribution Services become due before costs have been fully recovered in the department's internal service fund, a treasury loan shall be provided to the department to finance these costs. This treasury loan shall be repaid from the proceeds collected in the fund.

C. The Commonwealth's statewide electronic procurement system and program known as eVA will be financed by fees assessed to state agencies and institutions of higher education and vendors.

ITEM 70.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

D. The Department of General Services shall allow nonprofit food banks operating in Virginia and granted tax-exempt status under § 501(c)(3) of the Internal Revenue Code to purchase directly from the Virginia Distribution Center.

E. The Department of General Services, for goods and services requirements identified by the Virginia Department of Social Services and the Virginia Department of Emergency Management, pursuant to Item 337, is directed to develop and maintain a list of emergency contracts for use by state agencies responsible for emergency response and recovery, and to establish contracts for resources, goods and services, as identified by the Virginia Department of Social Services and the Virginia Department of Emergency Management in the event of state shelter activation during a declaration of state emergency.

71.	Physical Plant Management Services (74100)			$76,416,769	$74,357,914
	Parking Facilities Management (74105)	$5,568,978	$5,568,978		
	Statewide Building Management (74106)	$62,554,537	$60,495,682		
	Statewide Engineering and Architectural Services (74107)	$7,145,942	$7,145,942		
	Seat of Government Mail Services (74108)	$1,147,312	$1,147,312		
	Fund Sources: General	$8,603,182	$6,810,672		
	Special	$5,568,978	$5,568,978		
	Internal Service	$62,244,609	$61,978,264		

Authority: Title 2.2, Chapter 11, Articles 4, 6, and 8; § 58.1-3403, Code of Virginia.

A.1. The internal service fund appropriation for Statewide Building Management is sum sufficient and shall be paid from revenues from rental charges assessed to occupants of seat of government buildings controlled, maintained, and operated by the Department of General Services and fees paid for other building maintenance and operation services provided through service agreements and special work orders. The internal service fund shall support the facilities at the seat of government and maintenance and operation of such other state-owned facilities as the Governor or department may direct, as otherwise provided by law.

2. The rent rate for occupants of office space in seat of government facilities operated and maintained by the Department of General Services, excluding the building occupants that currently have maintenance service agreements with the department, shall be $18.25 per square foot the first year and $18.25 the second year. The Department of General Services may charge agencies occupying space managed by the Department, excluding space covered by separate service agreements, an additional component rate to recover the costs of maintenance and repair activities that are not otherwise eligible uses of maintenance reserve funds as defined in Item C-26 of this act.

3. On or before September 1 of each year, the Department of General Services shall report to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, the Secretary of Administration, and the Department of Planning and Budget regarding the operations and maintenance costs of all buildings controlled, maintained, and operated by the Department of General Services. The report shall include, but not be limited to, the cost and fund source associated with the following: utilities, maintenance and repairs, security, custodial services, groundskeeping, direct administration and other overhead, and any other operations or maintenance costs for the most recently concluded fiscal year. The amount of unleased space in each building shall also be reported.

4. Further, out of the estimated cost for Statewide Building Management, amounts estimated at $3,061,776 the first year and $3,061,776 the second year shall be paid for Payment in Lieu of Taxes. In addition to the amounts for Statewide Building Management, the following sums, estimated at the amounts shown for this purpose, are included in the appropriations for the agencies identified:

	FY 2027	FY 2028
Department of Motor Vehicles	$252,815	$252,815
Department of State Police	$797	$797
Department of Transportation	$229,540	$229,540

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Department for the Blind and Vision Impaired		$5,788		$5,788
Science Museum of Virginia		$102,171		$102,171
Virginia Museum of Fine Arts		$158,513		$158,513
Virginia Retirement System		$53,425		$53,425
Department of Veterans Services		$174,799		$174,799
TOTAL		**$977,848**		**$977,848**

5. All agencies invoiced by the Department of General Services (DGS) for rent shall pay such invoice within 30 days of receipt. The State Comptroller, at the request of the Director of DGS, shall transfer available funding from any agency that fails to pay its invoice in a timely manner to DGS. The Director of DGS shall have discretion to extend the payment deadline for any agency that can justify needing more time in order to generate funds to pay the rent to DGS.

6. In the event that expenses for Statewide Building Management become due before costs have been fully recovered in the department's internal service fund, a treasury loan shall be provided to the department to finance these costs. This treasury loan shall be repaid with the proceeds collected in the fund.

B.1. The internal service fund appropriation for Statewide Engineering and Architectural Services provided by the Division of Engineering and Buildings is sum sufficient and shall be paid from revenues from fees paid by state agencies and institutions of higher education for the review of architectural, mechanical, and life safety plans of capital outlay projects.

2. In administering this internal service fund, the Division of Engineering and Buildings (DEB) shall provide capital project cost review services to state agencies and institutions of higher education and produce capital project cost analysis work products for the Department of Planning and Budget. DEB shall collect fees, consistent with those fees authorized above in paragraph B.1, from state agencies and institutions of higher education for completed capital project cost review services or work products.

3. Unless otherwise established in subparagraph 4, below, the hourly rate for engineering and architectural services shall be $201.00 the first year and $201.00 the second year, excluding contracted services and other special rates as authorized pursuant to § 4-5.03 of this act.

4. In consultation with the Department of Planning and Budget, the Department of General Services (DGS) may determine a fair and reasonable rate to charge to capital projects for architectural, engineering, review, and inspection services provided by the Division of Engineering and Buildings. Any increases in the internal service fund rate shall be done with the intent to prevent delays to state construction projects, and shall be posted on the agency's website. As necessary, DGS may enter into a memorandum of agreement to pass through capital outlay funding to the State Fire Marshal Office for the required fire safety inspections of state-owned buildings that are undergoing construction and/or renovation.

5. Out of the amounts appropriated in this Item, $624,838 the first year and $624,838 the second year from the general fund is provided for the Division of Engineering and Buildings to support the Commonwealth's capital budget and capital pool process for which fees authorized in this paragraph cannot otherwise be assessed.

6. In the event that expenses for Statewide Engineering and Architectural Services become due before costs have been fully recovered in the department's internal service fund, a treasury loan shall be provided to the department to finance these costs. This treasury loan shall be repaid with the proceeds collected in the fund.

C. Interest on the employee vehicle parking fund authorized by § 4-6.04 c of this act shall be added to the fund as earned.

D. The Department of General Services shall, in conjunction with affected agencies, develop, implement, and administer a consolidated mail function to process inbound and outbound mail for agencies located in the Richmond metropolitan area. The consolidated

ITEM 71.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

mail function shall include the establishment of a centralized mail receiving and outbound processing location or locations, and the enhancement of mail security capabilities within these location(s).

E. All new and renovated state-owned facilities, if the renovations are in excess of 50 percent of the structure's assessed value, that are over 5,000 gross square feet shall be designed and constructed consistent with energy performance standards at least as stringent as the U.S. Green Building Council's LEED rating system or the Green Globes rating system.

F. The total service charge for payment in lieu of taxes to the City of Richmond for the property known as the General Assembly Building and the State Capitol Building shall not exceed $70,000 per fiscal year.

G. The Director of the Department of General Services shall work with the Commissioner of the Department of Transportation and other agencies to maximize the use of light-emitting diodes (LEDs) instead of traditional incandescent light bulbs when any state agency installs new outdoor lighting fixtures or replaces nonfunctioning light bulbs on existing outdoor lighting fixtures as long as the LEDs lights are determined to be cost effective.

H. Notwithstanding the provisions of Acts of Assembly 1889, Chapter 24, which is hereby repealed, the Department of General Services, in accordance with the direction and instruction of the Governor, shall remove and store the Robert E. Lee Monument or any part thereof.

I. The Department of General Services shall relocate and gift to the Shenandoah Valley Battlefields Foundation all Confederate monuments and memorials from Capitol Square, including the General Thomas J. "Stonewall" Jackson statue, unveiled in 1875; the Governor William "Extra Billy" Smith statue, unveiled in 1906; and the Dr. Hunter Holmes McGuire statue, unveiled in 1904.

72.	Transportation Pool Services (82300).....			$25,071,276	$25,474,232
	Statewide Vehicle Management Services (82302).....	$25,071,276	$25,474,232		
	Fund Sources: Internal Service.....	$25,071,276	$25,474,232		

Authority: Title 2.2, Chapter 11, Article 7; § 2.2-120, Code of Virginia.

A.1. The appropriation for Statewide Vehicle Management Services is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid from revenues derived from charges to agencies for fleet management services.

2. In the event that expenses for Statewide Vehicle Management Services become due before costs have been fully recovered in the department's internal service fund, a treasury loan shall be provided to the department to finance these costs. This treasury loan shall be repaid from the proceeds collected in the fund.

B. There is hereby created in the state treasury an internal service fund to be known as the Fleet Management Pass-through Fund to record revenues and expenditures for pass-through transactions related to the purchase of vehicles for state agencies and other public entities.

C. Charges for central fleet vehicles leased by state agencies and institutions shall be the vehicle purchase cost and interest charges amortized over a period of 84 months or less, in addition to a standard monthly operating charge of $110.00 the first year and $110.00 the second year per vehicle for the cost of maintenance and support.

D. In addition to providing services to state agencies and institutions, fleet management services may also be provided to local public bodies on a fee for service basis in accordance with established Department of General Services Fleet Management policies and procedures.

E. The Department of General Services shall manage the Commonwealth's consolidation of bulk and commercial fuel contracts awarded in response to Chapter 879, Acts of Assembly of 2008, Item 1-83 C. The intent of this consolidation is to leverage the Commonwealth's state and local public entities, gasoline and diesel fuel purchase volume to achieve the most favored pricing from private sector fuel providers, and reduce procurement administration workload from state agencies, institutions, local government entities, and other authorized users of awarded contracts that would have otherwise procured and contracted separately for these

ITEM 72.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	commodities.				
73.	Administrative and Support Services (79900)			$8,113,140	$8,113,140
	General Management and Direction (79901)	$4,864,986	$4,864,986		
	Information Technology Services (79902)	$3,248,154	$3,248,154		
	Fund Sources: General	$8,113,140	$8,113,140		
	Authority: Title 2.2, Chapter 11 and Chapter 24, Article 1, Code of Virginia.				
	1. The Department shall lead, provide administrative support to, and convene an annual public body procurement workgroup to review and study proposed changes to the Code of Virginia in areas of non-technology goods and services, technology goods and services, construction, transportation, and professional services procurements. The workgroup shall consist of the Director of the Department of Small Business and Supplier Diversity, Director of the Department of General Services, the Chief Information Officer of Virginia Information Technology Agency, Commissioner of the Virginia Department of Transportation, Director of the Department of Planning and Budget, the President of the Virginia Association of State Colleges and University Purchasing Professionals (VASCUPP), the President of the Virginia Association of Governmental Purchasing or their designees; a representative from the Office of the Attorney General Government Operations and Transactions Division, a staff member of the Virginia House Appropriations Committee, Senate Finance and Appropriations Committee, and Division of Legislative Services.				
	2. The workgroup is charged with hearing legislation referred by letter from the Chairs of the House Rules, General Laws, and Appropriations Committees, and Chairs of the Senate Rules, General Laws and Technology, and Finance and Appropriations Committees. The workgroup will hear from stakeholders identified by the patron of the referred legislation and other interested individuals to discuss the legislation's impacts to: 1) small businesses to include women and minorities; 2) the Commonwealth's budget; and 3) the Commonwealth's procurement processes. Such meetings will be open to the public. In addition, the Chairs of the House Rules and House Appropriations Committees and Chairs of Senate Rules and Senate Finance and Appropriations Committees may request the workgroup review procurement related proposals in advance of upcoming legislative sessions to better understand potential impacts prior to the start of the annual General Assembly Session.				
	Total for Department of General Services			**$309,064,120**	**$307,612,678**
	General Fund Positions	281.00	281.00		
	Nongeneral Fund Positions	440.00	440.00		
	Position Level	721.00	721.00		
	Fund Sources: General	$38,612,820	$36,820,310		
	Special	$10,827,117	$10,827,117		
	Enterprise	$43,877,670	$43,877,670		
	Internal Service	$207,991,309	$208,332,377		
	Federal Trust	$7,755,204	$7,755,204		
	§ 1-32. DEPARTMENT OF HUMAN RESOURCE MANAGEMENT (129)				
74.	Personnel Management Services (70400)			$118,378,097	$117,552,047
	Agency Human Resource Services (70401)	$3,447,792	$3,097,792		
	Human Resource Service Center (70402)	$1,627,572	$1,644,212		
	Equal Employment Services (70403)	$837,112	$837,112		
	Health Benefits Services (70406)	$18,048,162	$18,048,162		
	Personnel Development Services (70409)	$886,834	$886,834		
	Employee Dispute Resolution Services (70416)	$1,249,486	$1,249,486		
	State Employee Program Services (70417)	$1,972,866	$1,972,866		
	State Employee Workers' Compensation Services (70418)	$86,678,798	$86,678,798		
	Administrative and Support Services (70419)	$3,629,475	$3,136,785		

ITEM 74.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
Fund Sources: General	$9,812,582	$8,969,892		
Special	$2,103,496	$2,120,136		
Enterprise	$4,302,667	$4,302,667		
Internal Service	$14,899,796	$14,899,796		
Trust and Agency	$87,259,556	$87,259,556		

Authority: Title 2.2, Chapters 12 and 28, 29, 30, and 32, Code of Virginia.

A. The Department of Human Resource Management shall report any proposed changes in premiums, benefits, carriers, or provider networks to the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees at least sixty days prior to implementation.

B.1.a. The Department of Human Resource Management shall operate a human resource service center to support the human resource needs of those agencies identified by the Secretary of Administration in consultation with the Department of Planning and Budget. The agencies identified shall cooperate with the Department of Human Resource Management by transferring such records and functions as may be required.

b. Beginning July 1, 2026, the Department of Human Resource Management, in consultation with affected agencies, and with approval from the affected cabinet secretaries, shall implement a plan to transition all state agencies in the Executive Department with 150 employees or less into the human resource service center over a three year period.

c. The Department of Human Resource Management shall inform the Department of Planning and Budget about any transition costs for affected agencies, including any costs associated with the Workforce Transition Act, by October 15 each year during the transition period.

2. Nothing in this paragraph shall prohibit additional agencies from using the services of the center; however, these additional agencies' use of the human resource service center shall be subject to approval by the affected cabinet secretary and the Secretary of Administration.

3. The cost of the human resource center's services shall be recovered and paid solely from revenues derived from charges for services. The rates required to recover the costs of the human resource service center shall be provided by the Department of Human Resource Management to the Department of Planning and Budget by September 1 each year for review and approval of the subsequent fiscal year's rate in accordance with § 4-5.03 of this act.

4. The rates for the human resource service center shall be $2,000.00 per full-time equivalent and $800.00 per wage employee the first year and $2,000.00 per full-time equivalent and $800.00 per wage employee the second year.

C. The institutions of higher education shall be exempt from the centralized advertising requirements identified in Executive Order 73 (01).

D.1. To ensure fair and equitable performance reviews, the Department of Human Resource Management, within available resources, is directed to provide performance management training to agencies and institutions of higher education with classified employees.

2. Agency heads in the Executive Department are directed to require appropriate performance management training for all agency supervisors and managers.

E. The Department of Human Resource Management shall take into account the claims experience of each agency and institution when setting premiums for the workers' compensation program.

F.1. The Department of Human Resource Management shall report to the Governor and Chairmen of the House Appropriations and Senate Finance and Appropriations Committees by October 30 of each year, on its recommended workers' compensation premiums for state agencies for the following biennium. This report shall also include the basis for the department's recommendations; the status and recommendations of the loss control program authorized in paragraph F.2; the number and amount of workers' compensation settlements concluded in the previous fiscal year, inclusive of those authorized in paragraph F.3.a; and the impact of those settlements on the workers' compensation program's reserves.

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2. Beginning July 1, 2015, the Department of Human Resource Management shall conduct an annual review of each state agency's loss control history, to include the severity of workers' compensation claims, experience modification factor, and frequency normalized by payroll. Based on the annual review, state agencies deemed by the Department of Human Resource Management as having higher than normal loss history shall be required to participate in a loss control program. All executive, judicial, legislative, and independent agencies required to participate in the loss control program shall fully cooperate with the Department of Human Resource Management's review.

3.a. A working capital advance of up to $20,000,000 shall be provided to the Department of Human Resource Management to identify and potentially settle certain workers' compensation claims open for more than one year but less than 10 years. The Department of Human Resource Management shall pay back the working capital advance from annual premiums over a seven-year period.

b. The Secretary of Finance and Secretary of Administration shall approve the drawdowns from this working capital advance prior to the expenditure of funds. The State Comptroller shall notify the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees of any approved drawdowns.

G. The Department of Human Resource Management shall report to the Governor and Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, by September 30 of each year, on the renewal cost of the state employee health insurance program premiums that will go into effect on July 1 of the following year. This report shall include the impact of the renewal cost on employee and employer premiums and a valuation of liabilities as required by Other Post Employment Benefits reporting standards.

H. The Department of Human Resource Management shall develop and distribute instructions and guidelines to all executive department agencies for the provision of an annual statement of total compensation for each classified employee. The statement should account for the full cost to the Commonwealth and the employee of cash compensation as well as Social Security, Medicare, retirement, deferred compensation, health insurance, life insurance, and any other benefits. The Director, Department of Human Resource Management, shall ensure that all executive department agencies provide this notice to each employee. The Department of Accounts and the Virginia Retirement System shall provide assistance upon request. Further, the Director of the Department of Human Resource Management shall provide instructions and guidelines for the development notices of total compensation to all independent, legislative, and judicial agencies, and institutions of higher education for preparation of annual statements to their employees.

I. The Director of the Department of Human Resource Management shall communicate to all executive branch agencies the requirement that all employees with state email addresses and state phone numbers include contact information in their email signature, which shall include, at a minimum, an office phone number and/or state cell phone number.

J. Out of the amounts included in this appropriation, $350,000 from the general fund the first year is provided for the Department of Human Resource Management to examine the options for modernizing the Commonwealth's job classification system. In conducting its review the Department shall (i) consider and recommend a method to standardize the Commonwealth's system of classified job titles, (ii) review and update classified salary pay bands, and (iii) review and recommend redesigned base salary budgeting, base salary structure management, and job structure management. The Department shall complete its work and make recommendations to the Governor and General Assembly by November 30, 2026.

K. Out of this appropriation, $175,224 the first year and $175,224 the second year from the general fund is provided to effectuate the provisions of Chapters 786 and 787, 2026 Acts of Assembly.

Total for Department of Human Resource Management.....			**$118,378,097**	**$117,552,047**

ITEM 74.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	General Fund Positions	56.85	56.85		
	Nongeneral Fund Positions	64.15	64.15		
	Position Level	121.00	121.00		
	Fund Sources: General	$9,812,582	$8,969,892		
	Special	$2,103,496	$2,120,136		
	Enterprise	$4,302,667	$4,302,667		
	Internal Service	$14,899,796	$14,899,796		
	Trust and Agency	$87,259,556	$87,259,556		
	Administration of Health Insurance (149)				
75.	Personnel Management Services (70400)			$2,556,071,067	$2,556,071,067
	Health Benefits Services (70406)	$1,933,195,823	$1,933,195,823		
	Local Health Benefit Services (70407)	$587,455,244	$587,455,244		
	Health Insurance Benefit Payment Under the Line of Duty Act (70408)	$35,420,000	$35,420,000		
	Fund Sources: Enterprise	$587,455,244	$587,455,244		
	Internal Service	$1,933,195,823	$1,933,195,823		
	Trust and Agency	$35,420,000	$35,420,000		

Authority: § 2.2-2818, § 2.2-1204, and Title 9.1, Chapter 4, Code of Virginia.

A. The appropriation for Health Benefits Services is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid from revenues paid by state agencies to the Department of Human Resource Management.

B. The amounts for Local Health Benefits Services include estimated revenues received from localities for the local choice health benefits program.

C.1. In the event that the total of all eligible claims exceeds the balance in the state employee medical reimbursement account, there is hereby appropriated a sum sufficient from the general fund of the state treasury to enable the payment of such eligible claims.

2. The term "employee medical reimbursement account" means the account administered by the Department of Human Resource Management pursuant to § 125 of the Internal Revenue Code in connection with the health insurance program for state employees (§ 2.2-2818, Code of Virginia).

D. Any balances remaining in the reserved component of the Employee Health Insurance Fund shall be considered part of the overall Health Insurance Fund. It is the intent of the General Assembly that future premiums for the state employee health insurance program shall be set in a manner so that the balance in the Health Insurance Fund will be sufficient to meet the estimated Incurred But Not Paid liability for the Fund and maintain a contingency reserve at a level recommended by the Department of Human Resource Management for a self-insured plan subject to the approval of the General Assembly.

E. Concurrent with the date the Governor introduces the budget bill, the Directors of the Departments of Planning and Budget and Human Resource Management shall provide to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees a report detailing the assumptions included in the Governor's introduced budget for the state employee health insurance plan. The report shall include the proposed premium schedule that would be effective for the upcoming fiscal year and any proposed changes to the benefit structure.

F. In addition to such other payments as may be available, the full cost of group health insurance, net of any deductions and credits, for the surviving spouses and dependents of certain public safety officers killed in the line of duty and for certain public safety officers disabled in the line of duty, and the spouses and dependents of such disabled officers, are payable from this Item pursuant to Title 9.1, Chapter 4, Code of Virginia, effective July 1, 2017.

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G. The Department of Human Resource Management shall notify the General Assembly at least 30 days prior to any proposed modifications to the benefit structure or any solicitation for health insurance for state employees, and shall include on the evaluation committee for any solicitation the staff directors, or their designees, of the House Appropriations and Senate Finance and Appropriations Committees, and a designated staff member from the office of the Executive Secretary of the Supreme Court of Virginia.

H.1. The Department of Human Resource Management shall establish a State Health Plan Advisory Council. The Council shall be comprised of seven members that include: the Secretary of Administration, the Secretary of Finance, the Secretary of Health and Human Resources, the Director of the Department of Human Resource Management, the Director of the Department of Planning and Budget, the staff director of the House Appropriations Committee, and the staff director of the Senate Finance and Appropriations Committee. Any member of the Council may send a designee in their place as a member of the Council.

2. The Council shall meet at least once each year to: (i) review the performance of the state health plans for the prior fiscal year including claims payments, cost drivers, and access to providers; (ii) review plan benefits and cost sharing provisions; and (iii) review growth in premiums and the financial status of Health Insurance Fund. The Council shall annually make recommendations to the Governor and the General Assembly regarding any changes to the state health plans.

I. The Department of Human Resource Management (DHRM) shall, through its contracted actuary, evaluate pharmaceutical manufacturer programs and other contracting arrangements available to self-insured health insurance programs that are intended to reduce the costs of glucagon-like peptide-1 (GLP-1) receptor agonists and related therapies. The evaluation shall include: (i) a review of manufacturer-sponsored programs and any other contractual arrangements that are available; and (ii) an assessment of the fiscal impact and feasibility associated with participation in such programs or arrangements. DHRM shall project cost savings for such programs or contracting arrangements and shall be authorized to implement the program or arrangement with the greatest projected savings to the state health plan that also results in achieving the savings for the state health plan as included in House Bill 30, as introduced. If DHRM determines that such savings cannot be achieved, then DHRM shall be authorized to impose increased cost-sharing for GLP-1 drugs prescribed for weight loss and add additional restrictions on GLP-1 drugs to achieve the savings. Any changes to the state health plan pursuant to this paragraph requires 30 days prior notice to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

Total for Administration of Health Insurance			**$2,556,071,067**	**$2,556,071,067**
Fund Sources: Enterprise	$587,455,244	$587,455,244		
Internal Service	$1,933,195,823	$1,933,195,823		
Trust and Agency	$35,420,000	$35,420,000		

Virginia Management Fellows Program Administration (164)

76.	Administrative and Support Services (79900)			$1,860,510	$1,860,510
	General Management and Direction (79901)	$1,860,510	$1,860,510		
	Fund Sources: General	$1,860,510	$1,860,510		

Authority: Discretionary Inclusion

A. The appropriation in this Item is provided for a joint internship and management training program to assist in improving leadership, management, and succession planning capabilities of all branches of state government. The Department of Human Resource Management shall contract with a Virginia public university for the continuation of the program. The Department of Planning and Budget is authorized to transfer amounts from the appropriation in this item in amounts consistent with any contract or Memorandum of Agreement with a Virginia public university for administration of the program. Any balances remaining from the appropriation identified in this paragraph shall not revert to the general fund at the end of the fiscal year, but shall be brought forward and made

ITEM 76.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
available to support the Virginia Management Fellows program in the subsequent fiscal year.				
B. The Department of Planning and Budget is authorized to transfer amounts from the appropriation in this item to applicable state agencies as required to execute the purposes of this item.				
C. The Secretary of Administration shall establish an advisory group to oversee the program composed of one representative from the program's leadership team within the contracted Virginia public university, agency mentors from agencies that actively participate in the programs, and the staff directors, or their designees, of the House Appropriations and Senate Finance and Appropriations Committees.				
D. The Department of Human Resource Management is authorized to adjust the starting salary of the Management Fellows, effective July 25, 2026, for the newest cohort at that time. The starting salary shall be benchmarked to similar programs and positions to be competitive, but shall be limited to available funding.				
E. The Department of Human Resource Management shall assess the need to create a salary step for the second year of the program for Management Fellows. In addition, the Department shall assess the capacity of the program to increase the typical cohort size and report any recommendations or funding needs to the advisory group established in this Item, which shall meet to consider the information prior to October 1, 2026.				
Total for Virginia Management Fellows Program Administration			**$1,860,510**	**$1,860,510**
General Fund Positions	20.00	20.00		
Position Level	20.00	20.00		
Fund Sources: General	$1,860,510	$1,860,510		
Grand Total for Department of Human Resource Management			**$2,676,309,674**	**$2,675,483,624**
General Fund Positions	76.85	76.85		
Nongeneral Fund Positions	64.15	64.15		
Position Level	141.00	141.00		
Fund Sources: General	$11,673,092	$10,830,402		
Special	$2,103,496	$2,120,136		
Enterprise	$591,757,911	$591,757,911		
Internal Service	$1,948,095,619	$1,948,095,619		
Trust and Agency	$122,679,556	$122,679,556		
§ 1-33. DEPARTMENT OF ELECTIONS (132)				
77. Electoral Services (72300)			$26,520,074	$21,644,938
Electoral Administration, Uniformity, Legality, and Quality Assurance Services (72302)	$2,412,201	$2,409,701		
Statewide Voter Registration System and Associated Information Technology Services (72304)	$15,078,912	$11,501,276		
Campaign Finance Disclosure Administration Services (72309)	$421,660	$421,660		
Voter Services and Communications (72311)	$3,096,512	$1,801,512		
Administrative Services (72312)	$5,510,789	$5,510,789		
Fund Sources: General	$23,467,824	$18,592,688		
Special	$52,250	$52,250		
Trust and Agency	$3,000,000	$3,000,000		
Authority: Title 24.2, Chapter 1, Code of Virginia.				
A. It is the intention of the General Assembly that all local precincts, other than central absentee precincts established under § 24.2-712, Code of Virginia, will use electronic pollbooks for elections held beginning in November, 2010.				

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B. Any locality using paper pollbooks for elections held beginning in November, 2010, shall be responsible for entering voting credit as provided in § 24.2-668. Additionally, any locality using paper pollbooks for elections held after November, 2010 may be required to reimburse the Department of Elections for state costs associated with providing paper pollbooks.

C. The State Board of Elections shall by regulation provide for an administrative fee up to $25 for each non-electronic report filed with the State Board under § 24.2-947.5. The regulation shall provide for waiver of the fee based upon indigence.

D. All unpaid charges and civil penalties assessed under Title 24.2 shall be subject to interest, the administrative collection fee and late penalties authorized in the Virginia Debt Collection Act, Chapter 48 of Title 2.2, § 2.2-4800 et seq.

E. 1. It is the intent of the General Assembly that federal awards from the Help America Vote Act of 2002 (HAVA) under P.L. 116-93 be used to replace the Virginia Election and Registration Information System (VERIS). Any remaining balances out of the amounts appropriated in Item 86, paragraph I, of Chapter 552, 2021 Acts of Assembly, Special Session I, may be used to support VERIS replacement and shall serve as the state's required match to receive the federal HAVA award.

2. The Secretary of Finance and Secretary of Administration shall approve the allotment of remaining balances out of the amount appropriated in Item 86, paragraph I.3, of Chapter 552, 2021 Acts of Assembly, Special Session, to be used for VERIS replacement costs after the exhaustion of all available HAVA funding eligible for this purpose and the initial required state match component of $2,035,142.

3. Any balances remaining from the appropriation identified in this paragraph shall not revert to the general fund at the end of the fiscal year, but shall be brought forward and made available to support VERIS replacement in the subsequent fiscal year.

F. Notwithstanding the provisions of subsections C and D of § 24.2-671.2., Code of Virginia, a risk-limiting audit of a presidential election or an election for the nomination of candidates for the office of President shall not be conducted.

G. Out of this appropriation, $3,336,286 the first year from the general fund is provided to develop the replacement of the Committee Electronic Tracking (COMET) and Campaign Finance Management (CFM) systems. Any amounts remaining from the general fund appropriation identified in this paragraph that remain unspent at the end of the first year shall be reappropriated in the next fiscal year.

H. Out of this appropriation, $615,000 the first year from the general fund is provided to support advertising costs with holding constitutional referenda pursuant to the provisions of Chapters 1, 2, 3, 4, 5 and 819, 2026 Acts of Assembly.

I. Out of this appropriation, $137,500 the first year and $110,000 the second year from the general fund is provided to effectuate the provisions of Chapters 876 and 1038, 2026 Acts of Assembly.

J. Out of this appropriation, $50,400 the first year from the general fund is provided to effectuate the provisions of Chapters 992 and 1081, 2026 Acts of Assembly.

K. Out of this appropriation, $5,454 the first year and $2,954 the second year from the general fund is provided to effectuate the provisions of Chapter 1039, 2026 Acts of Assembly.

L. Out of this appropriation, $286,131 the first year and $122,681 the second year from the general fund is provided to effectuate the provisions of Chapter 1120, 2026 Acts of Assembly.

M. Out of this appropriation, $15,000 the first year and $15,000 the second year from the general fund is provided to effectuate the provisions of Chapter 717, 2026 Acts of Assembly.

ITEM 78.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
78.	Financial Assistance for Electoral Services (78000)			$12,004,241	$12,004,241
	Financial Assistance for General Registrar Compensation (78001)	$10,815,991	$10,815,991		
	Financial Assistance for Local Electoral Board Compensation and Expenses (78002)	$1,188,250	$1,188,250		
	Fund Sources: General	$12,004,241	$12,004,241		

Authority: Title 24.2, Chapter 1, Code of Virginia.

A.1.a. In determining the salary for each general registrar, the Department of Elections shall use the most recent provisional population estimate from the Weldon Cooper Center for Public Service of the University of Virginia. The Department of Elections shall adjust such population estimate, where applicable, for any annexation or consolidation order by a court when such order becomes effective. There shall be no reduction in salary by reason of a decline in population during the terms in which the incumbent general registrar remains in office.

b. The annual salaries of general registrars, in accordance with the provisions of § 24.2-111, Code of Virginia, shall be as hereinafter prescribed.

Population	August 1, 2026 to June 30, 2027	July 1, 2027 to June 30,2028
0-9,999	$83,495	$86,417
10,000-19,999	$92,778	$96,025
20,000-39,999	$103,085	$106,693
40,000-69,999	$114,535	$118,544
70,000-99,999	$127,263	$131,717
100,000-174,999	$141,398	$146,347
175,000-249,999	$148,846	$154,056
250,000 and above	$169,143	$175,063

c. Any locality required to supplement the salary of a general registrar on June 30, 1981, shall continue that supplement at the identical annual amount as paid in FY 1982. This supplement shall continue as long as the incumbent general registrar on July 1, 1982, continues in office. Further, any locality may supplement the annual salary of the general registrar. There shall be no reimbursement out of the state treasury for such supplements.

2. General registrars in the Counties of Arlington, Fairfax, Loudoun, and Prince William and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park shall receive a cost of competition supplement equal to 15 percent of the salaries authorized in paragraph A.1.a. The cost of this supplement shall be paid out of the general fund of the state treasury.

B.1.a. The Department of Elections shall set the annual compensation for secretaries and members of local electoral boards on July 1 of each year. In determining such compensation, the Department of Elections shall use the most recent provisional population estimate from the Weldon Cooper Center for Public Service of the University of Virginia.

b. The annual compensation of the secretary of each local electoral board shall be as hereinafter prescribed.

Population	August 1, 2026 to June 30, 2027	July 1, 2027 to June 30, 2028
0-10,000	$2,876	$2,977
10,001-25,000	$4,303	$4,454
25,001-50,000	$5,736	$5,937
50,001-100,000	$7,172	$7,423
100,001-150,000	$8,603	$8,904

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150,001-200,000		$10,061		$10,413
200,001-350,000		$11,482		$11,884
Above 350,000		$12,910		$13,362

c. The annual compensation of other members of local electoral boards shall be fixed at one-half the annual compensation provided to the secretary of the board.

d. The governing body of any county or city may pay to a full-time secretary of an electoral board such supplemental compensation as it deems appropriate. There shall be no reimbursement out of the state treasury for such supplements.

2. Nothing herein contained shall prevent the governing body of any county or city from paying the secretary of its electoral board such additional allowance for expenses as it deems appropriate but there shall be no reimbursement out of the state treasury for such expenses.

3. Notwithstanding § 24.2-108, Code of Virginia, counties and cities shall not be reimbursed for mileage paid to members of electoral boards.

Total for Department of Elections			**$38,524,315**	**$33,649,179**
General Fund Positions	67.00	67.00		
Position Level	67.00	67.00		
Fund Sources: General	$35,472,065	$30,596,929		
Special	$52,250	$52,250		
Trust and Agency	$3,000,000	$3,000,000		

§ 1-34. VIRGINIA INFORMATION TECHNOLOGIES AGENCY (136)

79.	Information Technology Development and Operations (82000)		$406,436,275	$406,436,275
	Network Services -- Data, Voice, and Video (82003)	$91,210,477	$91,210,477	
	Data Center Services (82005)	$32,535,009	$32,535,009	
	Desktop and End User Services (82006)	$196,518,444	$196,518,444	
	Multisourcing Service Integrator (MSI) Oversight Services (82009)	$36,662,509	$36,662,509	
	Computer Operations Security Services (82010)	$49,509,836	$49,509,836	
	Fund Sources: Internal Service	$406,436,275	$406,436,275	

Authority: Title 2.2, Chapter 20.1, Code of Virginia.

A. The total appropriation for Information Technology Development and Operations is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid solely from revenues derived from charges for services.

B. Political subdivisions and local school divisions are hereby authorized to purchase information technology goods and services of every description from the Virginia Information Technologies Agency and its vendors, provided that such purchases are not prohibited by the terms and conditions of the contracts for such goods and services.

C. 1. The Secretary of Finance and Secretary of Administration shall approve the draw downs from the agency's line of credit authorized in § 3-2.03 of this act prior to the expenditure of funds for costs associated with replacing or implementing information technology services currently provided by the multi-supplier vendor model.

2. The Director, Department of Planning and Budget, is authorized to administratively adjust the appropriation in this item and Item 81 of this act for approved transition costs associated with replacing or implementing information technology services currently provided by the multi-supplier vendor model.

D. The Virginia Information Technologies Agency shall provide a network infrastructure report to the House Appropriations Committee, Senate Finance and Appropriations

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	Committee, and Joint Legislative Audit and Review Commission by November 1 of each year. The report shall indicate whether the Commonwealth's network infrastructure is adequate to meet the needs of state agencies, and if not, identify any needed upgrades. For each network infrastructure upgrade identified, the report shall specify the estimated cost and whether the upgrade is to the portion of the network maintained by the Virginia Information Technologies Agency or another state agency.				
80.	Central Support Services for Business Solutions (82400)			$27,922,123	$26,189,125
	Information Technology Services for Data Exchange Programs (82401)	$16,100,477	$14,367,479		
	Information Technology Services for Productivity Improvements (82402)	$11,821,646	$11,821,646		
	Fund Sources: Internal Service	$23,982,070	$23,982,070		
	Dedicated Special Revenue	$3,940,053	$2,207,055		

Authority: Title 2.2, Chapter 20.1, Code of Virginia.

A. The internal service fund appropriation for Central Support Services for Business Solutions, except for the amounts shown in paragraph D of this item, is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid solely from revenues derived from charges for services. Included in these amounts are the projected first and second year costs for workplace productivity and collaboration solutions. These solutions are offered as optional services to executive branch agencies and other customers.

B. A portion of internal service fund amounts provided in this item shall be used to implement a training curriculum for state employees on best practices for cyber security.

C.1. The Virginia IT Agency (VITA), in conjunction with the Office of Data Governance and Analytics (ODGA), has procured a cloud-based data analytics platform that collects, analyzes, interprets, and shares all opioid related data from relevant agencies across the Commonwealth. The data collected is managed securely and in compliance with all VITA and ODGA policies and regulations. This platform provides the comprehensive capture of de-identified substance use disorder and opioid public data across the Commonwealth, utilizing common methodologies, metrics, and indicators to implement a statewide substance use disorder abatement enterprise data platform.

2. VITA and ODGA shall enhance, maintain, and support the Commonwealth Substance Use Disorder and Analytics Platform (SUDA) that receives, maintains, and visualizes the SUDA data from the following agencies: Department of Medical Assistance Services, Department of Health, Opioid Abatement Authority (OAA), Department of Criminal Justice Services, Department of Behavioral Health and Developmental Services, Department of Social Services, Department of Corrections, Health Professions, and any other state agency that may house opioid related data or programs. VITA and ODGA shall solicit stakeholder involvement for future requirements from organizations that represent local governments and addiction service providers such as Virginia Association of Counties, Virginia Municipal League, Virginia Community Services Boards, and Virginia Association of Recovery Residences.

3. Out of this appropriation, $1,340,053 the first year and $1,407,55 the second year from the Commonwealth Opioid Abatement and Remediation (COAR) Fund is provided for the continued operation and maintenance of the SUDA platform, and $2,600,000 the first year and $800,000 the second year from the COAR Fund is provided for the procurement of services to expand and enhance the cloud-based data analytics platform. In this expansion, VITA shall integrate additional datasets relevant to substance use disorder and opioid public health concerns, including population social, economic, and environmental factors, VITA shall also develop advanced and predictive analytics tools within the platform to inform evidence-based policy, intervention strategies, and support services. VITA shall facilitate the deployment of these data and analytical capabilities to authorized Commonwealth agencies and local and community service organizations to enhance statewide effectiveness in addressing and abating the opioid crisis.

D.1. Out of the internal service fund appropriation in this item, $5,289,468 the first year and $5,289,468 the second year is provided for the operational needs of ODGA.

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	2. The Virginia Information Technologies Agency shall continue to identify the charge-back structure to allocate costs based on agencies' consumption of data storage. The funds from this charge-back structure shall be used to support the Chief Data Officer's efforts to create and maintain a Commonwealth data inventory, and enterprise data dictionary and catalog.				
81.	Administrative and Support Services (89900)			$62,872,754	$62,872,754
	General Management and Direction (89901)	$37,014,219	$37,014,219		
	Accounting and Budgeting Services (89903)	$11,662,770	$11,662,770		
	Human Resources Services (89914)	$956,817	$956,817		
	Planning and Evaluation Services (89916)	$3,442,826	$3,442,826		
	Procurement and Contracting Services (89918)	$6,382,342	$6,382,342		
	Web Development and Support Services (89940)	$3,413,780	$3,413,780		
	Fund Sources: General	$2,000,000	$2,000,000		
	Special	$14,198,989	$14,198,989		
	Internal Service	$46,673,765	$46,673,765		
	Authority: Title 2.2, Chapter 20.1, Code of Virginia.				
	A.1. The internal service fund appropriation for Administrative and Support Services is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid solely from charges to other programs within this agency.				
	2. In accordance with § 2.2-2013 D, Code of Virginia, the surcharge rate used to fund expenses for operations and staff of services administered by the Virginia Information Technologies Agency shall be no more than 12.38 percent the first year and 12.38 percent the second year.				
	3. Included in the amounts for Administrative and Support Services are funds from the Acquisition Services Special Fund which is paid solely from receipts from vendor information technology contracts. These funds will be used to finance procurement and contracting activities and costs unallowable for federal fund reimbursement.				
	B. The provisions of Title 2.2, Chapter 20.1 of the Code of Virginia shall not apply to the Virginia Port Authority.				
	C. The requirement that the Department of Behavioral Health and Developmental Services purchase information technology equipment or services from the Virginia Information Technologies Agency according to the provisions of Chapters 981 and 1021 of the Acts of Assembly of 2003 shall not adversely impact the provision of services to mentally disabled clients.				
	D. The Chief Information Officer and the Secretary of Administration shall provide the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees with a report detailing any amendments or modifications to the information technology infrastructure services contracts. The report shall include statements describing the fiscal impact of such amendments or modifications and shall be submitted within 30 days following the signing of any amended agreement.				
	E.1. Notwithstanding the provisions of §§ 2.2-1509, 2.2-2007 and 2.2-2017, Code of Virginia, the scope of formal reporting on major information technology projects in the Recommended Technology Investment Projects (RTIP) report is reduced. The efforts involved in researching, analyzing, reviewing, and preparing the report will be streamlined and project ranking will be discontinued. Project analysis will be targeted as determined by the Chief Information Officer (CIO) and the Secretary of Administration. Information on major information technology investments will continue to be provided General Assembly members and staff. Specifically, the following tasks will not be required, though the task may be performed in a more streamlined fashion: (i) The annual report to the Governor, the Secretary, and the Joint Commission on Technology and Science; (ii) The annual report from the CIO for submission to the Secretary, the Information Technology Advisory Council, and the Joint Commission on Technology and Science on a prioritized list of Recommended Technology Investment Projects (RTIP Report); (iii) The development by the CIO and regular update of a methodology for prioritizing projects				

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	based upon the allocation of points to defined criteria and the inclusion of this information in the RTIP Report; (iv) The indication by the CIO of the number of points and how they were awarded for each project recommended for funding in the RTIP Report; (vi) The reporting, for each project listed in the RTIP, of all projected costs of ongoing operations and maintenance activities of the project for the next three biennia following project implementation, a justification and description for each project baseline change, and whether the project fails to incorporate existing standards for the maintenance, exchange, and security of data; and (vii) The reporting of trends in current projected information technology spending by state agencies and secretariats, including spending on projects, operations and maintenance, and payments to Virginia Information Technologies Agency. 2. Notwithstanding any other provision of law, the Virginia Information Technologies Agency (VITA) shall maintain and update quarterly a list of major information technology projects that are active or are expected to become active in the next fiscal year and have been approved and recommended for funding by the Secretary of Administration. Such list shall serve as the official repository for all ongoing information technology projects in the Commonwealth and shall include all information required by § 2.2-1509.3 (B)(1)-(8), Code of Virginia. VITA shall make such list publicly available on its website, updated on a quarterly basis, and shall submit electronically such quarterly update to the Chairs of the House Appropriations and Senate Finance and Appropriation Committee and the Director, Department of Planning and Budget, in a format mutually agreeable to them. To ensure such list can be maintained and updated quarterly, state agencies with major information technology projects that are active or are expected to become active in the next fiscal year shall provide in a timely manner all data and other information requested by VITA. F.1. The Virginia Information Technologies Agency (the agency) shall take the necessary steps to obtain and use the cybersecurity grant funding that is available to Virginia under State and Local Cybersecurity Improvement Act subtitle of the Infrastructure Investment and Jobs Act of 2021, P.L. 117-58. Any remaining balances out of the amounts appropriated in Item 93, paragraph F.1. of Chapter 1 of the Acts of Assembly of 2023 or Item 81, paragraph F.3. of Chapter 725 of the Acts of Assembly of 2025 is intended to serve as the full program match for grant availability under this program. Any balances remaining from the general fund appropriation referenced in this paragraph shall not revert to the general fund at the end of the fiscal year, but shall be brought forward and made available to serve as state matching dollars pursuant to securing the federal grant awards. 2. In accordance with the federal grant requirements, the agency shall establish and identify candidates for appointment by the Governor to a planning committee that includes members from (i) state government; counties, cities, and towns; institutions of public education and health within Virginia; and (ii) suburban, rural, and high-population jurisdictions. No less than half of the members shall have substantial professional experience in cybersecurity or information technology. The Chief Information Officer of the Commonwealth, or the Chief Information Security Officer as designee, shall be the Chair of the planning committee. Staffing for the planning committee shall be provided by the agency. In addition, the agency shall: (i) develop a cybersecurity plan, present such plan to the planning committee for approval, and submit such plan to the appropriate federal officials in compliance with the federal program requirements; (ii) propose priorities for grant funding for the planning committee's consideration and approval, in establishing priorities, the committee shall consider the needs of local school divisions; (iii) approve, manage, and allocate grant funding once received, ensuring that the grants fit within the priorities approved by the planning committee; and (iv) report on program's activities to the House Appropriations Committee and the Senate Finance and Appropriations Committee by October 1 of each year of the program. To the extent permitted by federal grant guidelines, the agency may retain a portion of the federal grant funding to reimburse actual costs incurred in providing support and administration of the provisions of this paragraph. G. Out of this appropriation, $2,000,000 the first year and $2,000,000 the second year from the general fund is provided for the creation and operational costs of the Project Management Center of Excellence.				
82.	Information Technology Security Oversight (82900).. Technology Security Oversight Services (82901).....	$7,828,676	$7,828,676	$14,023,372	$14,023,372

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Information Technology Security Service Center (82902)	$3,980,178	$3,980,178		
Cloud Based Services Oversight (82903)	$2,214,518	$2,214,518		
Fund Sources: General	$329,568	$329,568		
Special	$295,414	$295,414		
Internal Service	$13,398,390	$13,398,390		

Authority: Title 2.2, Chapter 20.1, Code of Virginia.

A. Out of this appropriation, $7,631,481 the first year and $7,631,481 the second year for Technology Security Oversight Services is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid solely from charges to other programs within this agency.

B.1. The Virginia Information Technologies Agency shall operate an information technology security service center to support the information technology security needs of agencies electing to participate in the information technology security service center. Support for participating agencies shall include, but not be limited to, vulnerability scans, information technology security audits, and Information Security Officer services. Participating agencies shall cooperate with the Virginia Information Technologies Agency by transferring such records and functions as may be required.

2.a. The Virginia Information Technologies Agency shall perform vulnerability scans of all public-facing websites and systems operated by state agencies. All state agencies which operate such websites and systems shall cooperate with the Virginia Information Technologies Agency in order to complete the vulnerability scans. However, the State Corporation Commission shall not be required to disable, in full or in part, any software system, process, or other tool utilized to protect such public-facing websites and systems. All state agencies shall mitigate or resolve website risks and vulnerabilities identified by the Virginia Information Technologies Agency.

b. The general fund amounts appropriated in this item shall be used to support vulnerability scanning of public-facing websites and systems of the Commonwealth.

3. Agencies electing to participate in the information technology security service center shall enter into a memorandum of understanding with the Virginia Information Technologies Agency. Such memorandums shall outline the services to be provided by the Virginia Information Technologies Agency and the costs to provide those services. If a participating agency elects to not renew its memorandum of understanding, the agency shall notify the Virginia Information Technologies Agency twelve months prior to the scheduled renewal date of its intent to become a non-participating agency.

4. Non-participating agencies shall be required by July 1 each year to notify the Chief Information Officer of the Commonwealth that the agency has met the requirements of the Commonwealth's information security standards. If the agency has not met the requirements of the Commonwealth's information security standards, the agency shall report to the Chief Information Officer of the Commonwealth the steps and procedures the agency is implementing in order to satisfy the requirements.

5. Out of this appropriation, $3,650,610 the first year and $3,650,610 the second year for Information Technology Security Service Center is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid solely from internal service fund revenues.

6. Notwithstanding any other provision of state law, and to the extent and in the manner permitted by federal law, the Virginia Information Technologies Agency shall have the legal authority to access, use, and view data and other records transferred to or in the custody of the information technology security service center pursuant to this item. The services of the center are intended to enhance data security, and no state law or regulation imposing data security or dissemination restrictions on particular records shall prevent or burden the custodian agency's authority under this item to transfer such records to the center for the purpose of receiving the center's services. All such transfers and any access, use, or viewing of data by center personnel in support of the center's provision of such

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services to the transferring agency shall be deemed necessary to assist in valid administrative needs of the transferring agency's program that received, used, or created the records transferred, and personnel of the center shall, to the extent necessary, be deemed agents of the transferring agency's administrative unit that is responsible for the program. Without limiting the foregoing, no transfer of records under this item shall trigger any requirement for notice or consent under the Government Data Collection and Dissemination Practices Act (GDCDPA) (§ 2.2-3800 et. Seq.) or other law or regulation of the Commonwealth. The transferring agency shall continue to be deemed the custodian of any record transferred to the center for purposes of the GDCDPA, the Freedom Of Information Act, and other laws or regulations of the Commonwealth pertaining to agencies that administer the transferred records and associated programs. Custody of such records for security purposes shall not make the Virginia Information Technologies Agency a custodian of such records. Any memorandum of understanding under authority of this item shall specify the records to be transferred, security requirements, and permitted use of data provided. VITA and any contractor it uses in the provision of the center's services shall hold such data in confidence and implement and maintain all information security safeguards defined in the memorandum of understanding or required by federal or state laws, regulations, or policies for the protection of sensitive data.

7. The rates required to recover the costs of the information technology security service center shall be provided by the Virginia Information Technologies Agency to the Department of Planning and Budget by September 1 each year for review and approval of the subsequent fiscal year's rate.

C.1. Out of this appropriation, $2,116,299 the first year and $2,116,299 the second year for Cloud Based Services Oversight is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid solely from internal service fund revenues for a program to support the use of cloud service providers by state agencies served by the Virginia Information Technologies Agency.

2. As part of the program, the Virginia Information Technologies Agency shall develop policies, standards, and procedures for the use of cloud services providers by state agencies served by the Virginia Information Technologies Agency. These policies, standards, and procedures shall address the security and privacy of Commonwealth and citizen data; ensure compliance with federal and state laws and regulations; and provide for ongoing oversight and management of cloud services to verify performance through service level agreements or other means. VITA shall also establish a statewide contract of approved vendors authorized to offer cloud based services to state agencies.

3. Requests to use cloud providers shall be submitted by participating agencies to the Virginia Information Technologies Agency, which shall review such requests in accordance with the Commonwealth's policies, standards, and procedures. For approved requests, and consistent with Chapter 20.1 of Title 2.2, the Virginia Information Technologies Agency will procure cloud services on behalf of other agencies or may, upon request, authorize other state agencies to undertake such procurements on their own. The Virginia Information Technologies Agency shall also administer and oversee all contracts for cloud services used by agencies participating in the cloud services center, including verification of security and performance.

4. The Virginia Information Technologies Agency shall work with state agencies to assess opportunities for additional use of cloud services, including infrastructure, platform, and software as a service. This assessment shall include a review of options for use of service brokers and integrators, and options for providing storage and server services through cloud or on-premises means.

5. The rates required to recover the costs associated with providing oversight and management of cloud based services shall be included in the submission required by § 4-5.03 of this act.

D. The Joint Subcommittee on Cyber Risk is hereby established to provide confidential information to the General Assembly regarding current and emerging cybersecurity risks to the Commonwealth and recommended risk reduction initiatives. The Virginia Information Technologies Agency (VITA) and the Virginia Fusion Center, in consultation with the Secretaries of Administration, Finance, and Public Safety and Homeland Security, shall provide a semi-annual confidential briefing to the Joint Subcommittee. Members of the Joint Subcommittee on Cyber Risk shall include members designated by the Chairs of the House

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Appropriations and Senate Finance and Appropriations Committees, and the chairs and vice-chairs (or their designees) of the Joint Legislative Audit and Review Commission (JLARC) and the Joint Commission on Technology and Science. In addition, two legislative members of the Information Technology Advisory Council, and other legislative or executive branch staff determined to be necessary participants, including JLARC staff conducting oversight of VITA, may attend and receive the briefing. Such briefing shall be confidential and exempt from the Virginia Freedom of Information Act, and all those with knowledge of the briefing information shall maintain such confidentiality. Additional meetings of the Joint Subcommittee shall be held as directed by the chairs, upon the written request of the Chief Information Officer of the Commonwealth. Any request for additional meetings shall include a confidential summary of the reasons further briefings are needed, and such request shall be exempt from the requirements of the Freedom of Information Act.				
Total for Virginia Information Technologies Agency			**$511,254,524**	**$509,521,526**
General Fund Positions	3.00	3.00		
Nongeneral Fund Positions	374.40	374.40		
Position Level	377.40	377.40		
Fund Sources: General	$2,329,568	$2,329,568		
Special	$14,494,403	$14,494,403		
Internal Service	$490,490,500	$490,490,500		
Dedicated Special Revenue	$3,940,053	$2,207,055		
TOTAL FOR OFFICE OF ADMINISTRATION			**$4,534,747,010**	**$4,526,027,717**
General Fund Positions	463.85	463.85		
Nongeneral Fund Positions	879.55	879.55		
Position Level	1,343.40	1,343.40		
Fund Sources: General	$1,071,086,044	$1,063,742,041		
Special	$27,477,266	$27,493,906		
Enterprise	$635,635,581	$635,635,581		
Internal Service	$2,646,577,428	$2,646,918,496		
Trust and Agency	$133,682,926	$133,682,926		
Dedicated Special Revenue	$12,532,561	$10,799,563		
Federal Trust	$7,755,204	$7,755,204		

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	OFFICE OF AGRICULTURE AND FORESTRY				
	§ 1-35. SECRETARY OF AGRICULTURE AND FORESTRY (193)				
83.	Administrative and Support Services (79900)			$629,521	$629,521
	General Management and Direction (79901)	$629,521	$629,521		
	Fund Sources: General	$629,521	$629,521		
	Authority: Title 2.2, Chapter 2, Article 2.1; § 2.2-203.3, Code of Virginia.				
	Total for Secretary of Agriculture and Forestry			**$629,521**	**$629,521**
	General Fund Positions	3.00	3.00		
	Position Level	3.00	3.00		
	Fund Sources: General	$629,521	$629,521		
	§ 1-36. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES (301)				
84.	Nutritional Services (45700)			$12,794,330	$8,794,330
	Distribution of USDA Donated Food (45708)	$12,794,330	$8,794,330		
	Fund Sources: General	$5,997,486	$1,997,486		
	Federal Trust	$6,796,844	$6,796,844		
	Authority: Title 3.2, Chapters 1 and 47, Code of Virginia.				
	A. Out of the appropriation in this Item, $4,600,000 the first year and $1,600,000 the second year from the general fund shall be deposited to the Virginia Agriculture Food Assistance Fund for the award of grants to assist Virginia farmers and food producers with donating, selling, or otherwise providing agriculture products to Virginia's charitable food assistance organizations in accordance with § 3.2-4781, Code of Virginia.				
	B. Out of the amounts in this item, $1,000,000 the first year from the general fund to implement Virginia Fresh Match to grow the network of farmers markets and local food retailers that double the value of SNAP food assistance spent on fruits and vegetables for food insecure families.				
85.	Animal and Poultry Disease Control (53100)			$10,251,915	$10,251,915
	Animal Disease Prevention and Control (53101)	$3,917,307	$3,917,307		
	Diagnostic Services (53102)	$5,811,247	$5,811,247		
	Animal Welfare (53104)	$523,361	$523,361		
	Fund Sources: General	$7,286,667	$7,286,667		
	Special	$1,847,160	$1,847,160		
	Federal Trust	$1,118,088	$1,118,088		
	Authority: Title 3.2, Chapters 59, 60, and 65, Code of Virginia.				
	A. Out of the amounts in this Item, $150,000 the first year and $150,000 the second year from the general fund is included for the purchase of laboratory equipment through the Commonwealth's Master Equipment Leasing Program.				
	B. Out of the amounts in this Item, $450,000 the first year and $450,000 the second year from the general fund is provided to implement a Large Animal Veterinary Grant Program under the provisions of § 3.2-5901.2, Code of Virginia. Any funding remaining at the end of the fiscal year shall carryforward to the next fiscal year and be reappropriated for the same purpose.				
86.	Agricultural Industry Marketing, Development, Promotion, and Improvement (53200)			$29,195,036	$29,195,036
	Grading and Certification of Virginia Products (53201)	$10,742,291	$10,742,291		

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Milk Marketing Regulation (53204)	$1,565,347	$1,565,347		
Marketing Research (53205)	$346,968	$346,968		
Market Virginia Agricultural and Forestry Products Nationally and Internationally (53206)	$5,432,037	$5,432,037		
Agricultural Commodity Boards (53208)	$10,127,665	$10,127,665		
Agribusiness Development Services and Farmland Preservation (53209)	$980,728	$980,728		
Fund Sources: General	$11,416,132	$11,416,132		
Special	$157,917	$157,917		
Trust and Agency	$10,098,465	$10,098,465		
Dedicated Special Revenue	$6,800,969	$6,800,969		
Federal Trust	$721,553	$721,553		

Authority: Title 3.2, Chapters 1, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 30, 30.1, 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, $500,000 the first year and $500,000 the second year.

3. To the Egg Board, $210,000 the first year and $210,000 the second year.

4. To the Soybean Board, $1,500,000 the first year and $1,500,000 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, $1,500,000 the first year and $1,500,000 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.

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, 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. Out of the amounts in this Item, $2,241,212 the first year and $2,241,212 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.

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	F. Out of the amounts in this Item, $1,213,033 the first year and $1,213,033 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, $30,000 the first year and $30,000 the second year from the general fund is provided to support a partnership between the Department and Virginia State University's 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.				
	H. 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.				
	I. 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.				
	J. 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.				
	K. Out of the amounts in this Item, $600,000 the first year and $600,000 the second year from the general fund shall be deposited to the Dairy Producer Margin Coverage Premium Assistance Fund established pursuant to § 3.2-3305.1, Code of Virginia.				
87.	Economic Development Services (53400)			$1,866,739	$1,866,739
	Financial Assistance for Economic Development (53410)	$1,866,739	$1,866,739		
	Fund Sources: General	$1,866,739	$1,866,739		
	Authority: Title 3.2, Chapter 3.1, Code of Virginia.				
	Out of the amounts in this Item, $1,500,000 the first year and $1,500,000 the second year from the general fund shall be deposited to the Governor's Agriculture and Forestry Industries Development Fund for the payment of grants or loans in accordance with § 3.2-303 et seq., Code of Virginia. Out of these amounts, $250,000 the first year and $250,000 the second year shall be used to support the Blue Catfish Processing, Flash Freezing, and Infrastructure Grant Program established pursuant to § 3.2-312, Code of Virginia. Notwithstanding any other provision of law, at the discretion of the Governor, the cap on the amount of funding that may be awarded to an individual project as provided in § 3.2-305, Code of Virginia, may be waived for qualifying projects of regional or statewide interest.				
88.	Plant Pest and Disease Control (53500)			$6,311,245	$6,311,245
	Plant Pest and Disease Prevention and Control Services (53504)	$6,311,245	$6,311,245		
	Fund Sources: General	$3,894,246	$3,894,246		
	Special	$938,594	$938,594		
	Federal Trust	$1,478,405	$1,478,405		
	Authority: Title 3.2, Chapters 7, 8, 9, 10, 28, 38, 41.1 and 44; Title 15.2, Chapter 18, Code of Virginia.				
	A.1. The Commissioner may enter into agreements with local and state agencies, or other persons, for the control of black vultures, coyotes, and other wildlife that pose danger to agricultural animals. The Commissioner shall enter into an agreement with the federal government to establish and maintain the Virginia Cooperative Wildlife Damage Management Program.				
	2. Out of the appropriation in this item, $292,525 the first year and $292,525 the second year				

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	from the general fund is provided to enhance the cooperative agreement between the U.S. Department of Agriculture and the department regarding the Wildlife Damage Cooperative Program to maintain the technical assistance provided to help landowners with wildlife depredation from coyotes, black vultures, and other wildlife. B. Out of the amounts in this Item, $200,000 the first year and $200,000 the second year from the general fund shall be deposited to the Beehive Grant Fund established pursuant to § 3.2-4415, Code of Virginia. Notwithstanding the provisions of § 3.2-4416, Code of Virginia, the department shall not accept applications for grants from the Beehive Grant Program if funds are not appropriated for such purposes nor shall the department be required to continue to accept applications for the program if funds appropriated have been fully allocated to grantees for a given fiscal year. C. Notwithstanding the provisions of §§ 3.2-4114.2 and 3.2-4115, Code of Virginia, the Commissioner shall charge an annual nonrefundable fee of $150 on each application for registration, or renewal of registration, as an industrial hemp grower; an annual nonrefundable fee of $200 on each application for registration as an industrial hemp processor; and an annual nonrefundable fee of $250 for registration as an industrial hemp dealer pursuant to Chapter 41.1 of Title 3.2, Code of Virginia. D. Out of the amounts appropriated in this item, $485,000 the first year and $485,000 the second year from the general fund and one position is provided to the department to support one additional staff position and related expenses for invasive species management and to take steps to eradicate or slow the spread of priority species.				
89.	Agriculture and Food Homeland Security (54100)...			$187,841	$187,841
	Agricultural and Food Emergencies Prevention and Response (54101).....	$187,841	$187,841		
	Fund Sources: General.....	$184,520	$184,520		
	Special.....	$3,321	$3,321		
	Authority: Title 3.2, Chapters 7, 51, 59, 60, and 65, Code of Virginia.				
90.	Consumer Affairs Services (55000).....			$1,941,836	$1,941,836
	Consumer Affairs - Regulation and Consumer Education (55001).....	$1,941,836	$1,941,836		
	Fund Sources: General.....	$33,726	$33,726		
	Special.....	$1,908,110	$1,908,110		
	Authority: Title 3.2, Chapter 1; Title 57, Chapter 5; Title 59.1, Chapters 24, 25, 33.1, 34, 34.1 and 36, Code of Virginia.				
91.	Regulation of Business Practices (55200).....			$4,768,037	$4,905,469
	Regulation of Grain Commodity Sales (55207).....	$129,349	$129,349		
	Regulation of Weights and Measures and Motor Fuels (55212).....	$4,638,688	$4,776,120		
	Fund Sources: General.....	$4,517,420	$4,654,852		
	Special.....	$250,617	$250,617		
	Authority: Title 3.2, Chapters 43, 47, 55.1, 56, 57, and 58; and Title 59.1, Chapter 12, Code of Virginia. A. In lieu of periodic inspections by the Commissioner, Department of Agriculture and Consumer Services, any person whose weights and measures devices, as defined in § 3.2-5600, et seq., Code of Virginia, which are used for a commercial purpose may select to provide for the inspection and testing of all such weights and measures to determine the accuracy and correct operation of the equipment or device. The owner shall have all such weights and measures devices tested at least annually by a service agency that is registered pursuant to § 3.2-5703, Code of Virginia. Weights and measures that have been rejected by a service agency shall not be used again commercially until they have been officially reexamined by the rejecting authority or an inspector employed by the Commissioner, and found to be in compliance with Title 3.2, Chapter 56, Code of Virginia. The owner of such				

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	weights and measures devices, or third-party agencies on behalf of the owner, shall report to the Commissioner on an annual basis in a manner prescribed by the Commissioner the results of all testing, including (i) the number of inspections completed, (ii) the number of failures in the weights and measures equipment or devices, and (iii) the actions taken to correct any inaccuracies in the equipment or devices.				
92.	Food Safety and Security (55400)			$18,534,603	$18,613,512
	Regulation of Food Establishments and Processors (55401)	$10,869,572	$10,948,481		
	Regulation of Meat Products (55402)	$6,058,601	$6,058,601		
	Regulation of Milk and Dairy Industry (55403)	$1,606,430	$1,606,430		
	Fund Sources: General	$11,647,732	$11,726,641		
	Special	$1,685,744	$1,685,744		
	Federal Trust	$5,201,127	$5,201,127		
	Authority: Title 3.2, Chapters 51, 51.1, 52, 53, 54, 55, and 60, Code of Virginia.				
	A. Each establishment under the authority of the Regulation of Meat Products that is requesting overtime or holiday inspection shall pay that part of the actual cost of the inspection services.				
	B. The Commissioner, Department of Agriculture and Consumer Services, is authorized to collect an annual inspection fee, not to exceed $40, from all establishments that are subject to inspection pursuant to Title 3.2, Chapter 51, Code of Virginia. However, any such establishment that is subject to any permit fee, application fee, inspection fee, risk assessment fee, or similar fee imposed by any locality shall be subject to this annual inspection fee only to the extent that the annual inspection fee and the locally imposed fee, when combined, do not exceed $40. This fee structure shall be subject to the approval of the Secretary of Agriculture and Forestry. Any food bank, second harvest certified food bank, food bank member charity, or other food related activity which is exempt from taxation under 26 U.S.C. § 501 (c) (3), which maintains a food handling or storage facility, or any food-related program operated by any Community Services Board, as defined in Title 37.2, Chapter 5, Code of Virginia, shall be exempt from this inspection fee. Also, a producer of fruits and herbs that are dried, without the addition of any other ingredients, and sold only at a local farmers' market shall be exempt from the fee.				
	C. Out of the amounts in this item, $700,000 the first year and $700,000 the second year from the general fund and seven positions are provided for investigation and enforcement activities related to hemp product violations at food product establishments regulated by the department.				
	D. Out of the amounts in this item, $416,130 the first year and $416,130 the second year from the general fund, $416,130 the first year and $416,130 the second year in federal funds, and eight positions are provided for meat and poultry inspection activities.				
	E. Out of the amounts in this item, $2,172,909 the first year and $2,172,909 the second year from the general fund and 15 positions are provided for the registration and inspection of facilities selling certain hemp products, pursuant to §§ 3.2-4122 through 3.2-4126, Code of Virginia.				
93.	Regulation of Products (55700)			$7,825,446	$7,825,446
	Pesticide Regulation and Applicator Certification (55704)	$5,052,108	$5,052,108		
	Regulation of Feed, Seed, and Fertilizer Products (55706)	$2,773,338	$2,773,338		
	Fund Sources: General	$905,347	$905,347		
	Dedicated Special Revenue	$6,192,820	$6,192,820		
	Federal Trust	$727,279	$727,279		
	Authority: Title 3.2, Chapters 1, 36, 37, 39, 40, 43, 47, 48, and 49; Title 18.2, Chapter 6; and Title 59.1, Chapter 12, Code of Virginia.				
	The Office of Pesticide Services shall publish a report on the activities, educational programs,				

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	research, and grants administered through the Pesticide Control Act Fund to the Board of Agriculture and Consumer Services by October 15 of each year.				
94.	Regulation of Charitable Gaming Organizations (55900)			$2,392,683	$2,392,683
	Charitable Gaming Regulation and Enforcement (55907)	$2,392,683	$2,392,683		
	Fund Sources: General	$2,275,939	$2,275,939		
	Dedicated Special Revenue	$116,744	$116,744		
	Authority: Title 2.2, Chapter 24; Title 18.2, Chapter 8; and Title 59.1, Chapter 51, Code of Virginia.				
	A. Notwithstanding § 18.2-340.31, Code of Virginia, any and all fees paid by any organization conducting charitable gaming under a permit issued by the department, including audit and administrative fees and permit fees, shall be deposited to the general fund.				
	B. The department shall deposit into the Investigation Fund any assets it receives as a result of a law enforcement seizure and subsequent forfeiture by either a state or federal court. The fund shall be used to defray the expenses of investigation and enforcement actions and to purchase equipment for enforcement purposes.				
	C. Included in these amounts is $100,000 the first year and $100,000 the second year in nongeneral funds from annual registration fees paid by operators of fantasy contests to support both direct and indirect expenses of the department in the regulation of fantasy contests in Virginia.				
95.	Administrative and Support Services (59900)			$17,770,449	$17,770,449
	General Management and Direction (59901)	$17,770,449	$17,770,449		
	Fund Sources: General	$14,945,566	$14,945,566		
	Special	$2,491,072	$2,491,072		
	Trust and Agency	$194,184	$194,184		
	Federal Trust	$139,627	$139,627		
	Authority: Title 3.2, Chapters 1, 4, 5, 6 and 29; Title 10.1, Chapter 5, Code of Virginia.				
	Out of the amounts in this Item, $2,789,430 the first year and $2,789,430 the second year from the general fund is provided for the phased modernization of the agency's general fund supported regulatory programs.				
	Total for Department of Agriculture and Consumer Services			**$113,840,160**	**$110,056,501**
	General Fund Positions	381.99	381.99		
	Nongeneral Fund Positions	246.01	246.01		
	Position Level	628.00	628.00		
	Fund Sources: General	$64,971,520	$61,187,861		
	Special	$9,282,535	$9,282,535		
	Trust and Agency	$10,292,649	$10,292,649		
	Dedicated Special Revenue	$13,110,533	$13,110,533		
	Federal Trust	$16,182,923	$16,182,923		
	§ 1-37. DEPARTMENT OF FORESTRY (411)				
96.	Forest Management (50100)			$48,743,642	$48,608,642
	Reforestation Incentives to Private Forest Land Owners (50102)	$4,313,347	$4,313,347		
	Forest Conservation, Wildfire & Watershed Services (50103)	$36,799,193	$36,664,193		
	Tree Restoration and Improvement, Nurseries & State-Owned Forest Lands (50104)	$6,731,102	$6,731,102		

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Financial Assistance for Forest Land Management (50105)	$900,000	$900,000		
Fund Sources: General	$28,856,465	$28,856,465		
Special	$14,764,940	$14,764,940		
Dedicated Special Revenue	$288,252	$288,252		
Federal Trust	$4,833,985	$4,698,985		

Authority: Title 10.1, Chapter 11, and Title 58.1, Chapter 32, Article 4, Code of Virginia.

A. The State Forester is hereby authorized to utilize any unobligated balances in the fire suppression fund authorized by § 10.1-1124, Code of Virginia, for the purpose of acquiring replacement equipment for forestry management and protection operations.

B. In the event that budgeted amounts for forest fire suppression are insufficient to meet forest fire suppression demands, such amounts as may be necessary for this purpose may be transferred from Item 471 of this act to the Department of Forestry, with the approval of the Director, Department of Planning and Budget.

C. The department shall provide technical assistance and project supervision in the aerial spraying of herbicides on timberland on landowner property. In addition to recovering the direct cost associated with the spraying contract, the department may charge an administrative fee for this service.

D. The Department of Forestry, in cooperation with the Department of Corrections, shall continue the use of inmate labor for routine and special work projects in state forests.

E. The appropriation in Reforestation Incentives to Private Forest Land Owners includes $1,850,000 the first year and $1,850,000 the second year from the general fund for the Reforestation of Timberlands Program. This appropriation shall be deemed sufficient to meet the provisions of Titles 10.1 and 58.1, Code of Virginia.

F. Out of this appropriation, $2,326,126 the first year and $2,326,126 the second year from the general fund is included for the purchase of forest fire protection equipment through the state's master equipment lease purchase program.

G. The department is authorized to enter into agreements with private entities for the active operational life of the tower located at 900 Natural Resources Drive in Albemarle County, Virginia. Notwithstanding any other provision of law, any revenues received from such agreements shall be retained by the department and used for forest land management.

H.1. The State Comptroller shall continue the Virginia State Forest Mitigation and Acquisition Fund and the Long Term Mitigation Fund as established in Item 102, Chapter 806, 2013 Acts of Assembly. All moneys in these funds shall be used as provided for in this Item and in Item 102, Chapter 806, 2013 Acts of Assembly, and Item 98, Chapter 665, 2015 Acts of Assembly.

2.a. With the exception of the amounts prescribed in paragraph H.2.b. of this item, the Virginia State Forest Mitigation and Acquisition Fund shall be used solely for forest land or conservation easement acquisition.

b. The Long Term Mitigation Fund shall be used solely for long term management of the Cumberland State Forest Stream Buffer Preservation Stewardship Plan.

3. For any such future mitigation projects, no state forest land shall be used to provide compensatory mitigation for wetland or stream impacts of any public or private project until such time as due consideration has been given to the availability of mitigation credits available from private sources. State forest land means all sites, roadways, game food patches, ponds, lakes, streams, rivers, beaches, and lakes to which the Department of Forestry holds title for use, development, and administration.

I. Out of this appropriation, $100,000 the first year and $100,000 the second year from the general fund is provided for the Virginia Natural Resources Leadership Institute.

J. Out of this appropriation, $175,000 the first year and $175,000 the second year from the general fund is provided to increase bandwidth capacity at the agency's offices.

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	K. Out of the amounts in this Item, $487,842 the first year and $487,482 the second year from the general fund is provided for a Hardwood Forest Habitat initiative.				
	L. Out of the amounts in this Item, $940,000 the first year and $940,000 the second year from the general fund and two positions are provided to support the implementation of strategies and to determine metrics to mitigate the impact of invasive species in support of the objectives outlined in the Virginia Invasive Species Management Plan (2018). The Department shall take steps to eradicate or slow the spread of priority species on private and public lands; support the creation of additional Partnerships for Regional Invasive Species Management (PRISMs); and provide statewide coordination of invasive species management working with VDACS, DCR, and DWR, in collaboration with relevant stakeholders.				
	M. Out of the amounts in this Item, $437,500 the first year and $437,500 the second year from the general fund shall be deposited to the Virginia Farmland and Forestland Preservation Fund established in § 10.1-1119.3, Code of Virginia.				
	Total for Department of Forestry			**$48,743,642**	**$48,608,642**
	General Fund Positions	170.59	170.59		
	Nongeneral Fund Positions	116.41	116.41		
	Position Level	287.00	287.00		
	Fund Sources: General	$28,856,465	$28,856,465		
	Special	$14,764,940	$14,764,940		
	Dedicated Special Revenue	$288,252	$288,252		
	Federal Trust	$4,833,985	$4,698,985		
	§ 1-38. AGRICULTURAL COUNCIL (307)				
97.	Agricultural and Seafood Product Promotion and Development Services (53000)			$490,396	$490,396
	Grants for Agriculture, Research, Education and Services (53001)	$490,396	$490,396		
	Fund Sources: Dedicated Special Revenue	$490,396	$490,396		
	Authority: Title 3.2, Chapter 29, Code of Virginia.				
	Total for Agricultural Council			**$490,396**	**$490,396**
	Fund Sources: Dedicated Special Revenue	$490,396	$490,396		
	§ 1-39. VIRGINIA RACING COMMISSION (405)				
98.	Economic Development Services (53400)			$3,700,000	$3,700,000
	Financial Assistance to the Horse Breeding Industry (53411)	$3,700,000	$3,700,000		
	Fund Sources: Special	$3,700,000	$3,700,000		
	Authority: Title 59.1, Chapter 29, Code of Virginia.				
99.	Regulation of Horse Racing and Pari-Mutuel Betting (55800)			$5,724,579	$5,724,579
	License and Regulate Horse Racing and Pari-mutuel Wagering (55801)	$5,724,579	$5,724,579		
	Fund Sources: General	$1,000,000	$1,000,000		
	Special	$4,724,579	$4,724,579		
	Authority: Title 59.1, Chapter 29, Code of Virginia.				
	A. Out of this appropriation, the members of the Virginia Racing Commission shall receive compensation and reimbursement for their reasonable expenses in the performance				

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of their duties, as provided in § 2.2-2104, Code of Virginia.

B. Notwithstanding the provisions of § 59.1-392, Code of Virginia, up to $255,000 the first year and $255,000 the second year shall be transferred to Virginia Polytechnic Institute and State University to support the Virginia-Maryland Regional College of Veterinary Medicine.

C. Any revenues received during the biennium and which are due to the commission pursuant to § 59.1-364 et seq., Code of Virginia, shall be used first to fund the operating expenses of the commission as appropriated in this Item. A year-end fund balance of $900,000 shall be maintained for payment of authorized commission obligations for operating expenses as appropriated under the provisions of this act and amounts payable to specific entities pursuant to § 59.1-392 and appropriated in paragraphs B and D of this Item prior to the reversion of nongeneral fund balances. Any fund balances in this Item at the end of each fiscal year in excess of $900,000 shall revert to the general fund.

D. Out of these amounts, the obligations set out in § 59.1-392 D. 5., D.6., G.5., G.6., K.3., K.4., K.5., N.3., N.4., and N.5., Code of Virginia, shall be fully funded.

E. In the event revenues exceed the appropriated amounts in this Item, the Virginia Racing Commission is authorized to seek an administrative appropriation, up to $700,000, from the Director, Department of Planning and Budget, to develop programs or award grants for the promotion, marketing, sustenance, and growth of the Virginia horse industry, including horse breeding.

F.1. The Virginia Racing Commission shall report monthly to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the gross gaming revenues generated from traditional horse racing wagering and from historical horse racing (HHR) wagering from any significant infrastructure limited licensee facility and each satellite facility licensee authorized for operation in the Commonwealth. This monthly reporting shall include the actual dollar amount of the (i) total prize payout, (ii) total contributions to purses for thoroughbred and harness racing, (iii) amount of state and local taxes collected and remitted by jurisdiction, (iv) amount retained by the Virginia Racing Commission, and (v) amount retained by any licensee or operator.

2. Included within the monthly report required in F.1., from the amounts included in clause (v) of F.1., the Commission shall specifically identify the actual dollar amounts allocated pursuant to a Revenue Sharing Agreement dated April 13, 2018, or any amendments thereto, or for an Amended Memorandum of Understanding dated December 4, 2017, or any amendments thereto, for (i) contributions to the Virginia Equine Alliance and other parties collectively referred to in the Revenue Sharing Agreement as the Horsemen, (ii) all HHR gross commission, (iii) any amounts or rebates from Advanced Deposit Wagering to service providers, (iv) deposits to the Virginia Breeders Fund, (v) deposits to the Virginia-Certified Residency Program, and (vi) any allocation of funds for problem gaming.

3. In addition to the reporting requirements in F.1. and F.2., the Commission shall report quarterly to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the actual number of days of live racing conducted across the Commonwealth for the preceding quarter, including all reporting requirements identified in F.1 and F.2 resulting from each day of live racing pursuant to 11 VAC 10-47-190.

G. Notwithstanding any other provision of law, the percentage of the pool to be retained by the licensee for distribution as provided in subsection U of § 59.1-392 and subsection 9 of 11 VAC l0-47-180 shall be distributed as follows: (1) the amount to be distributed to any locality shall remain as provided in subdivision 2 of subsection U of § 59.1-392 and subdivision (b) of subsection 9 of 11 VAC l0-47-180; (2) the Virginia Breeders Fund, the Virginia-Maryland Regional College of Veterinary Medicine for equine programs, the Virginia Horse Center Foundation, and the Virginia Horse Industry Board shall each receive twenty-five one-thousandths percent; and (3) the Commonwealth shall receive the remainder as a license tax.

H. Out of the amounts in this Item, $1,000,000 the first year and $1,000,000 the second year from the general fund shall be distributed to support racing and equine events. Of that amount, $500,000 each year shall be provided to the Shenandoah Agricultural Foundation for harness racing at the Shenandoah County Fairgrounds and $500,000 each year shall be provided to the Great Meadow Foundation for steeplechase and other events.

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Total for Virginia Racing Commission			**$9,424,579**	**$9,424,579**
Nongeneral Fund Positions	10.00	10.00		
Position Level	10.00	10.00		
Fund Sources: General	$1,000,000	$1,000,000		
Special	$8,424,579	$8,424,579		
TOTAL FOR OFFICE OF AGRICULTURE AND FORESTRY			**$173,128,298**	**$169,209,639**
General Fund Positions	555.58	555.58		
Nongeneral Fund Positions	372.42	372.42		
Position Level	928.00	928.00		
Fund Sources: General	$95,457,506	$91,673,847		
Special	$32,472,054	$32,472,054		
Trust and Agency	$10,292,649	$10,292,649		
Dedicated Special Revenue	$13,889,181	$13,889,181		
Federal Trust	$21,016,908	$20,881,908		

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	OFFICE OF COMMERCE AND TRADE				
	§ 1-40. SECRETARY OF COMMERCE AND TRADE (192)				
100.	Administrative and Support Services (79900)			$1,300,657	$1,300,657
	General Management and Direction (79901)	$1,300,657	$1,300,657		
	Fund Sources: General	$1,300,657	$1,300,657		
	Authority: Title 2.2, Chapter 2, Article 3; § 2.2-201, Code of Virginia.				
	It is the intent of the General Assembly that state programs providing financial, technical, or training assistance to local governments for economic development projects or directly to businesses seeking to relocate or expand operations in Virginia should not be used to help a company relocate or expand its operations in one or more Virginia communities when the same company is simultaneously closing facilities in other Virginia communities. It is the responsibility of the Secretary of Commerce and Trade to enforce this policy and to inform the Chairs of the Senate Finance and Appropriations and House Appropriations Committees in writing of the justification to override this policy for any exception.				
	Total for Secretary of Commerce and Trade			**$1,300,657**	**$1,300,657**
	General Fund Positions	9.00	9.00		
	Position Level	9.00	9.00		
	Fund Sources: General	$1,300,657	$1,300,657		
	Economic Development Incentive Payments (312)				
101.	Economic Development Services (53400)			$85,909,579	$96,361,458
	Financial Assistance for Economic Development (53410)	$85,909,579	$96,361,458		
	Fund Sources: General	$82,359,579	$96,346,458		
	Dedicated Special Revenue	$3,550,000	$15,000		
	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				

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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.

B.1. Out of the appropriation for this Item, $294,250 the first year and $4,333,770 the second year from the general fund shall be deposited to the Investment Performance Grant subfund of the Virginia Investment Partnership Grant Fund, and $3,535,000 from nongeneral funds is hereby appropriated to be used to pay investment performance grants in accordance with § 2.2-5101, 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.

C Out of the appropriation for this Item, $4,000,000 the first year and $4,000,000 the second year from the general fund and an amount estimated at $15,000 the first year and $15,000 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, $2,949,000 the first year and $1,789,000 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§ 2.2-2240.3, 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.

F1. Out of the amounts in this Item, $200,000 the first year and $200,000 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

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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.

3. Notwithstanding the provisions of § 2.2-2320.1, Code of Virginia, guidance, or criteria to the contrary, an airline providing international service at least twice a week to an international destination from a Virginia airport may receive an incentive not to exceed $500,000 if such service is year round, or not to exceed $300,000 if such service is seasonal.

G. Out of the appropriation in this Item, $954,500 the first year and $954,500 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.

H.1. Out of the appropriation in this Item, $30,000,000 the first year, and $20,000,000 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 § 2.2-2240.2:1., Code of Virginia. 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. The authority may determine a site of at least 25 contiguous acres to be an eligible site provided that the site is located in a locality with an area of 35 square miles of land or less.

3. Notwithstanding the provisions of § 2.2-2240.2:1., Code of Virginia, 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. For purposes of the definition of "eligible site" under the Virginia Business Ready Sites Program Fund set forth in § 2.2-2240.2:1, Code of Virginia, an otherwise eligible site shall not be considered noncontiguous solely because it is bisected by a roadway and other utility related infrastructure.

I. Out of the appropriation in this Item, $7,717,312 the second year from the general fund shall be deposited to the Cloud Computing Cluster Infrastructure Grant Fund for grants to be paid in accordance with § 59.1-284.42, Code of Virginia. The funds provided in this paragraph are directed to a company made eligible for grants from the Cloud Computing Infrastructure Grant Fund in Item 113, Paragraph S., Chapter 1, 2023 Acts of Assembly, Special Session I. The eligibility criteria, methodology for calculating the grant payments owed to the company, and total aggregate cap of grant payments that may be awarded to the eligible company as directed in Item 113, Paragraph S., Chapter 1, 2023 Acts of Assembly, Special Session I, shall continue.

J. Out of the appropriation in this Item, $1,404,243 the first year and $1,495,318 the second year from the general fund shall be deposited to the Financial Services Expansion Grant Fund for grants to be paid in accordance with § 59.1-284.43, Code of Virginia.

K. Out of the appropriation in this Item, $1,395,020 the first year and $4,457,370 the second year from the general fund shall be deposited to the Current and Mature Semiconductor Technology Grant Fund for grants to be paid in accordance with § 59.1-284.44, Code of Virginia.

L. Out of the appropriation in this Item, $691,545 the first year and $867,255 the second year from the general fund shall be deposited to the Lithium-Ion Battery Separator Manufacturing Grant Fund for grants to be paid in accordance with § 59.1-284.45, Code of Virginia.

M. Out of the appropriation in this Item, $5,939,900 the first year and $7,482,600 the second year from the general fund shall be deposited to the Precision Plastic Manufacturing Grant Fund for grants to be paid in accordance with § 59.1-284.41, Code of Virginia.

N. Out of the appropriation in this Item, $450,772 the first year and $2,637,410 the second year from the general fund shall be deposited to the Active Pharmaceutical Ingredient

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Manufacturing Grant Fund for grants to be paid in accordance with Chapters 804 and 822, 2026 Acts of Assembly.

O. Out of the appropriation in this Item, $323,230 the first year and $3,659,989 the second year from the general fund shall be deposited to the Power Transformer Manufacturing Grant Fund for grants to be paid in accordance with Chapters 803 and 821, 2026 Acts of Assembly.

P. Out of the appropriation in this Item, $2,837,286 the first year and $10,048,662 the second year from the general fund shall be deposited to the Pharmaceutical Substance Manufacturing Grant Fund for grants to be paid in accordance with Chapters 808 and 809, 2026 Acts of Assembly.

Q. Out of the appropriation in this Item, $2,283,439 the second year from the general fund shall be deposited to the Solid Rocket Motor Manufacturing Grant Fund for grants to be paid in accordance with Chapters 326 and 349, 2026 Acts of Assembly.

R. Out of the appropriation in this Item, $1,500,000 the first year from the general fund is provided to the Virginia Economic Development Partnership Authority (the Authority) to continue support for a non-profit operating a pharmaceutical manufacturing facility in developing a fast-acting insulin. Prior to any funds being disbursed, pursuant to the existing Memorandum of Understanding (MOU) between the non-profit and the Authority, the company shall demonstrate a match of non-state funds equal to the amount provided in this paragraph. At the conclusion of the project, the company shall be required to report to the Authority on the: (i) jobs created as a result of the investment; (ii) estimated savings to residents of the Commonwealth from the purchase of low-cost insulin; and, (iii) estimated potential savings to the Commonwealth as a self-insured employer from the availability of affordable insulin manufactured at a non-profit facility in Virginia. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated.

S.1. The Secretary of Finance shall approve a 20-year, interest-free, state-supported treasury loan in an amount up to $40,000,000 to the City of Newport News to support a capital investment from the United States Navy related to housing infrastructure.

2. The Secretary of Finance shall approve and release the loan under the following conditions: (i) the United States Navy has committed sufficient resources to fund the project; (ii) the City has committed matching funds of cash or in-kind infrastructure improvements for the project equal to the treasury loan amount utilized up to $40,000,000; and (iii) that the proceeds from the treasury loan be drawn down at amounts equal to the in-kind or cash expenditures made by Newport News in support of this project.

3. Contingent upon the completion of the housing infrastructure project, a member of the General Assembly may request the cancelation of any remaining balance owed by the City of Newport News on the treasury loan through an amendment to the appropriations act.

T. Out of the appropriation in this Item, $5,000,000 the first year from the general fund shall be transferred to the Secretary of Commerce and Trade for disbursement to the City of Virginia Beach for the development of Atlantic Park. Such funding shall be contingent upon the execution of a Memorandum of Understanding between the Secretary of Commerce and Trade and the City of Virginia Beach. The funding may be applied to engineering, infrastructure, maintenance, and other related costs to facilitate development and expansion activities. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated. The funds provided in this paragraph shall not be used to supplant any existing appropriations from local, state, or federal entities for the development of Atlantic Park.

Total for Economic Development Incentive Payments			**$85,909,579**	**$96,361,458**
Fund Sources: General	$82,359,579	$96,346,458		
Dedicated Special Revenue	$3,550,000	$15,000		

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	Grand Total for Secretary of Commerce and Trade			**$87,210,236**	**$97,662,115**
	General Fund Positions	9.00	9.00		
	Position Level	9.00	9.00		
	Fund Sources: General	$83,660,236	$97,647,115		
	Dedicated Special Revenue	$3,550,000	$15,000		

§ 1-41. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (165)

102.	Housing Assistance Services (45800)			$402,559,101	$311,584,101
	Housing Assistance (45801)	$314,546,024	$242,771,024		
	Homeless Assistance (45804)	$31,914,145	$17,914,145		
	Financial Assistance for Housing Services (45805)	$56,098,932	$50,898,932		
	Fund Sources: General	$199,645,974	$108,670,974		
	Special	$95,473,143	$95,473,143		
	Trust and Agency	$31,371	$31,371		
	Dedicated Special Revenue	$100,000	$100,000		
	Federal Trust	$107,308,613	$107,308,613		

Authority: Title 36, Chapters 8, 9, and 11; and Title 58.1, Chapter 3, Articles 4 and 13, Code of Virginia.

A. Out of the amounts in this Item, $3,482,705 from the general fund, $100,000 from dedicated special revenue, and $3,427,000 from federal trust funds the first year and $3,482,705 from the general fund, $100,000 from dedicated special revenue, and $3,427,000 from federal trust funds the second year shall be provided to support services for persons at risk of or experiencing homelessness and housing for populations with special needs, and $4,050,000 the first year and $4,050,000 the second year from the general fund shall be provided for homeless prevention. Of the general fund amount provided, the department is authorized to use up to two percent in each year for program administration. The amounts allocated for services for persons at risk of or experiencing homelessness may be matched through local or private sources. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated.

B. The department shall report to the Chairs of the Senate Finance and Appropriations, the House Appropriations Committees, and the Director, Department of Planning and Budget, by November 4 of each year on the state's homeless programs, including, but not limited to, the number of (i) emergency shelter beds, (ii) transitional housing units, (iii) single room occupancy dwellings, (iv) homeless intervention programs, (v) homeless prevention programs, and (vi) the number of homeless individuals supported by the permanent housing state funding on a locality and statewide basis and the accomplishments achieved by the additional state funding provided to the program. The report shall also include the number of Virginians served by these programs, the costs of the programs, and the financial and in-kind support provided by localities and nonprofit groups in these programs. In preparing the report, the department shall consult with localities and community-based groups.

C.1. Out of the amounts in this Item, $14,100,000 the first year and $1,100,000 the second year from the general fund shall be provided for rapid re-housing efforts. In keeping with the specific goals of the Balance of State Continuum of Care, $200,000 of this amount in each year shall be focused on ensuring that no veteran is homeless or in a shelter for more than 30 days. These funds shall be used to supplement other state and federal programs, shall be directed to areas throughout the state where federal funds are not available, and shall be used to serve those veterans ineligible for federal benefits. The department shall provide these funds as grants in a formula determined by the department with input from stakeholders. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated.

2. Out of the amounts in this paragraph, $7,000,000 the first year is provided to the City of Charlottesville for the development of a transitional housing and life skills training facility to

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increase capacity to serve individuals and families experiencing homelessness in the community.

D. Out of this appropriation, $1,675,000 the first year and $675,000 the second year from the general fund shall be provided to support the organizational capacity and administrative needs of the Continuum of Care lead agencies in Virginia, including local planning groups in the Balance of State Continuum of Care, as they serve persons at risk of or experiencing homelessness in their regions. The department shall determine, with input from Continuum of Care lead agencies and other stakeholders, the activities that are eligible for funding, which shall include but are not limited to: (i) the development and management of homeless crisis response systems; (ii) grant administration and reporting; (iii) staff training; and (iv) essential operational tasks. The department shall provide these funds as grants in a formula determined by the department with input from stakeholders.

E. The department shall continue to collaborate with the Department of Veteran Services to ensure coordinated efforts towards reducing homelessness among veterans.

F.1. Out of the amounts in this Item, $127,500,000 the first year and $87,500,000 the second year from the general fund shall be deposited to the Virginia Housing Trust Fund, established pursuant to § 36-142 et seq., Code of Virginia. Notwithstanding § 36-142, Code of Virginia, when awarding grants through eligible organizations for targeted efforts to reduce homelessness, priority consideration shall be given to efforts to reduce the number of homeless youth and families and to expand permanent supportive housing.

2. As part of the plan required by § 36-142 E., Code of Virginia, the department shall also report on the impact of the loans and grants awarded through the fund, including but not limited to: (i) the number of affordable rental housing units repaired or newly constructed, (ii) the number of individuals receiving down payments and/or closing assistance, (iii) the progress and accomplishments in reducing homelessness achieved by the additional support provided through the fund, and (iv) the progress in expanding permanent supportive housing options.

3. In any year where claims for the Virginia Housing Opportunity Tax credit exceed revenue loss assumptions in "The Economic Outlook and Revenue Forecast" report (GACRE Report) prepared by the Secretary of Finance and submitted to the General Assembly annually in December (net lost revenues), the Governor is authorized to direct the State Comptroller to transfer an amount equal to these net lost revenues from the Virginia Housing Trust Fund to the general fund.

4. The department shall convene a stakeholder workgroup to review and make recommendations regarding the administration of the Virginia Housing Trust Fund (the Trust Fund), including the allocation of funds across Trust Fund programs. The workgroup shall develop recommendations to support the Trust Fund's continued growth and optimization, including consideration of potential dedicated funding sources and innovative programs to address the evolving affordable housing needs across the Commonwealth. The department shall submit the workgroup's findings and recommendations to the General Assembly no later than November 1, 2026. The stakeholder workgroup shall include representatives of the following, to the extent practicable: awardees of all Virginia Housing Trust Fund programs; affordable housing developers; homeless service providers; tenants, with priority for those in housing supported by the Trust Fund; affordable housing advocates, including the Virginia Housing Alliance; relevant state agencies; staff to the House Appropriations and Senate Finance and Appropriations Committees; and other stakeholders as identified by the department.

G. Out of the amounts in this Item, $15,800,000 the first year and $15,800,000 the second year from federal trust funds shall be provided to support Virginia affordable housing programs and the Indoor Plumbing Program.

H. Out of the amounts in this Item, $50,000 the first year and $50,000 the second year from the general fund and one position shall be provided to support the administrative costs associated with administering the tax credits authorized pursuant to § 58.1-439.12:04, Code of Virginia.

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I. The department shall develop and implement strategies, that may include potential Medicaid financing, for housing individuals with serious mental illness. The department shall include other agencies in the development of such strategies including the Virginia Housing Development Authority, Department of Behavioral Health and Developmental Services, Department of Aging and Rehabilitative Services, Department of Medical Assistance Services, and Department of Social Services. The department shall also include stakeholders whose constituents have an interest in expanding supportive housing for people with serious mental illness, including the National Alliance on Mental Illness Virginia, the Virginia Housing Alliance and the Virginia Sheriffs' Association. An annual report on such strategies and the progress on implementation shall be provided to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by the first day of each General Assembly Regular Session.

J. Out of the amounts appropriated in this Item, $14,950,000 the first year and $3,450,000 the second year from the general fund shall be used to continue the competitive Eviction Prevention and Diversion Program that will support local or regional eviction prevention and diversion programs that utilize a systems approach with linkages to local departments of social services and legal aid resources. This program shall prioritize grant applications that provide a local match at an amount deemed appropriate by the Department. The Department shall expand the program to underserved regions of the state including Northern Virginia. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027 and June 30, 2028 shall not revert to the general fund but shall be carried forward and reappropriated.

K. The authorization provided under Item 113, Paragraph L., Chapter 1, 2022 Acts of Assembly, Special Session I, that directs the department to use up to $11,400,000 of unobligated balances in the Low-Income Energy Efficiency Program Fund (02017) for flood relief is hereby continued. Using these funds, the department shall continue to administer a program established for the purposes of providing relief to residents of Virginia that lost or sustained property damage as a result of a flood disaster, mudslide, or landslide occurring on or after August 1, 2021, but before September 30, 2021, and subject to a Major Disaster Declaration (FEMA-4628-DR) issued by President Biden on October 26, 2021.

L. The authorization provided under Item 113, Paragraph O., Chapter 1, 2023 Acts of Assembly, Special Session I, that directs the department to use up to $18,000,000 of unobligated balances in the Low-Income Energy Efficiency Program Fund (02017) for flood relief is hereby continued. Using these funds, the department shall continue to administer a program established for the purposes of providing relief to residents of Virginia that lost or sustained property damage as a result of a flood disaster, mudslide, or landslide occurring on or after July 1, 2022, but before August 31, 2022, and subject to a Major Disaster Declaration (FEMA-4674-DR) issued by President Biden on September 30, 2022

M. Out of this appropriation, $200,000 the first year and $200,000 the second year from the general fund is provided for the department to support the comprehensive statewide housing assessment, pursuant to § 36-139, Code of Virginia**.**

N. The authorization of $5,000,000 in unobligated balances in the Low-Income Energy Efficiency Program Fund (02017) for the Manufactured Home Park Acquisition Pilot Program provided in Item 102, paragraph M.1 through M.7., Chapter 725, 2025 Acts of Assembly shall continue, including all reporting requirements and other conditions set forth in the prior authorization. Notwithstanding the provisions of Item 102, paragraph M.1. through M.7., Chapter 725, 2025 Acts of Assembly, guidance, or criteria to the contrary, the department may use up to $750,000 of the funds provided for the Manufactured Home Park Acquisitions Pilot Program to award grants to eligible groups as defined in Item 102, paragraph M.2., Chapter 725, 2025 Acts of Assembly to complete any necessary due diligence work necessary prior to making an offer on a manufactured home park.

O. The authorization of $5,000,000 in unobligated balances in the Low-Income Energy Efficiency Program Fund (02017) for the Virginia Pilot Down Payment Assistance Program provided in Item 102, paragraph N.1 through N.7., Chapter 725, 2025 Acts of Assembly shall continue, including all reporting requirements and other conditions set forth in the prior authorization.

P.1. The authorization under Item 102, Paragraph Q., Chapter 725, 2025 Acts of Assembly,

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which provided a total of $50,000,000 from the general fund for disaster mitigation and relief for qualified communities shall continue, including all requirements and other conditions set forth in the original authorization. Balances from this amount shall not revert to the general fund and shall be reappropriated at the end of any fiscal year.

2. Notwithstanding the provisions of Item 102, paragraph Q.2., Chapter 725, 2025 Acts of Assembly, guidance, or criteria to the contrary, the department in making grants to projects aligned with the purpose of paragraph Q.2., Item 102, Paragraph Q.2., Chapter 725, 2025 Acts of Assembly shall prioritize applications that are consistent with state floodplain management standards for state-owned buildings or local floodplain standards.

3. The department shall issue a contract for the purpose stated in Item 102, Paragraph Q.2.c., Chapter 725, 2025 Acts of Assembly by August 1, 2026.

4. As authorized in Item 102, Paragraph Q.2.c., Chapter 725, 2025 Acts of Assembly, an additional $200,000 in the first year shall be provided to extend the pilot program through June 30, 2027. An interim report detailing the pilot program launch will be submitted to the Chairs of the Senate Finance and Appropriations Committee and the House Appropriations Committee by November 1, 2026.

Q. Out of this appropriation, $161,000 the first year and $161,000 the second year from the general fund is provided for the Department of Housing and Community Development to create and maintain a registry of manufactured home park owners in the Commonwealth. The department shall develop a reporting document posted on its website that shall be submitted electronically by all manufactured home community owners or their registered agents to be kept by the department as proof of operations within the Commonwealth. The application shall contain the following information: (i) manufactured home community name; (ii) manufactured home community address; (iii) number of lots in the manufactured home community; (iv) individual or business name of the owner or onsite emergency contact of the manufactured home community; and (v) name of registered agent representing the owner in the Commonwealth, if any. Any manufactured home community operating in the Commonwealth shall register with the department. Should a registered owner seek to sell their community pursuant to § 55.1-1308.1 or 55.1-1308.2, Code of Virginia, the owner shall disclose the need to register the community under the new ownership at time of transfer of title to the manufactured home community. Should a registered owner seek to change the use of the manufactured home community as permitted in § 55.1-1308, Code of Virginia, the registered owner shall provide notice to the department of their intention to change the use of the property 180 days before the community ceases operations. Manufactured home communities currently operational in the Commonwealth on July 1, 2026 shall have 180 days to register with the Department of Housing and Community Development pursuant to the provisions of this paragraph. On or before, November 1, 2026, the department shall report to the General Assembly on: (i) the necessity of assessing a fee for the submission of applications to cover the department's administrative and storage costs associated with maintaining the manufactured home park registry; (ii) if appropriate, a recommended registration fee amount; (iii) the necessity of a fine for manufactured home park operators that fail to register with the department to ensure compliance with this paragraph; and (iv) if appropriate, a recommended fine amount.

R. Out of this appropriation, $20,000,000 the first year from the general fund is provided to effectuate the provisions of Chapters 1012, 1072, and 1037 of the 2026 Acts of Assembly. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated.

S. Notwithstanding the provisions of § 10.1 - 1330, Code of Virginia, the Department shall utilize $25,000,000 of unobligated balances in the Low-Income Energy Efficiency Program Fund (02017) to support the implementation of weatherization projects consistent with the recommendations of the Income Qualified Energy Efficiency and Weatherization Task Force. It is the intent of the General Assembly that funds authorized for this purpose can be used until June 30, 2030.

T. Out of this appropriation, $25,000 the first year from the general fund is provided to effectuate the provisions of Chapters 540 and 541, 2026 Acts of Assembly.

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U. Out of this appropriation, $5,000,000 the first year from the general fund is provided to Prince William County to support the County's Affordable Housing Fund.

V. Out of this appropriation, $200,000 the first year from the general fund is provided to the County of Fairfax for a partnership with the Herndon-Reston FISH program to offer rapid, flexible emergency assistance to individuals facing eviction.

W. Out of this appropriation, $250,000 the first year from the general fund is provided to the City of Richmond for Housing Opportunities Made Equal to provide statewide education and outreach about the protected classes covered under Virginia's Fair Housing Law, and to investigate and enforce allegations of housing discrimination.

103.	Community Development Services (53300)			$108,112,403	$77,737,403
	Community Development and Revitalization (53301)	$58,399,327	$28,024,327		
	Financial Assistance for Regional Cooperation (53303)	$31,312,987	$31,312,987		
	Financial Assistance for Community Development (53305)	$18,400,089	$18,400,089		
	Fund Sources: General	$78,208,410	$47,833,410		
	Special	$5,272,732	$5,272,732		
	Trust and Agency	$150,000	$150,000		
	Federal Trust	$24,481,261	$24,481,261		

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, $114,971 the first year and $114,971 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, $114,971 the first year and $114,971 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, $114,971 the first year and $114,971 the second year.

4. To the New River Valley Planning District Commission, $114,971 the first year and $114,971 the second year.

5. To the Roanoke Valley-Alleghany Regional Commission, $114,971 the first year and $114,971 the second year.

6. To the Central Shenandoah Planning District Commission, $114,971 the first year and $114,971 the second year.

7. To the Northern Shenandoah Valley Regional Commission, $114,971 the first year and $114,971 the second year.

8. To the Northern Virginia Regional Commission, $190,943 the first year and $190,943 the

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second year.

9. To the Rappahannock-Rapidan Regional Commission, $114,971 the first year and $114,971 the second year.

10. To the Thomas Jefferson Planning District Commission, $114,971 the first year and $114,971 the second year.

11. To the Region 2000 Local Government Council, $114,971 the first year and $114,971 the second year.

12. To the West Piedmont Planning District Commission, $114,971 the first year and $114,971 the second year.

13. To the Southside Planning District Commission, $114,971 the first year and $114,971 the second year.

14. To the Commonwealth Regional Council, $114,971 the first year and $114,971 the second year.

15. To the Richmond Regional Planning District Commission, $152,957 the first year and $152,957 the second year.

16. To the George Washington Regional Commission, $114,971 the first year and $114,971 the second year.

17. To the Northern Neck Planning District Commission, $114,971 the first year and $114,971 the second year.

18. To the Middle Peninsula Planning District Commission, $114,971 the first year and $114,971 the second year.

19. To the Crater Planning District Commission, $114,971 the first year and $114,971 the second year.

20. To the Accomack-Northampton Planning District Commission, $114,971 the first year and $114,971 the second year.

21. To the Hampton Roads Planning District Commission $380,943 the first year, and $380,943 the second year.

D. 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 Lenowisco Planning District Commission and Cumberland Plateau Planning District Commission designated for operations of the Coalfield Expressway Authority. Such funds for grants shall be managed by the Virginia Coalfield Economic Development Authority.

E.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 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

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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. 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.

F. Out of the amounts in this item, $125,000 the first year and $125,000 the second year from the general fund is provided to the Virginia Coalfield Economic Development Authority to address telehealth and telemedicine needs in Planning Districts 1 and 2.

G. 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 operating costs and water and wastewater grants. The department shall disburse the total payment each year in twelve equal monthly installments.

H. 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.

I. Out of the amounts in this Item, $470,000 the first year and $470,000 the second year from the general fund shall be provided for the Center for Rural Virginia, which shall be referred to in this act as the Senator Frank M. Ruff, Jr. 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.

J. 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.

K.1. Out of the amounts in this Item, $5,000,000 the first year and $5,000,000 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, $2,400,000 the first year and $2,400,000 the second year is designated for removing, renovating or modernizing port-related buildings and facilities in the cities of Portsmouth, Norfolk, Newport News, Richmond or the Town of Front Royal.

2. Notwithstanding § 36-153, Code of Virginia, or any other provision of law, moneys in the Virginia Removal or Rehabilitation of Derelict Structures Fund and moneys appropriated to support the Industrial Revitalization Fund Program shall be used to support the inclusion of solar panels or solar canopies for parking lots as a component of a real property project awarded a grant through the program. These conditions shall not apply to projects funded with the amounts provided in the preceding paragraph for removing, renovating, or modernizing port-related buildings and facilities in the cities of Portsmouth, Norfolk, Newport News, Richmond, or Front Royal, and the projects supported with funds in the paragraphs below.

L. Out of the amounts in this Item, $999,000 the first year and $999,000 the second year from the general fund shall be provided for the Virginia Main Street Program. The Department is authorized to use up to forty percent of the funds provided in this paragraph each year to administer the program.

M. Of the general fund amounts provided for 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.

N.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.

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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.

O.1. Funds authorized in Item 103, paragraph L., Chapter 725, 2025 Acts of Assembly for the Virginia Telecommunication Initiative 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, 2027, and June 30, 2028, 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 for the construction of broadband infrastructure through the Virginia Telecommunications Initiative (VATI), the Department shall deliver a quarterly 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. To the extent possible, the quarterly 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 quarterly report shall be due within 30 days of the close of the quarter. The quarterly performance report shall include an evaluation of any projects under risk of incompletion or underperformance. The department in providing such risk assessment shall include a reason for the project's delay. The Department 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.

7. Out of the unobligated amounts in this paragraph, the Department may utilize up to

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$20,000,000 for the following purposes in paragraphs a. through c., listed in order of priority below:

a.1) The Department may establish a program to provide grants for unexpected costs incurred by broadband providers related to the expansion of broadband throughout the Commonwealth. Such “Broadband Deployment Awards" are intended for reimbursement of unexpected make ready costs incurred by providers of broadband service expanding service to unserved areas pursuant to a state or federal grant. For purposes of this paragraph “unexpected make ready costs" shall be limited to related utility pole replacements and mid-span pole installations; railroad crossings; and, where cost-effective, undergrounding of broadband lines.

2) The Department shall establish an application process for broadband providers to apply for such Broadband Deployment Awards. The intent of such awards is to mitigate broadband deployment-related costs that applicants have already paid or committed to paying, rather than making deployment contingent on receipt of a Broadband Deployment Award. Applicants shall be required to submit the following information: (i) the amount of the requested funding; (ii) documentation sufficient to establish that the applicant has already paid or committed to spending the money necessary to complete the broadband deployment; (iii) an explanation as to why the actual make ready costs were higher than anticipated when the provider sought state or federal grant funding; and (iv) any other information, protections, or criteria determined by the Department as necessary to effectuate the provisions of this subparagraph 7. In evaluating applications for Broadband Deployment Awards, the Department shall ensure that such Broadband Deployment Awards are not awarded to providers that unreasonably underestimated or underbid their make ready costs when seeking state or federal grants.

b. The Department may restore telecommunications infrastructure damaged by a storm that was subsequently approved for a major disaster, as defined in § 44-146.16, Code of Virginia. This authorization shall only be permitted as a last resort and until such time that federal or additional state funds are available for such purpose.

c.1) The Department may establish a program to reimburse broadband providers for costs associated with relocating facilities located in public rights-of-way when such relocation is mandated by the Commonwealth or the federal government and such relocation includes infrastructure supported by a state general fund grant from the Virginia Telecommunications Intiative or federal funds. For purposes of this subparagraph 7, relocation expenses shall include, without limitation, relocation of broadband-related lines and facilities located along or across rights of way controlled by the Virginia Department of Transportation. This paragraph does not confer or imply a right to reimbursement of relocation expenses, only that such expenses are eligible for reimbursement at the Department's discretion.

2) The Department may develop and establish criteria and an application process for broadband providers to seek discretionary reimbursement for relocation expenses. The intent of such reimbursement is to ensure that reliable broadband service remains available throughout the Commonwealth and that providers are incentivized to maintain such service even in high-cost, low-customer density areas. Applicants for reimbursement shall be required to submit the following information: (i) information regarding the estimated or actual costs associated with the mandated re-location; (ii) the amount of broadband service locations that rely on the broadband facilities for service; (iii) the value of the facilities to be relocated; (iv) the age of the facilities to be relocated; and (v) any other information, protections, or criteria determined by the Department as necessary to effectuate the provisions of this subparagraph.

d. The Department shall work with the Virginia Department of Transportation to develop and implement an annual process identifying recently approved Virginia Telecommunications Initiative and Broadband Equity, Access and Deployment program projects against transportation projects in the annual Six-Year Improvement Program. The process is intended to help broadband providers avoid potential right of way conflicts as part of broadband project planning and pre- engineering activities. The annual process shall be completed no later than 90 days following adoption of the annual Six-Year Improvement Program, and to the best of its ability, the Department shall make grantees aware of its annual findings.

P. 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.

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Q.1. Out of the amounts in this Item, $25,330,000 the first year and $25,330,000 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) $6,180,000 the first year and $6,180,000 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 Q.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 exceed 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 capita 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 Q.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 Q.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 on the outcomes associated with closed projects that received a grant from the Virginia Growth and Opportunity Fund on or before December 1 of each year. 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

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Recovery), GO Virginia strategy, program year, date of award, committed match, anticipated project outcomes, and actual project outcomes. The department shall utilize the information provided in this report to create a public-facing performance dashboard to be updated annually that, at a minimum, includes individual projects organized by Region, total GO Virginia resources committed to the project, anticipated outcomes, and final outcomes submitted to the department at the close of the project. This information shall further be disaggregated by year and shall feature all projects receiving GO Virginia grants.

R.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 update the map at least annually.

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. 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. 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. 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. 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. 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. The department shall annually evaluate federal mapping data and shall waive the 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.

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9. For the purposes of the initiative outlined in paragraph R. 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 R. of this item.

10. The department shall add layers to the Map to demonstrate broadband availability in: (i) rural areas and (ii) on farmlands. The department, in collaboration with the Center for Rural Virginia, shall determine an appropriate definition of rural for effectuating the purposes of this paragraph. The Map shall utilize information from the Virginia Land and Energy Navigator, produced by the Virginia Cooperative Extension at Virginia Tech to showcase broadband availability on Virginia prime farmland. The Virginia Cooperative Extension at Virginia Tech shall provide this data to the department at no cost.

S. 1. 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).

2. In its implementation of Public Law 117-58, the department shall first confirm that sufficient funds are allocated to ensure the deployment of service to all unserved locations and all underserved locations, followed by coverage to Community Anchor Institutions in a manner consistent with Public Law 117-58 and related federal guidance.

3. Of the federal funding remaining after Paragraph S.2., the department shall take such measures as necessary to allocate the additional funding to include the purposes outlined below, drawn from the National Telecommunications Information Administration BEAD Notice of Funding Opportunity ("NOFO") and additional guidance issued by the National Telecommunications and Information Administration:
(i) Broadband resiliency to include utility pole replacements, mid-span pole installations, and undergrounding;
(ii) Mobile wireless coverage expansion to include deployment of mobile wireless service to areas of Virginia that lack 4G/LTE coverage;
(iii) Expansion of broadband infrastructure to and within multi-dwelling units; and
(iv) Critical disaster relief telecommunications resiliency, including programs to provide innovative technology solutions to unserved homes and businesses not previously identified by broadband infrastructure expansion programs.

4. Prior to entering a contract with a subrecipient from the Broadband Equity, Access, and Deployment (BEAD) Program of the Federal Infrastructure and Jobs Act (Public Law 117-58), the department shall receive approval from the National Telecommunications Information Administration (NTIA) validating eligibility under the BEAD program.

T.1. The provisions of Item 115, paragraph Y.1. through Y.6. of Chapter 1, 2024 Acts of Assembly, Special Session I shall continue in the event the state's subgrantee selection process for the Broadband Equity, Access, and Deployment (BEAD) Program is delayed beyond June 1, 2024, and shall last until the subgrantee process for BEAD begins.

2. 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 Projects Fund (12120) for transfer in accordance with the provisions of Item 472, Chapter 725, 2025 Acts of Assembly.

U. Authorization provided in paragraph AA. of Item 103, Chapter 725, 2025 Acts of Assembly is continued. Funding was provided to Pulaski County for site readiness improvements including a road extension, grading, and natural gas pipeline extension. Prior to the release of any funding in this paragraph, Pulaski County shall enter into a Memorandum of Understanding (MOU) with the department; demonstrate at a minimum a

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dollar-for-dollar match of non-state resources for these site readiness improvements; and attest to the department the commitment of a company to locate or expand operations on the site, which may include a data center company, data center operator, manufacturer, logistics company or a company specializing in maintenance, repair, and operations. Funding shall not revert to the general fund at the end of any fiscal year, but shall be carried forward and reappropriated.

V.1. Out of this appropriation, $150,000 the first year and $150,000 the second year from the general fund is provided for administration of the Community Development Financial Institutions Fund, as established by § 36-140.01, Code of Virginia.

2. The department shall use up to 20 percent, but no less than 10 percent, of remaining balances in the fund to provide low-interest, non-forgivable loans to qualifying institutions, as defined by § 36-140.01, Code of Virginia. Interest on loans made from the fund shall not exceed three percent.

3. The department shall require (a) qualifying institutions receiving a loan from the fund to finance eligible program projects through loans, and (b) repayment of loan awards no sooner than five years after its execution of a loan contract with the qualifying institution.

W. The department shall continue the talent pathways planning grant program established in Item 114, Paragraph S., Chapter 1, 2022 Acts of Assembly, Special Session I.

X. Out of this appropriation, $1,350,000 the first year from the general fund is provided to the City of Petersburg to work with Petersburg City Public Schools, Virginia State University, and other community and non-profit partners to develop a state-of-the-art aquaponics food production, education, and research facility. The funding provided in this paragraph may be used for site selection, community engagement, master plan development, design, staffing, and launching aquaponics pilot programs with three public schools in the City of Petersburg. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028 shall not revert to the general fund but shall be carried forward and reappropriated.

Y. Out of this appropriation, $7,000,000 the first year from the general fund is provided to the City of Portsmouth to support the Prentis Street transmission water main improvements project.

Z. Out of this appropriation, $25,000 the first year from the general fund is provided to Loudoun County to support the work of the Sterling Foundation.

AA. Notwithstanding the provisions of § 10.1 - 1330, Code of Virginia, the department shall utilize $1,480,000 of unobligated balances in the Low-Income Energy Efficiency Program Fund (02017) for Albemarle County to design and construct an accessible walking trail to connect Biscuit Run Park to the Monacan Indian Nation Tribute Park within the Southwood Mobile Home Park Redevelopment Project.

BB. Out of this appropriation, $7,000,000 the first year from the general fund is provided to the Town of Dumfries to support the development of the U.S. Route 1 corridor. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027 and June 30, 2028 shall not revert to the general fund but shall be carried forward and reappropriated.

CC. Out of this appropriation, $15,000,000 the first year from the general fund is provided to the City of Richmond to support the demolition of the Richmond Coliseum.

104.	Economic Development Services (53400)				$14,841,605	$14,841,605
	Financial Assistance for Economic Development (53410)		$14,841,605	$14,841,605		
	Fund Sources: General		$14,841,605	$14,841,605		

Authority: Title 59.1, Chapters 22 and 49, Code of Virginia.

Out of the amounts in this Item, $14,250,000 the first year and $14,250,000 the second year from the general fund shall be provided to carry out the provisions of §§ 59.1-547 and 59.1-548, Code of Virginia, related to the Enterprise Zone Grant Act. Notwithstanding the

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	provisions of §§ 59.1-547 and 59.1-548, Code of Virginia, the department is authorized to prorate, with no payment of the unpaid portion of the grant necessary in the next fiscal year, the amount of awards each business receives to match the appropriation for this Item. Should actual grants awarded in each fiscal year be less than the amounts provided in this Item, the excess shall not revert to the general fund but shall be reappropriated to support the provisions of this Item. Notwithstanding the provisions of § 59.1-548, Code of Virginia, or any other provision of law, moneys for enterprise zone real property investment grants shall be used to support the inclusion of rooftop solar or solar canopies for parking lots as a component of a real property project awarded a grant through the program.				
105.	Regulation of Structure Safety (56200)			$3,454,643	$3,454,643
	State Building Code Administration (56202)	$3,454,643	$3,454,643		
	Fund Sources: General	$851,963	$851,963		
	Special	$2,302,680	$2,302,680		
	Dedicated Special Revenue	$300,000	$300,000		
	Authority: Title 15.2, Chapter 9; Title 27, Chapters 1, 6, and 9; Title 36, Chapters 4, 4.1, 4.2, 6, and 8; Title 58.1, Chapter 36, Article 5; and Title 63.2, Chapter 17, Code of Virginia.				
106.	Governmental Affairs Services (70100)			$594,125	$594,125
	Intergovernmental Relations (70101)	$594,125	$594,125		
	Fund Sources: General	$594,125	$594,125		
	Authority: Title 15.2, Subtitle III, Code of Virginia.				
	Out of the amounts in this Item, $150,000 the first year and $150,000 the second year from the general fund and one position is provided for the Commission on Local Government pursuant to Chapter 426, 2024 Acts of Assembly.				
107.	Administrative and Support Services (59900)			$5,589,180	$5,589,180
	General Management and Direction (59901)	$5,589,180	$5,589,180		
	Fund Sources: General	$4,964,499	$4,964,499		
	Special	$598,412	$598,412		
	Federal Trust	$26,269	$26,269		
	Authority: Title 36, Chapter 8, Code of Virginia.				
	Total for Department of Housing and Community Development			**$535,151,057**	**$413,801,057**
	General Fund Positions	117.25	117.25		
	Nongeneral Fund Positions	104.75	104.75		
	Position Level	222.00	222.00		
	Fund Sources: General	$299,106,576	$177,756,576		
	Special	$103,646,967	$103,646,967		
	Trust and Agency	$181,371	$181,371		
	Dedicated Special Revenue	$400,000	$400,000		
	Federal Trust	$131,816,143	$131,816,143		
	§ 1-42. DEPARTMENT OF ENERGY (409)				
108.	Minerals Management (50600)			$46,440,702	$46,580,401
	Geologic and Mineral Resource Investigations, Mapping, and Utilization (50601)	$1,896,208	$1,896,208		
	Mineral Mining Environmental Protection, Worker Safety and Land Reclamation (50602)	$3,432,047	$3,432,047		
	Gas and Oil Environmental Protection, Worker Safety and Land Reclamation (50603)	$2,343,479	$2,483,178		

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Coal Environmental Protection and Land Reclamation (50604)	$33,372,703	$33,372,703		
Coal Worker Safety (50605)	$5,396,265	$5,396,265		
Fund Sources: General	$11,801,615	$11,801,615		
Special	$6,288,787	$6,288,787		
Trust and Agency	$525,000	$525,000		
Dedicated Special Revenue	$173,000	$173,000		
Federal Trust	$27,652,300	$27,791,999		

Authority: Title 45.2, Code of Virginia.

A. Out of this appropriation, $31,224 the first year and $31,224 the second year from special funds shall be provided for annual membership dues to the Interstate Mining Compact Commission.

B. Out of this appropriation shall be provided reimbursement for expenses associated with administrative and judicial review when so ordered by a court of competent jurisdiction.

C. Out of this appropriation, $6,119 the first year and $6,119 the second year from the general fund shall be provided for annual membership dues to the Interstate Oil and Gas Compact Commission.

D. The application fee for a coal mine license or a renewal or transfer of a license pursuant to § 45.2-535, Code of Virginia, shall be in the amount of $350.

E. The application fee for a mineral mine license or a renewal or transfer of a license pursuant to § 45.2-1205, Code of Virginia, shall be in the amount of $400, except applications submitted electronically, which shall be accompanied by a fee of $330. However, the fee for any person engaged in mining sand or gravel on an area of five acres or less shall be required to pay a fee of $100, except applications submitted electronically, which shall be accompanied by a fee of $80.

F. The application fee for a new oil or gas well permit pursuant to § 45.2-1631, Code of Virginia, shall be in the amount of $600 and the application fee for permit modifications shall be $300.

G. The department shall identify and apply for any available federal or other non-general funds for the purposes of waste coal and garbage of bituminous coal remediation in the coal fields region of the Commonwealth. The department shall report on such efforts and resulting funding by November 1 of each year to the Governor and General Assembly.

109.	Resource Management Research, Planning, and Coordination (50700)			$13,171,922	$10,646,922
	Energy Conservation and Alternative Energy Supply Programs (50705)	$13,171,922	$10,646,922		
	Fund Sources: General	$10,878,802	$8,353,802		
	Special	$114,242	$114,242		
	Federal Trust	$2,178,878	$2,178,878		

Authority: Title 45.2, Chapters 17 through 21, Code of Virginia.

A. Out of this appropriation, $38,362 the first year and $38,362 the second year from the general fund shall be provided for dues and expenses for the Southern States Energy Board.

B. To defray the costs of implementing the Virginia Energy Management Program, the Department of Energy is authorized to have included in state fuel oil, natural gas, electricity, and similar energy contracts a provision for suppliers to collect from using agencies and remit to the department an administrative surcharge. The surcharge shall reflect the department's actual costs to administer the program. Additionally, the department is authorized, consistent with federal funding rules, to distribute energy-related federal funds as grants or as loans to other state or nonstate agencies for use in financing energy-related projects, and to recover from the recipient an administrative service charge to recover the department's costs of administering such grant or loan programs.

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	C. Out of this appropriation, $137,000 the first year and $137,000 the second year from the general fund is provided to support one position within the Division of Energy to assist localities with siting, procurement, land use concerns, and other solar energy-related issues.				
	D. Out of this appropriation, $387,500 the first year and $387,500 the second year from the general fund is provided to support the Office of Offshore Wind to coordinate state agency activities to develop and execute strategies that reduce barriers for deployment of offshore wind and attract offshore wind supply chain businesses for Virginia's benefit, promote Virginia's infrastructure and workforce development assets, work with public and private sector partners to make Virginia a regional hub for offshore wind, and to provide staff support for the Virginia Offshore Wind Development Authority.				
	E. Out of this appropriation, $250,000 the first year and $250,000 the second year from the general fund is provided to expand capacity at the department to focus on solar and energy efficiency projects. This funding shall support the following activities: (i) securing and maximizing federal grants; (ii) building relationships with federal agencies; and (iii) supporting economic development of renewable energy industries and their relevant supply chains.				
	F. Out of this appropriation, $2,000,000 the first year from the general fund is provided for the Solar Interconnection Grant Program as established in Chapters 659 and 660, 2026 Acts of Assembly. The department may use up to fifteen percent of the funds provided in the paragraph for staffing in each year.				
	G. Out of this appropriation, $150,000 the first year and $150,000 the second year from the general fund is provided to support Chapters 361 and 362, 2026 Acts of Assembly.				
	H. Out of this appropriation, $465,000 the first year and $465,000 the second year from the general fund is provided to support Chapters 633 and 634, 2026 Acts of Assembly.				
	I. Out of this appropriation, $625,000 the first year and $100,000 the second year from the general fund is provided to support Chapters 694, 695, 874, 997, and 1042, 2026 Acts of Assembly and updates to the Virginia Energy Plan.				
	J. Out of this appropriation, $5,000,000 the first year and $5,000,000 the second year from the general fund is provided to capitalize the Virginia Clean Energy Bank established in Chapters 1125 and 1126, 2026 Acts of Assembly. Out of the amounts in this paragraph, the Department may use up to $923,000 in each year for staffing and administration of the Clean Energy Innovation Bank. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated.				
110.	Administrative and Support Services (59900)			$6,070,995	$6,070,995
	General Management and Direction (59901)	$6,070,995	$6,070,995		
	Fund Sources: General	$2,846,321	$2,846,321		
	Special	$2,308,561	$2,308,561		
	Dedicated Special Revenue	$916,113	$916,113		
	Authority: Title 45.2, Chapter 1, Code of Virginia.				
	Total for Department of Energy			**$65,683,619**	**$63,298,318**
	General Fund Positions	113.47	113.47		
	Nongeneral Fund Positions	123.53	123.53		
	Position Level	237.00	237.00		
	Fund Sources: General	$25,526,738	$23,001,738		
	Special	$8,711,590	$8,711,590		
	Trust and Agency	$525,000	$525,000		
	Dedicated Special Revenue	$1,089,113	$1,089,113		
	Federal Trust	$29,831,178	$29,970,877		

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	§ 1-43. DEPARTMENT OF SMALL BUSINESS AND SUPPLIER DIVERSITY (350)				
111.	Economic Development Services (53400)			$9,025,318	$9,025,318
	Minority Business Enterprise Certification (53414)	$2,033,645	$2,033,645		
	Business Information Services (53418)	$2,485,467	$2,485,467		
	Administrative Services (53422)	$2,355,116	$2,355,116		
	Financial Services for Economic Development (53423)	$2,151,090	$2,151,090		
	Fund Sources: General	$5,911,126	$5,911,126		
	Special	$1,321,337	$1,321,337		
	Commonwealth Transportation	$1,792,855	$1,792,855		

Authority: Title 2.2, Chapters 16.1 and 22, Code of Virginia.

A. The Department, in conjunction with the Department of General Services, the Virginia Employment Commission, and the Virginia Department of Transportation, is authorized to conduct analyses of the availability of minority business enterprises in Virginia and the utilization of such businesses by the Commonwealth of Virginia, localities, or private industry in the acquisition of goods and services. The Department also is authorized to receive and accept from the United States government, or any agency thereof, and from any other source, private or public, any and all gifts, grants, allotments, bequests or devises of any nature that would assist the Department in conducting such analyses or otherwise strengthen its services to minority business enterprises. The Director, Department of Planning and Budget, is authorized to establish a nongeneral fund appropriation for the purposes of expending revenues that may be received for this effort.

B. Out of the amounts in this Item, $819,753 the first year and $819,753 the second year from the general fund shall be deposited to the Small Business Investment Grant Fund pursuant to § 2.2-1616, Code of Virginia. Notwithstanding the provisions of § 2.2-1616, Code of Virginia, an eligible investor that makes a qualified investment in a small business on or after July 1, 2023, but prior to January 1, 2026, that has been certified by the Authority pursuant to subsection D of § 2.2-1616, Code of Virginia shall be eligible for a grant in an amount equal to the lesser of 25 percent of the qualified investment or $50,000. The Department shall aggressively market the program and shall report to the Governor and the Secretary of Commerce and Trade on the status of the program by November 1 of each year.

C. Out of the amounts in this Item, $65,000 the first year and $65,000 the second year from the general fund shall be provided to support the Business One-Stop Program.

D.1. Out of the amounts in this Item, $1,321,337 from nongeneral funds the first year and $1,321,337 from nongeneral funds the second year shall be provided for the Virginia Small Business Financing Authority.

2. The Virginia Small Business Financing Authority is authorized to insure additional loans for eligible small businesses, pursuant to § 2.2-2290, Code of Virginia, up to an aggregate amount not to exceed four times the principal amount in the Insurance or Guarantee Fund, or up to an aggregate amount of $15,000,000. In the event that the authority is called upon to pay on guaranties of loans of more than 10 percent of the aggregate amount of all outstanding insured loans, the authority shall not insure any further loans and shall immediately notify the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. Pursuant to § 4-1.03 of this act, the Director, Department of Planning and Budget, is authorized to transfer a sum sufficient to the Insurance or Guarantee Fund in the event the amount in the fund falls below the amount needed to honor any guarantee.

3. For the I-95 HOV/HOT Lanes project as evidenced by the Comprehensive Agreement approved pursuant to the Public-Private Transportation Act of 1995, the maximum fee and/or premium charged by the Virginia Small Business Financing Authority pursuant to §§ 2.2-2285 and 2.2-2291, Code of Virginia, for acting as the conduit issuer for any bond financing is not to exceed $25,000 per annum.

E. The Department shall include employment services organizations within the development and operation of any state procurement program or program goal and targets for small,

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women-owned, and minority-owned businesses consistent with requirements in the Code of Virginia requiring the Department to certify employment service organizations.

F. Notwithstanding any other provision of law, any business certified on or after July 1, 2017, by the Department as a small, women-owned, or minority-owned business, shall be certified for a period of five years unless (i) the certification is revoked before the end of the five-year period, (ii) the business ceases operation, or (iii) the business no longer qualifies as a small, women- or minority-owned business.

G. The Director of the Department shall report to the Secretary of Commerce and Trade and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the agency's efforts to maximize job creation and retention among the Commonwealth's small businesses. The report shall include, at a minimum, measures of (i) the effectiveness of programs administered by the Small Business Financing Authority in assisting borrowers to create jobs and enable increased capital investment; (ii) the efficiency and effectiveness of Small, Women-owned, and Minority-owned Business and Disadvantaged Business Enterprise programs; (iii) the success of the agency's outreach and technical assistance activities; and, (iv) the number of businesses certified, and the average number of business days to process a certification application each month. The report shall be in a format prescribed by the Secretary but shall include specific data breakouts for rural areas and service-disabled veteran businesses currently certified in the SWaM certification and shall be due within thirty days of the close of each calendar quarter.

H. Notwithstanding § 2.2-1604, Code of Virginia, any cooperative association organized pursuant to Chapter 3 (§ 13.1-301 et seq.) of Title 13.1 of the Code of Virginia as a nonstock corporation that was certified as a small business by the Department prior to July 1, 2017, may be recertified as a small business by the Department, provided that such cooperative association otherwise meets the requirements for certification as a small business pursuant to Article 1 (§ 2.2-1603 et seq.) of Chapter 16.1 of Title 2.2 of the Code of Virginia and any other applicable provision of the Code of Virginia.

Total for Department of Small Business and Supplier Diversity			**$9,025,318**	**$9,025,318**
General Fund Positions	46.00	46.00		
Nongeneral Fund Positions	24.00	24.00		
Position Level	70.00	70.00		
Fund Sources: General	$5,911,126	$5,911,126		
Special	$1,321,337	$1,321,337		
Commonwealth Transportation	$1,792,855	$1,792,855		

§ 1-44. FORT MONROE AUTHORITY (360)

112. Economic Development Services (53400)			$8,132,544	$8,132,544
Administrative Services (53422)	$8,132,544	$8,132,544		
Fund Sources: General	$8,132,544	$8,132,544		

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

A.1. The appropriation in this Item from the general fund shall be provided for the Commonwealth's share of the estimated operating expenses of the Fort Monroe Authority (FMA). 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

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	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, $301,753 the first year and $301,753 the second year from the general fund is provided for the facilities maintenance department.				
	C. Out of this appropriation, $359,982 the first year and $359,982 the second year from the general fund is provided for the authority to address the costs of its public works contracts.				
	D. FMA and the Department of General Services (the Department) shall execute a Memorandum of Understanding allowing up to $60,000 annually from capital authorizations for infrastructure upgrades, deferred maintenance, and improvements at Fort Monroe to be expended by the Department. Of these authorizations, annually, up to $30,000 in total may be used by the Department for dedicated support for FMA as fiscal agent and up to $30,000, annually, in total may be expended by the Department in the review of capital outlay infrastructure upgrades, deferred maintenance, and improvement projects at Fort Monroe.				
	Total for Fort Monroe Authority			**$8,132,544**	**$8,132,544**
	Fund Sources: General	$8,132,544	$8,132,544		
	§ 1-45. VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP (310)				
113.	Economic Development Services (53400)			$60,913,402	$60,913,402
	Economic Development Services (53412)	$60,913,402	$60,913,402		
	Fund Sources: General	$60,913,402	$60,913,402		
	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.				

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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, 2028, 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. 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 provide training and recruitment services to select companies locating or expanding in the Commonwealth.

K. Out of the amounts in this Item, $1,562,500 the first year and $1,562,500 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 § 2.2-2240.2:1, Code of Virginia, § 2.2-2240.2:2, Code of Virginia, § 2.2-2761, Code of Virginia, 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, $2,233,600 the first year and $2,233,600 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

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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. 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.

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 and $200,000 the second year from the general fund is provided for the authority to enhance cyber security initiatives.

Q. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is provided to support the opening of the Virginia-Taiwan Trade Office.

R. Out of this appropriation, $1,250,000 the first year and $1,250,000 the second year from the general fund is provided to support reorganizing economic development services at the authority.

S.1. Out of this appropriation, $6,500,000 the first year and $6,500,000 the second year from the general fund is provided to support employer-focused activities that further the goal of providing all postsecondary students in Virginia with one or more paid internships during their undergraduate course of study. These activities include: (i) administering the matching grant program for certain employers of higher education related student interns as provided in S.2.; (ii) coordinating with regional partners to support employers seeking to initiate or expand employment of higher education related student interns in a region; and (iii) measuring and reporting program participation and progress toward identified goals through the Virginia Office of Education and Labor Market Alignment. The Authority, in coordination with the State Council of Higher Education for Virginia, shall convene a stakeholder group from business, industry, education, economic and workforce development, and government, including the following primary partners for employer engagement: Virginia Chamber of Commerce; Virginia Business Higher Education Council; and other statewide local government and non-profit education partners to design these activities. At the recommendation of the stakeholder group, the Authority may enter into a Memorandum of Understanding (MOU) with Virginia Works to carry out the activities listed in this paragraph; however, the Authority shall remain the fiscal agent for these activities. Such amounts to be authorized will be subject to annual approval by the Board of the Virginia Economic Development Partnership Authority.

2. The Authority shall provide for implementation of a program of matching grants for small and midsize Virginia-based employers that hire undergraduate student interns and shall establish criteria for the grants in consultation with the partners identified in paragraph S.1. of this Item. Such criteria shall include: (i) a limitation of eligibility to for-profit business, nonprofit organizations, and local governments excluding institutions of higher education, with physical operations and facilities in Virginia and 150 or fewer Virginia-based employees; (ii) certification of employer eligibility by the Authority following a training program of reasonable duration and agreement by the employer to reasonable mentoring and reporting obligations; (iii) a limitation of grant awards to reimbursement, not to exceed $7,500 per higher education related internship, for a maximum of one-half of wages, including FICA, and workplace subsidies, including transportation, housing, and other internship-related expenses, paid to or for the benefit of a student participating in a qualifying internship; (iv) the minimum and maximum number of hours required to ensure the student gains valuable

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work experience; (v) a limitation of the qualifying number of higher education related internships per employer; and (vi) the maximum timeframe for employers to be eligible to receive the grants. Prioritization of grant awards may consider employers of 50 or fewer employees, for private and non-profit employers. Priority shall be given to smaller units of local government; however, the 50 employee threshold shall not apply to them. Local governments shall be exempt from the employee requirement of clause (i.) of this paragraph. The Authority may provide other services to employers, including arranging for one or more staffing agencies to provide services related to higher education related intern recruitment and placement, but eligibility for matching grants shall not be conditioned on an employer's engagement with or use of such staffing agency or other services. Local government awards shall be limited to ten percent of total funding set aside by the Authority for employer matching grants. 3. The Authority may employ a program administrator, contract for professional services related to marketing and communications, and take such other actions within its existing authority as it deems appropriate to accomplish the purposes of this paragraph and facilitate the partnerships and collaboration described herein. All activities and amounts are subject to annual approval by the Board of the Virginia Economic Development Partnership Authority. 4. The Authority shall cooperate with the State Council of Higher Education for Virginia and identified partners in carrying out the responsibilities of the Council identified in Item 133 I. of this act and shall formalize this cooperation through a MOU. 5. Notwithstanding any provision of law, the senior leader responsible for the internship program identified in Item 113 S. may serve as a designee for the President of the Virginia Economic Development Partnership as specified in § 23.1-200 C, Code of Virginia. 6. Out of the amounts in this paragraph, $500,000 the first year is provided for the MOVE Chamber, in partnership with the Authority and the Virginia Community College System, to develop and implement a pilot program to provide internship and apprenticeship opportunities with existing Virginia businesses for at least 1,000 students and recent graduates of the Virginia Community College System in Artificial Intelligence, Data Science, and Cybersecurity over the next three years. This program will be delivered by the MOVE Chamber of Tysons, Virginia. T.1. Notwithstanding § 2.2-2240 of the Code of Virginia, the Virginia Economic Development Partnership Authority shall report quarterly to the General Assembly on any nonstock corporation established by the Board pursuant to § 2.2-2240. The report shall include, but not be limited, to the following: a. All planned and actual revenue, budgeted expenditures, and actual expenditures along with funding sources; b. Expenditures by activity, including program administration compared to budgeted activities; c. Cash balances by funding source, and a report, by activity, of available, committed and projected expenditures of all cash balances; and, d. Authority staff time utilized for the nonstock corporation, included amounts reimbursed from the nonstock corporation for staff work and state funds contributed to the annual salary and benefits of each Authority staff member working for the nonstock corporation. 2. This report shall be submitted no later than one month after the close of each calendar quarter.				
Total for Virginia Economic Development Partnership			**$60,913,402**	**$60,913,402**
Fund Sources: General	$60,913,402	$60,913,402		
§ 1-46. VIRGINIA TOURISM AUTHORITY (320)				
114. Tourist Promotion (53600)			$34,185,719	$27,885,719

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Tourist Promotion Services (53607)	$34,185,719	$27,885,719		
Fund Sources: General	$34,185,719	$27,885,719		

Authority: Title 2.2, Chapter 22, Article 8, Code of Virginia.

A.1. The Department of Transportation shall pay to the Virginia Tourism Authority $1,425,000 the first year and $1,425,000 the second year for continued operation of the Welcome Centers, of which $225,000 the first year and $225,000 the second year is for maintenance of the Danville Welcome Center. The Department of Transportation shall fund maintenance at each state Welcome Center based on the agreed-upon service levels contained in the Memorandum of Agreement between the Virginia Tourism Authority and the Department of Transportation.

2. To the extent necessary to fund the operations of the Welcome Centers, the Virginia Tourism Authority is authorized to collect fees paid by businesses for display space at the Welcome Centers.

B. Upon authorization of the Governor, the Virginia Tourism Authority may transfer funds appropriated to it by this act to a nonstock corporation.

C. Prior to July 1 of each fiscal year, the Virginia Tourism Authority 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 operating plan. Prior to September 1 of each fiscal year, the authority 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 authority 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.

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.1. Out of the amounts in this Item, $5,550,000 the first year and $4,250,000 the second year from the general fund is provided for grants to regional and local tourism authorities and other tourism entities to support their efforts. From the grants provided from the amounts included in this paragraph, priority consideration shall be given to funding for the Daniel Boone Visitor Center, as well as $450,000 the first year and $450,000 the second year to the Heart of Appalachia Tourism Authority, and $50,000 the first year and $50,000 the second year for events sponsored by Special Olympics Virginia, $100,000 the first year to the Blue Highway Festival, $200,000 the first year to the Virginia Sports Hall of Fame, $1,000,000 the first year to the Museum of Black Women Innovators, and $2,100,000 the first year and $2,100,000 the second year to the Southwest Virginia Regional Recreation Authority for the Spearhead Trails initiative.

2. Out of the amounts in this paragraph provided for the Southwest Virginia Regional Recreation Authority, up to $25,000 the first year and up to $25,000 the second year from the general fund shall be provided to support a peer-support program for Virginia veterans in partnership with the Spearhead Trails initiative. The Virginia Department of Behavioral Health and Developmental Services and the Virginia Department of Veterans Services shall provide assistance in establishing such program upon the request of the board of the Southwest Regional Recreation Authority.

3. It is the intent of the General Assembly that the amounts in this paragraph provided for the Southwest Virginia Regional Recreation Authority to support the Spearhead Trails initiative shall be provided in its entirety in the first quarter of the fiscal year. The Southwest Virginia Regional Recreation Authority shall submit annual financial statements to the Virginia Tourism Authority by September 1 each year.

4. It is the intent of the General Assembly that the amounts in this paragraph provided for the Blue Highway Festival shall be provided in its entirety in the first quarter of the fiscal year.

5. It is the intent of the General Assembly that the amounts in this paragraph provided for the

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Virginia Sports Hall of Fame shall be provided in its entirety in the first quarter of the fiscal year.

6. It is the intent of the General Assembly that the amounts in this paragraph provided for the Museum of Black Women Innovators shall be provided in its entirety in the first quarter of the fiscal year.

F. The Virginia Tourism Authority shall place a high priority on marketing rural areas of the state.

G. Out of the amounts in this Item, $3,100,000 in the first year and $3,100,000 in the second year from the general fund is provided to supplement appropriations to promote Virginia's tourism industries through an enhanced advertising campaign. Of these amounts, at least $1,000,000 the first year and $1,000,000 the second year shall be used to support a cooperative advertising program to partner with private sector tourism businesses and regional tourism entities to advertise Virginia as a tourism destination. The state dollars shall be used to incentivize private and regional tourism marketing funds on a $1.00 for $1.00 basis whereby the Virginia Tourism Corporation shall enter into agreements to undertake joint advertising purchases to promote Virginia and specific facilities with private sector and regional partners.

H. Out of the amounts in this Item, $150,000 the first year and $150,000 the second year from the general fund is provided to support a tourism development initiative in the County of Henrico.

I. Out of the amounts in this Item, $25,000 the first year and $25,000 the second year from the general fund is provided to support the Carver Price Legacy Museum.

J. With such funds as are available, the Virginia Tourism Authority shall collaborate with "Opening Doors for Virginians with Disabilities" to maintain and update the Opening Doors for Virginians with Disabilities travel guide and establish a more user-friendly link to this information on the Virginia Tourism Corporation website home page.

K. Out of the amounts in this Item, $2,140,000 the first year and $2,140,000 the second year from the general fund is provided for grants to promote tourism in accordance with the provisions of § 2.2-2320.2, Code of Virginia.

L. The Virginia Tourism Authority shall provide technical assistance to the City of Danville on how best to plan for increased tourism in the Southside region due to infrastructure improvements at the Virginia International Raceway and the opening of a casino in the City.

M. Out of the amounts in this Item, $330,012 the first year and $330,012 the second year from the general fund is provided to promote and advertise tourism in Virginia. These amounts include $130,012 in the first year and $130,012 in the second year for a partnership operated by the Virginia Association of Broadcasters to advertise Virginia Tourism, provided the Association contributes a total of at least $390,036 in television and radio advertising value to promote tourism in Virginia in the first year and $390,036 in the second year. Also included in these amounts is $100,000 the first year and $100,000 the second year to promote Virginia Parks, and $100,000 the first year and $100,000 the second year to promote Virginia's wineries.

N. Out of the amounts in this Item, $497,544 the first year and $497,544 the second year from the general fund is provided to purchase media in the Washington, D.C., Virginia, and Baltimore, Maryland markets through a partnership operated by the Virginia Association of Broadcasters, in association with its affiliates in other states in the region, provided that the Association can obtain contributions of at least $1,492,632 the first year and $1,492,632 the second year in television, radio, and station-related internet advertising value to promote tourism in Virginia.

O. Out of this appropriation, $125,000 the first year and $125,000 the second year from the general fund is provided to the City of Norfolk for Nauticus to support education programming for Schooner Virginia.

P.1. Out of this appropriation, $5,000,000 from the general fund the first year is provided

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	for the Virginia Tourism Authority to support the Virginia Sports Incentive Grant Program established in § 2.2-2320.3, Code of Virginia. It is the intent of the General Assembly that the amounts in this paragraph provided for the Virginia Sports Incentive Grant Program be provided in its entirety in the first quarter of the fiscal year. 2. Out of the amounts in this paragraph, $3,000,000 the first year from the general fund is provided for sponsorship and partnership with and promotion of the 2027 LIV Golf Tournament hosted in Gainesville, Virginia at the Robert Trent Jones Golf Club. Out of the amounts in this paragraph, $500,000 the first year is provided for sponsorship and promotion of a globally broadcasted golf tournament held in GO Virginia Regions 1, 2, or 8 in 2026. Q. Out of this appropriation, $1,500,000 the first year and $1,500,000 the second year from the general fund is provided for the Virginia Tourism Authority to develop a marketing campaign to attract out of state visitors from Black, Indigenous, and Hispanic communities.				
	Total for Virginia Tourism Authority			**$34,185,719**	**$27,885,719**
	Fund Sources: General	$34,185,719	$27,885,719		
	§ 1-47. VIRGINIA INNOVATION PARTNERSHIP AUTHORITY (309)				
115.	Economic Development Services (53400)			$53,911,965	$41,786,965
	Economic Development Services (53412)	$53,911,965	$41,786,965		
	Fund Sources: General	$53,911,965	$41,786,965		
	Authority: Discretionary Inclusion. A. The Virginia Innovation Partnership Authority (VIPA) is hereby authorized to transfer funds in this appropriation to an established managing non-profit to expend said funds for realizing the statutory purposes of the Authority, by contracting with governmental and private entities, notwithstanding the provisions of § 4-1.05 b of this act. B. This appropriation shall be disbursed in twelve equal monthly disbursements each fiscal year. 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. C.1. No later than June 15 of each year, the Authority shall provide to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Secretary of Commerce and Trade, and the Director, Department of Planning and Budget, a report of its operating plan for each year of the biennium. No later than September 30 of each year, the Authority shall submit to the same entities a detailed expenditure report and a listing of the salaries and bonuses for all authority employees for the concluded fiscal year. Both reports shall be prepared in the formats as approved by the Director, Department of Planning and Budget, and include, but not be limited, to the following: a. All planned and actual revenue and expenditures along with funding sources, including state, federal, and other revenue sources of both the Authority and the managing non-profit entity; b. By activity or program, total grants made and investments awarded for each grant and investment program; c. By activity or program, recoveries of previous grants or investments and sales of equity positions; d. Cash balances by funding source, and a report, by program, of available, committed and projected expenditures of all cash balance; and, e. Private investment activity related to the fund of funds established in U. of this item. 2. The President of the managing non-profit entity shall report quarterly to the entity's board of directors, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Secretary of Commerce and Trade, and the Director, Department of Planning and Budget, in a format approved by the Board the following:				

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a. The quarterly financial performance, determined by comparing the budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year;

b. All investments and grants executed compared to projected investment closings; return on prior investments and grants, including all gains and losses; and

c. The financial and programmatic performance of all operating entities owned by the managing non-profit entity.

D.1. By November 1 of each year, the President of the Authority shall report to the Governor, the Chairs of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations, the Secretary of Commerce and Trade, and the Director, Department of Planning and Budget, on key programs and funds managed directly by VIPA. The report shall summarize performance on the outcomes of public and private research investment in applied research projects, capital investment in Virginia companies, job creation, and new company formation.

2. To the extent possible, the annual performance report shall contain information on the metrics outlined below.

a. For activities associated with the Virginia Venture Partners (VVP): (i) the number of companies receiving investments from the fund, (ii) the state investment and amount of privately leveraged investments per company, (iii) the estimated number of jobs created, (iv) the estimated tax revenue generated, (v) the number of companies who have received investments from the VVP fund still operating in Virginia, (vi) return on investment, to include the value of proceeds from the sale of equity in companies that received support from the program and economic benefits to the Commonwealth, (vii) the number of state investments that failed and the state investment associated with failed investments, (viii) the number of new companies created or expanded and the number of patents filed, and (ix) the geographic distribution of investments.

b. For activities associated with the Regional Innovation Fund: (i) the type and number of capacity building projects, (ii) the total state investment per project, (iii) the anticipated results of the investment, (iv) number of jobs created, (v) number of businesses founded, (vi) additional sources of investment in the projects receiving support from the fund, and (vii) the geographic distribution of the investments.

c. For activities associated with the Commonwealth Commercialization Fund: (i) the number of research grants awarded by domain area, (ii) the state investment per research project, (iii) the number of eminent researchers attracted and retained, (iv) additional research dollars leveraged as a result of the state investment, (v) number of new products completed/released to production, (vi) start-ups created from the research investment, (vii) new licenses granted to companies within Virginia, (viii) new licenses granted to companies outside Virginia, and (ix) the geographic distribution of the investments.

3. Such report shall include the prior fiscal year outcomes as well as the outcomes of each program managed directly by VIPA since inception. In addition, the report shall also include program changes anticipated in the subsequent fiscal year.

E.1. Out of the appropriation in this Item, $3,100,000 the first year and $3,100,000 the second year from the general fund shall be allocated to the Division of Investment to support the Virginia Venture Partners (VVP) fund and other indirect investment mechanisms to foster the development of Virginia-based technology companies.

2. Funds returned, including proceeds received due to the sale of a company that previously received a VVP investment, shall remain in the program and be used to make future early stage financing investments consistent with the goals of the program. The managing non-profit may recover the direct costs incurred associated with securing the return of such funds from the moneys returned.

F. A total of $3,000,000 the first year and $3,000,000 the second year from the general fund shall be allocated to the Entrepreneurial Ecosystems Division to support and promote technology-based entrepreneurial activities in the Commonwealth as specified in § 2.2-2357, Code of Virginia. Out of these amounts, $2,000,000 the first year and $2,000,000

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the second year shall establish the Regional Innovation Fund which may be used to provide follow-on sustaining funding to promising entrepreneurial ecosystem projects identified by the Virginia Initiative for Growth and Opportunity in Each Region (GO Virginia) Board.

G. A total of $5,000,000 the first year and $5,000,000 the second year from the general fund shall be allocated to the Commonwealth Commercialization Fund to foster innovative and collaborative research, development, and commercialization efforts in the Commonwealth in projects and programs with a high potential for economic development and job creation as specified in § 2.2-2359, Code of Virginia.

H. A total of $1,000,000 the first year and $1,000,000 the second year from the general fund shall be allocated to the Technology Industry Development Services to support strategic initiatives to advance the Authority's public purpose. These initiatives may include: (i) seeking, or supporting others in seeking, federal grants, contracts, or other funding sources; (ii) assuming responsibility for strategic initiatives and partnerships with federal and local governments; (iii) taking a lead role in defining, promoting, and implementing policies that advance innovation and entrepreneurial activity; and (iv) contracting with federal and private entities to further innovation, commercialization, and entrepreneurship in the Commonwealth.

I. Out of the appropriation in this Item, $1,000,000 the first year and $1,000,000 the second year from the general fund shall be made available for the Virginia Center for Unmanned Systems. The Center shall serve as a catalyst for growth of unmanned and autonomous systems vehicles and technologies in Virginia. The Center will establish collaboration between businesses, investors, universities, entrepreneurs and government organizations to increase the Commonwealth's position as a leader of the Autonomous Systems community.

J.1. Out of the appropriation in this Item, $3,750,000 the first year and $3,750,000 the second year from the general fund shall be provided for the Virginia Biosciences Health Research Corporation (VBHRC), a non-stock corporation research consortium initially comprised of the University of Virginia, Virginia Commonwealth University, Virginia Polytechnic Institute and State University, George Mason University and Old Dominion University. The consortium will contract with private entities, foundations, and other governmental sources to capture and perform research in the biosciences as well as promote the development of bioscience infrastructure tools which can be used to facilitate additional research activities. The Department of Planning and Budget is authorized to provide these funds to the non-stock corporation research consortium referenced in this paragraph upon request filed with the Department of Planning and Budget by VBHRC.

2. Of the amounts provided in J.1. for the research consortium, up to $3,750,000 the first year and $3,750,000 the second year may be used to develop or maintain investments in research infrastructure tools to facilitate bioscience research.

3. The remaining funding shall be used to capture and perform research in the biosciences and must be matched at least dollar-for-dollar by funding provided by such private entities, foundations and other governmental sources. No research will be funded by the consortium unless at least two of the participating institutions, including the five founding institutions and any other institutions choosing to join, are actively and significantly involved in collaborating on the research. No research will be funded by the consortium unless the research topic has been vetted by a scientific advisory board and holds potential for high impact near-term success in generating other sponsored research, creating spin-off companies or otherwise creating new jobs. The consortium will set guidelines to disburse research funds based on advisory board findings. The consortium will have near-term sustainability as a goal, along with corporate-sponsored research gains, new Virginia company start-ups, and job creation milestones.

4. Other publicly-supported institutions of higher education in the Commonwealth may choose to join the consortium as participating institutions. Participation in the consortium by the five founding institutions and by other participating institutions choosing to join will require a cash contribution from each institution in each year of participation of at least $50,000.

5. Of these funds, up to $500,000 the first year and $500,000 the second year may be used to pay the administrative, promotional and legal costs of establishing and administering the consortium, including the creation of intellectual property protocols, and the publication of

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research results.

6. VHBRC, in consultation with the publicly-supported institutions of higher education in the Commonwealth participating in the consortium, shall provide to the Secretary of Commerce and Trade, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Director of the Department of Planning and Budget, and VIPA by October 1 of each year a written report summarizing the activities of the consortium, including, but not limited to, a summary of how any funds disbursed to the consortium during the previous fiscal year were spent and the consortium's progress during the fiscal year in expanding upon existing research opportunities and stimulating new research opportunities in the Commonwealth.

7. The accounts and records of the consortium shall be made available for review and audit by the Auditor of Public Accounts upon request.

8. On or before August 1 of each year, VBHRC shall submit information on the financial performance of the organization to VIPA to include (i) budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year; (ii) total investments broken out into various investment activities; and (iii) cash balances by funding source.

K.1. Out of the appropriation in this Item, $925,000 the first year and $925,000 the second year from the general fund shall be made available to the Commonwealth Center for Advanced Manufacturing (CCAM) for rent, operating support, and maintenance. These funds shall not revert back to the general fund at the end of the fiscal year.

2. Out of the appropriation in this Item, VIPA shall provide $1,100,000 the first year and $1,100,000 the second year from the general fund to CCAM for the purpose of providing private sector incentive grants to industry members of the CCAM as follows: (i) incentive grants for new industry members with no prior membership at CCAM; (ii) incentive grants to small manufacturing members who locate their primary job center in the Commonwealth, as determined by VEDP, to mitigate inaugural industry membership costs associated with joining CCAM; (iii) grants dedicated to CCAM industry members to be used exclusively for research project costs and require a minimum one-to-one match in funds to conduct additional directed research at the CCAM facility after their base amount of directed research is programmed; and (iv) grants to CCAM for seedling research project costs that enable CCAM to market new research programs to prospective and existing industry members. These funds shall not revert back to the general fund at the end of the fiscal year.

3. Out of the appropriation in this Item, VIPA shall provide $600,000 the first year and $600,000 the second year from the general fund to CCAM for (i) university research grants requiring a minimum one-to-one match in funds that bring in external research funds from federal or private organizations for research to be conducted at the CCAM facility and (ii) follow-on efforts, including road mapping activities, marketing and proposal development, to leverage project activities for the pursuit of CCAM/university jointly funded federal programs. All project approvals are contingent upon each university partner entering into a memorandum of understanding (MOU) with CCAM that includes specific details about the university's anticipated commitment of financial and human resources, as well as programming and academic credentialing plans, to the CCAM facility. These funds shall not revert back to the general fund at the end of the fiscal year.

4. Out of the appropriation in this Item, VIPA shall provide $1,000,000 the first year and $1,000,000 the second year from the general fund to CCAM for the purposes of: (i) attracting federal funds for research projects to be conducted at CCAM, including marketing, travel, grant proposal writing, and business development costs; (ii) matching funds for federal research programs; and (iii) federal research program costs not reimbursable on federal research awards. These funds shall not revert back to the general fund at the end of the fiscal year.

5. CCAM shall submit a report on October 1 of each year to the Secretary of Finance, Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and VIPA containing a status update of all new incentive programs, including but not limited to the following: (i) MOUs it has entered into with each university partner; (ii)

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funds disbursed to both university and private sector partners of CCAM, as well as any other recipients; (iii) any other agreements CCAM has entered into with representatives of the public and private sectors that may impact current and future incentive fund disbursements; (iv) all efforts and costs associated with obtaining federal research grants; and (v) any additional information requested by the Secretary of Finance or the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

6. On or before August 1 of each year, CCAM shall submit information on the financial performance of the organization to VIPA to include (i) budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year; (ii) total investments broken out into various investment activities; and (iii) cash balances by funding source.

L.1. Out of the appropriation in this Item, $10,000,000 the first year and $10,000,000 the second year from the general fund is provided to scale the Commonwealth Cyber Initiative (CCI) and provide resources for faculty recruiting at the Hub, Virginia Polytechnic Institute and State University, and Node sites. The amounts provided in this paragraph are non-reverting and shall constitute the base budget for subsequent fiscal years.

2. Out of the appropriation in this Item, $7,500,000 the first year and $7,500,000 the second year from the general fund is provided for the leasing of space and establishment of the Hub by the anchoring institution and for the establishment of research faculty, entrepreneurship programs, student internships and educational programming, and operations of the Hub. The amounts provided in this paragraph are non-reverting and shall constitute the base budget for subsequent fiscal years.

3. Nothing shall prevent the Hub and certified Node sites from seeking matching funds for faculty recruitment and support for renovations and equipment from previous bond authorizations for higher education equipment or grant programs managed by the Authority, including but not limited to the Commonwealth Commercialization Fund. Certified institutions shall submit their funding request application to the Authority for review and authorization under the application procedures relevant for the program or bond authorization. After completing its review, VIPA shall approve or deny the request for an allocation of funds.

4. CCI shall submit a report by October 1 of each year to the Secretary of Commerce and Trade, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Director of the Department of Planning and Budget, and VIPA detailing the use and leverage of the investment in this item in strengthening the state's cyber economy. The state report shall contain information on: (i) external research grants attracted to support the work of CCI, (ii) research grants awarded from the funds contained in this item, (iii) research faculty recruited, (iv) results of entrepreneurship and workforce programming, (v) collaborative partnerships and projects, (vi) correlated economic outcomes (jobs and new business formation), and (vii) the geographic distribution of awards from the funding contained in this item.

5. On or before August 1 of each year, CCI shall submit information on the financial performance of the organization to VIPA to include (i) budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year; (ii) total investments broken out into various investment activities; and (iii) cash balances by funding source.

M.1. Out of the appropriation in this Item, $350,000 the first year and $350,000 the second year from the general fund is designated for the Commonwealth Center for Advanced Logistics Systems (CCALS) to provide seed money for collaborative public sector projects with partners such as the Port of Virginia, Department of Corrections, and Virginia Department of Transportation.

2. CCALS shall submit a report by October 1 of each year to the Secretary of Commerce and Trade, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Director of the Department of Planning and Budget, and VIPA to include (i) all planned and actual revenue and expenditures along with funding sources, including state, federal, and other revenue sources for CCALS, (ii) the research activities of CCALS, and (iii) relevant economic outcomes as a result of the CCALS' work in each fiscal year.

3. On or before August 1 of each year, CCALS shall submit information on the financial

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performance of the organization to VIPA to include (i) budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year; (ii) total investments broken out into various investment activities; and (iii) cash balances by funding source.

N. Out of the appropriation in this Item, $250,000 the first year and $125,000 the second year is designated for the Virginia Academy of Engineering, Science and Medicine to provide technical assistance to VIPA.

O. Out of the appropriation in this Item, $750,000 the first year and $750,000 the second year from the general fund is provided for the annual lease and operating costs for the Authority's Richmond headquarters and other locations throughout the Commonwealth.

P.1. The Authority shall maintain the Memorandum of Understanding (MOU) with the University of Virginia as authorized in Item 115, paragraph P., Chapter 725, 2025 Acts of Assembly. Any balances authorized in Item 115, paragraph P., Chapter 725, 2025 Acts of Assembly remaining at end of the fiscal year shall be carried forward and reappropriated. Notwithstanding Item 115, paragraph P., Chapter 725, 2025 Acts of Assembly, the University of Virginia may revise its MOU with the Authority to direct unobligated resources provided by paragraph P. of Item 115, Chapter 725, 2025 Acts of Assembly, to the completion of the physical structure that will serve as the Virginia Institute for Biotechnology. The updated MOU shall include a provision that requires the University of Virginia to offset any state funds used to complete the Virginia Institute for Biotechnology building with private philanthropic, university, or nonstate funds directed to the recruitment of research faculty for the Institute in equal amounts.

2. Out of the appropriation in this Item, $3,000,000 the first year from the general fund is provided for the University of Virginia's Institute for Biotechnology to begin the second phase of its development, which may include completion of the physical structure that will serve as the Virginia Institute for Biotechnology. The University of Virginia shall enter into a Memorandum of Understanding (MOU) with the Virginia Innovation Partnership Authority (VIPA) that includes (i) performance metrics for the state's investments; (ii) sources of private philanthropic, university, and other funding; (iii) the research specialization of the initiative; (iv) opportunities for joint research projects and clinical trials; and (v) commitments to non-competition for research in life sciences. The University of Virginia and the Authority may amend an existing MOU to satisfy the requirements of this paragraph. These amounts shall remain unallotted by the Director of the Department of Planning and Budget until such time as an executed MOU has been received from VIPA. On or before August 1 of each year, upon the signature of the MOU, the University of Virginia shall submit information on the financial performance of the initiative to the Virginia Innovation Partnership Authority to include: (i) budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year; (ii) total investments broken out into various investment activities; and (iii) cash balances. The MOU shall include a provision that requires the University of Virginia to offset any state funds used to complete the Virginia Institute for Biotechnology building with private philanthropic, university, or nonstate funds directed to the recruitment of research faculty for the Institute in equal amounts.

Q.1. The Authority shall maintain the Memorandum of Understanding (MOU) with Virginia Polytechnic Institute and State University as authorized in Item 115, paragraph Q., Chapter 725, 2025 Acts of Assembly. As prescribed in Item 115, paragraph Q., Chapter 725, 2025 Acts of Assembly, on or before August 1 of each year, upon the signature of the MOU, Virginia Polytechnic Institute and State University shall submit information on the financial performance of the initiative to the Authority to include: (i) budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year; (ii) total investments broken out into various investment activities; and (iii) cash balances. Any balances authorized in Item 115, paragraph Q., Chapter 725, 2025 Acts of Assembly remaining at end of the fiscal year shall be carried forward and reappropriated.

2. Out of the appropriation in this Item, $6,000,000 the first year from the general fund is provided for Virginia Polytechnic Institute and State University's Patient Research Center. Virginia Polytechnic Institute and State University shall enter into a Memorandum of

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Understanding (MOU) with the Virginia Innovation Partnership Authority (VIPA) that includes (i) performance metrics for the state's investments; (ii) sources of private philanthropic, university, and other funding; (iii) the research specialization of the initiative; (iv) opportunities for joint research projects and clinical trials; and (v) commitments to non-competition for research in life sciences. Virginia Polytechnic Institute and State University and the Authority may amend an existing MOU to satisfy the requirements of this paragraph. These amounts shall remain unallotted by the Director of the Department of Planning and Budget until such time as an executed MOU has been received from VIPA. On or before August 1 of each year, upon the signature of the MOU, Virginia Polytechnic Institute and State University shall submit information on the financial performance of the initiative to the Virginia Innovation Partnership Authority to include: (i) budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year; (ii) total investments broken out into various investment activities; and (iii) cash balances.

R.1. The Authority shall maintain the Memorandum of Understanding (MOU) with Virginia Commonwealth University as authorized in Item 115, paragraph R., Chapter 725, 2025 Acts of Assembly. As prescribed in Item 115, paragraph R., Chapter 725, 2025 Acts of Assembly, on or before August 1 of each year, upon the signature of the MOU, Virginia Commonwealth University shall submit information on the financial performance of the initiative to the Authority to include: (i) budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year; (ii) total investments broken out into various investment activities; and (iii) cash balances. Any balances authorized in Item 115, paragraph R., Chapter 725, 2025 Acts of Assembly remaining at end of the fiscal year shall be carried forward and reappropriated.

2. Out of the appropriation in this Item, $3,000,000 the first year from the general fund is provided for Virginia Commonwealth University's Medicines for All Institute. Virginia Commonwealth University shall enter into a Memorandum of Understanding (MOU) with the Virginia Innovation Partnership Authority (VIPA) that includes (i) performance metrics for the state's investments; (ii) sources of private philanthropic, university, and other funding; (iii) the research specialization of the initiative; (iv) opportunities for joint research projects and clinical trials; and (v) commitments to non-competition for research in life sciences. Virginia Commonwealth University and the Authority may amend an existing MOU to satisfy the requirements of this paragraph. These amounts shall remain unallotted by the Director of the Department of Planning and Budget until such time as an executed MOU has been received from VIPA. On or before August 1 of each year, upon the signature of the MOU, Virginia Commonwealth University shall submit information on the financial performance of the initiative to the Virginia Innovation Partnership Authority to include: (i) budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year; (ii) total investments broken out into various investment activities; and (iii) cash balances.

S. The Authority shall maintain the Memorandum of Understanding (MOU) with Old Dominion University as authorized in Item 115, paragraph S., Chapter 725, 2025 Acts of Assembly. As prescribed in Item 115, paragraph S., Chapter 725, 2025 Acts of Assembly, on or before August 1 of each year, upon the signature of the MOU, Old Dominion University shall submit information on the financial performance of the initiative to the Authority to include: (i) budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year; (ii) total investments broken out into various investment activities; and (iii) cash balances. Any balances authorized in Item 115, paragraph S., Chapter 725, 2025 Acts of Assembly remaining at end of the fiscal year shall be carried forward and reappropriated.

T. Any additional funds transferred to the Authority as a result of actions pursuant to Item 126.10, paragraph S.5 of Chapter 854, 2019 Acts of Assembly may be used: (1) to enable the establishment of a fund of funds that will permit the Commonwealth to invest in one or more syndicated private investment funds; (2) to enhance direct investment programs by placing additional investments in partnership with Virginia accelerators and university technology commercialization programs; and (3) to enable the establishment of a sustainable program to enhance discovery of, and early investment in, technologies aligned with the Virginia Innovation Index. Decisions to invest in private funds shall be subject to approval by the Board of Directors. Investments in such funds shall be monitored by the Board of Directors.

Total for Virginia Innovation Partnership Authority....			**$53,911,965**	**$41,786,965**

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Fund Sources: General	$53,911,965	$41,786,965		
TOTAL FOR OFFICE OF COMMERCE AND TRADE			**$854,213,860**	**$722,505,438**
General Fund Positions	285.72	285.72		
Nongeneral Fund Positions	252.28	252.28		
Position Level	538.00	538.00		
Fund Sources: General	$571,348,306	$443,035,185		
Special	$113,679,894	$113,679,894		
Commonwealth Transportation	$1,792,855	$1,792,855		
Trust and Agency	$706,371	$706,371		
Dedicated Special Revenue	$5,039,113	$1,504,113		
Federal Trust	$161,647,321	$161,787,020		

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OFFICE OF EDUCATION				
§ 1-48. SECRETARY OF EDUCATION (185)				
116. Administrative and Support Services (79900)			$914,560	$914,560
General Management and Direction (79901)	$914,560	$914,560		
Fund Sources: General	$914,560	$914,560		
Authority: Title 2.2, Chapter 2, § 2.2-208 Code of Virginia.				
A. The Secretary of Education is hereby authorized to make allocations of the portion of the tax-exempt private activity bond limitation amount to be allocated annually to the Commonwealth of Virginia pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001 (PL 107-16)(Section 142(k)(5) of the Internal Revenue Code of 1986, as amended) for the development of education facilities using public-private partnerships, and to provide for carryovers of any unused limitation amount. In making such allocations, the Secretary is directed to give priority to public-private partnership proposals that will serve as demonstration projects concerning the leveraging of private sector contributions and resources, the achievement of economies or efficiencies associated with private sector innovation, and other benefits that are or may be derived from public-private partnerships in contrast to more traditional approaches to public school construction and renovation. The Secretary is directed to report annually not later than August 31 to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees regarding any guidelines implemented and any allocations made pursuant to this paragraph.				
B. For the funds identified for reallocation in each of the higher education institutions' educational and general programs, each respective institution shall report the amounts and the specific purposes for which they were used in its six-year academic plans finalized in the fall of 2026 and the fall of 2027.				
Total for Secretary of Education			**$914,560**	**$914,560**
General Fund Positions	5.00	5.00		
Position Level	5.00	5.00		
Fund Sources: General	$914,560	$914,560		
§ 1-49. DEPARTMENT OF EDUCATION, CENTRAL OFFICE OPERATIONS (201)				
117. Instructional Services (18100)			$169,148,616	$169,148,616
Public Education Instructional Services (18101)	$22,181,605	$22,181,605		
Program Administration and Assistance for Instructional Services (18102)	$145,108,645	$145,108,645		
Adult Education and Literacy (18104)	$1,858,366	$1,858,366		
Fund Sources: General	$21,529,563	$21,529,563		
Special	$775,000	$775,000		
Commonwealth Transportation	$315,842	$315,842		
Trust and Agency	$5,000	$5,000		
Federal Trust	$146,523,211	$146,523,211		
Authority: Public Education Instructional Services: Title 22.1, Chapter 13, Code of Virginia; P.L. 107-110, P.L. 105-332, P.L.108-447, P.L. 102-305, Federal Code.				
Program Administration and Assistance for Instructional Services: Title 22.1, Chapter 13, Code of Virginia; P.L. 107-110, P.L. 105-332, P.L. 108-447, P.L. 102-305, Federal Code.				
Compliance and Monitoring of Instructional Services: Title 22.1, Chapter 13, Code of Virginia; P.L. 107-110, P.L. 105-332, P.L. 108-447, Federal Code.				
Adult Education and Literacy: §§ 2.2-2472, 22.1-223-226, 22.1-253.13:1, 22.1-254.2, Code of Virginia; P.L. 105-220, Federal Code.				

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A. The Superintendent of Public Instruction is encouraged to implement school/community team training.

B. The Superintendent of Public Instruction shall provide direction and technical assistance to local school divisions in the revision of their Vocational Education curriculum and instructional practices.

C. The Superintendent of Public Instruction, in cooperation with the Commissioner of Social Services, shall encourage local departments of social services and local school divisions to work together to develop cooperative arrangements for the use of school resources, especially computer labs, for the purpose of training Temporary Assistance for Needy Families (TANF) recipients for the workforce.

D. Notwithstanding § 4-1.04 a 3 of this act, the Superintendent of Public Instruction may apply for grant funding to be used by local school divisions consistent with the provisions of Chapter 447, 1999 Acts of Assembly. The nongeneral fund appropriation for this agency shall be adjusted by the amount of the proceeds of any such grant awards.

E. 1. Out of the appropriations in this item, $1,300,000 the first year and $1,300,000 the second year from the general fund is provided to support students and teachers pursuing information technology industry certifications. The funding shall be used to provide outreach, training, instructional resources, industry recognized certification opportunities for teachers and students enrolled in Virginia public high schools and regional career and technical education programs, and information technology curriculum resources for use by students' parents.

2. The funds provided in this initiative shall be used to support the following priority objectives: a) increase the percentage of students enrolled in career and technical education courses who receive instruction in information technology leading to an increased number of students achieving industry recognized certifications in information technology; b) increase the number of high schools and regional career and technical education programs that receive the training and technical support to be ready to implement information technology curricula leading to increased statewide implementation and use; c) increase the number of teachers teaching targeted career and technical education courses and other high school teachers who receive training in information technology and in industry recognized certifications leading to an increased number of teachers achieving industry recognized certifications in information technology; and, d) support implementation of information technology curricula in school divisions in Southside and Southwest Virginia so that implementation in those regions is at least comparable to implementation in other regions of Virginia.

F. Out of the appropriation in this Item, $413,000 the first year and $413,000 the second year from the general fund is provided for the Department of Education to continue a professional development program intended to increase the capacity of principals as school leaders in under-performing schools.

G. Out of the appropriation in this Item, $366,000 the first year and $366,000 the second year from the general fund is provided to the Department of Education to assist local school divisions, as needed, to establish criteria for the professional development of teachers and principals on the subject of issues related to high-needs students.

H. Out of this appropriation, $3,652,000 the first year and $3,652,000 the second year from the general fund is provided for the Virginia Kindergarten Readiness Program.

a. Of this amount, $1,377,000 the first year and $1,377,000 the second year from the general fund is provided through the Department of Education to the University of Virginia to continue statewide implementation of the Virginia Kindergarten Readiness Program conducted in the fall, and to continue to support a post-assessment upon the conclusion of the kindergarten year.

b. The Department of Education shall coordinate with the University of Virginia's Center for Advanced Study of Teaching and Learning to ensure that all school divisions shall be required to have their kindergarten students assessed annually during the school year using the multi-dimensional kindergarten readiness assessment model. All school divisions shall

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be required to have their kindergarten students assessed with such model.

c. Of this amount, $1,050,000 the first year and $1,050,000 the second year shall be allocated to the University of Virginia to support implementation of a pre-kindergarten version of the Virginia Kindergarten Readiness Program for four-year-old children enrolled in publicly-funded pre-kindergarten programs, and for piloting the use and development of a pre-kindergarten version of the Virginia Kindergarten Readiness Program for three-year-old children enrolled in publicly-funded pre-kindergarten programs.

d. Of this amount, $350,000 the first year and $350,000 the second year from the general fund shall be allocated to University of Virginia's Center for Advanced Study of Teaching and Learning to provide training to school divisions annually on how to effectively use Virginia Kindergarten Readiness Program data to improve instructional practices and student learning. Such teacher focused professional development and training shall be prioritized for the school divisions that would most benefit from state assistance in order to provide more time for classroom instruction and student learning for kindergarten and pre-kindergarten students, including both three- and four-year-old pre-kindergarten classrooms.

e. The Department and the University of Virginia's Center for Advanced Study of Teaching and Learning shall use the results of the multi-dimensional Virginia Kindergarten Readiness Program assessments to determine how well the Virginia Preschool Initiative promotes readiness in all key developmental domains assessed. The Department shall submit such findings using data from the prior year's fall assessment to the Chairs of House Appropriations and Senate Finance and Appropriations Committees no later than October 1 each year.

f. Of this amount, $875,000 the first year and $875,000 the second year from the general fund is provided through the Department of Education to the University of Virginia in partnership with the Department and school divisions to support an assessment in literacy, math, social skills and self-regulation in grades one, two and three to help teachers, parents and divisions identify students' strengths, deficiencies and support student growth longitudinally.

I. Out of this appropriation, $700,000 the first year and $700,000 the second year from the general fund is provided through the Department of Education to the University of Virginia's Center for Advanced Study of Teaching and Learning to ensure that teachers in select publicly-funded early childhood programs, including Virginia Preschool Initiative classrooms, receive appropriate individualized professional development training from professional development specialists to support quality teacher-child interactions and effective implementation of high-quality curriculum. Funding and professional development assistance shall be prioritized for classrooms that have demonstrated need based on the Unified Measurement and Improvement System, known as VQB5, established pursuant to § 22.1-289.05, Code of Virginia, which is based on observing teachers with the Classroom Assessment Scoring System (CLASS) observation tool and use of standards-aligned curriculum. The University of Virginia's Center for Advanced Study of Teaching and Learning, assisted on an as needed basis by the Department of Education, Virginia Early Childhood Foundation, and Elevate Early Education shall hire and train specialists to provide such individualized professional development. The University of Virginia's Center for Advanced Study of Teaching and Learning and the Training and Technical Assistance Centers funded by the Individuals with Disabilities Act (IDEA) through the Department of Education shall coordinate to ensure alignment of professional development and supports for teachers of children with special needs.

J. Out of this appropriation, $1,047,000 the first year and $1,047,000 the second year from the general fund is provided to ensure that select publicly-funded early childhood programs, including Virginia Preschool Initiative programs, have the quality of their teacher-child interactions assessed through a rigorous and research-based classroom observational instrument using the CLASS observational instrument for such assessment. These observations shall be used to verify accuracy and maintain reliability of the measurements required within Virginia's Unified Measurement and Improvement System, known as VQB5, established pursuant to § 22.1-289.05, Code of Virginia.

K.1 Out of this appropriation, $7,978,283 the first year and $7,978,283 the second year from the general fund is provided to the University of Virginia's Virginia Literacy Partnership for implementation of literacy instruction aligned with science-based reading research. The

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	Director of Planning and Budget shall transfer this amount to the University of Virginia to support the Virginia Literacy Partnership for the activities within this Item.				
	2. Of this amount, $3,400,000 the first year and $3,400,000 the second year shall be used to support literacy coaching, technical assistance and professional development.				
	3. Of this amount, $4,578,283 the first year and $4,578,283 the second year shall be used to support development and implementation of a statewide literacy screener.				
	4. For the review of literacy materials conducted by the University of Virginia's Virginia Literacy Partnership on behalf of the Department of Education, the Partnership shall be authorized to collect reasonable fees from applicants to offset costs incurred as part of such review. Prior to the collection of any such fees, the Partnership shall establish a schedule of fees.				
	L. The Superintendent of Public Instruction shall enter into a statewide contract with one or more telehealth providers to provide high-quality mental health care services to public school students. School divisions may opt to purchase such services through this contract.				
	M. The Superintendent of Public Instruction shall enter into a statewide contract with a provider experienced in attendance recovery services for at-risk students to assist public school divisions with outreach and support for disengaged, chronically absent, or struggling students. The provider should be able to scale up the number of students served if necessary based on demand from school divisions. School divisions may opt to purchase services through this contract.				
	N.1. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the general fund is provided to improve student performance in mathematics in public elementary and secondary schools in the Commonwealth.				
	2. The Department shall: (i) oversee and track mathematics instruction, assessment scores, and learning outcomes in the Commonwealth to identify potential areas for improvement; (ii) identify evidence-based and proven best practices to improve mathematics instruction and student performance; (iii) establish the framework for and support the implementation of professional development strategies for educators and school systems; (iv) administer state funds provided to school divisions as appropriate; (v) collaborate with school boards and division superintendents to support the implementation of competency-based and evidence-based mathematics learning, provide recommendations on best practices, and facilitate professional development opportunities for educators; (vi) oversee the statewide professional development framework for evidence-based teacher training, provide instructional guides and evidence-based resources, and facilitate regional professional development networks on improving mathematics; and (vii) collect data to analyze student mathematics progress and report the impact on student success across the Commonwealth.				
	3. The Department shall establish and oversee a Mathematics Advisory Task Force to provide recommendations on improving mathematics education in elementary, middle, and high school. Task Force members shall include mathematics teachers, instructional coaches, school administrators, parents, business leaders, a division superintendent, a higher education representative, a school board member, and other stakeholders.				
118.	Special Education and Student Services (18200)			$22,762,909	$22,572,909
	Special Education Instructional Services (18201)	$14,791,139	$14,601,139		
	Special Education Administration and Assistance Services (18202)	$1,055,817	$1,055,817		
	Special Education Compliance and Monitoring Services (18203)	$3,975,678	$3,975,678		
	Student Assistance and Guidance Services (18204)	$2,940,275	$2,940,275		
	Fund Sources: General	$6,134,267	$5,944,267		
	Special	$120,000	$120,000		
	Federal Trust	$16,508,642	$16,508,642		
	Authority: Special Education Instructional Services: §§ 22.1-213 through 22.1-221, 22.1-253.13:1 through 22.1-253.13:8, 22.1-319 through 22.1-332, Code of Virginia; P.L. 108-				

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446, Federal Code.

Special Education Administration and Assistance Services: §§ 22.1-253.13:1 through 22.1-253.13:8, Code of Virginia; P.L. 108-446, Federal Code.

Special Education Compliance and Monitoring Services: §§ 22.1-213 through 22.1-221, 22.1-253.13:1 through 22.1-253.13:8, 22.1-319 through 22.1-332, Code of Virginia; P.L. 108-446, Federal Code.

Student Assistance and Guidance Services: Title 22.1, Chapters 1, 13, 14, 16; §§ 22.1-16.2, 22.1-17.1, 22.1-17.2, 22.1-199.4, 22.1-206, 22.1-207.1, 22.1-208.01, 22.1-209.2, Code of Virginia; P.L. 107-110 and P.L. 108-446, Federal Code.

A. The Department of Education, 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 special education 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 school divisions. In addition, the Department of Education 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. The Board of Education shall consider the caseload standards for speech-language pathologists as part of its review of the Standards of Quality, pursuant to § 22.1-18.01, Code of Virginia.

C. The Board of Education shall consider the inclusion of instructional positions needed for blind and visually impaired students enrolled in public schools and shall consider developing a caseload requirement for these instructional positions as part of its review of the Standards of Quality, pursuant to § 22.1-18.01, Code of Virginia.

D. Out of this appropriation, $447,416 the first year and $447,416 the second year from the general fund is provided to the Department of Education to provide training, technical assistance, and on-site coaching to public school teachers and administrators on implementation of a positive behavioral interventions and supports program with the goal of improving school climate and reducing disruptive behavior in the classroom. Such training and other assistance may be provided as part of the Department's ongoing efforts to assist schools with implementation of a tiered system of supports that addresses both academic and behavioral needs.

E. Out of this appropriation, $290,000 the first year and $290,000 the second year from the general fund and $290,000 the first year and $290,000 the second year from federal funds shall be used for Multisensory Structured Literacy teacher training.

F. Out of this appropriation, $592,755 the first year and $592,755 the second year from the general fund is provided to support statewide training and assistance for local school divisions to implement the Board of Education's Regulations Governing the Use of Seclusion and Restraint in Public Elementary and Secondary Schools in Virginia.

G.1. The Department of Education shall serve as the lead agency to collect and report data that succinctly measures the progress and outcomes of students that are placed in private provider settings by such student's public school of residence in Virginia or have been placed in a private provider facility by other legal means for which the Commonwealth is responsible for providing education. In keeping with the November 1, 2018, Private Day Special Education Outcomes report's findings and recommendations, the data shall include at least student attendance rates, graduation rates, individual student progress improvement rates relative to student individual education plans, standardized test scores, return to public school setting percentages, suspension and expulsion rates, transition to enrolling in post-secondary education percentages, and parental and student perspectives.

2. The Department of Education, in collaboration with the Office of Children's Services, shall establish an implementation advisory group to assist in refining the outcome measures contained in paragraph G.1 of this item and the collection of any additional information that is beneficial in determining and measuring outcomes of such students in private day school

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settings that ensure a consistent set of comparable and compatible data relative to such data of students enrolled in the public schools in Virginia and who have an individualized education plan. The advisory workgroup shall include a representative number of various stakeholders that includes, but is not limited to, private day schools, local school divisions, associations that represent private providers, and others as necessary. The advisory group shall assist in the development of data collection protocols, requirements, and outcome reporting mechanisms. The relevant data shall be provided to the department annually by each private provider that receives state funding for the purpose of providing services as prescribed in such student's individualized education plan.

3. The department shall collect outcome data for private day special education schools and, if warranted, other state agencies shall provide appropriate support to facilitate the collection of such data. All public school divisions that have students enrolled in such a private provider facility shall include in their contract for services with the private provider a requirement for the department to receive the data necessary to satisfy the data collections and subsequent reporting requirements. The department shall report annually on the outcome data for students enrolled in special education private day schools to Chairs of the House Appropriations, House Education, Senate Finance and Appropriations, and Senate Education and Health Committees by the first day of the regular General Assembly Session.

4. The Department of Education shall enter into a data sharing Memorandum of Understanding with the Office of Children's Services to allow linkage of specific student data to specific private day schools.

5. The Department of Education and the Office of Children's Services shall have authority to implement these changes prior to the completion of any regulatory process undertaken in order to effect such changes.

6. The Department of Education shall collect and publish data annually from each private special education day school on: (i) the number of teachers who are not fully endorsed in the content that they are teaching; (ii) the number of teachers who have less than one year of classroom experience; (iii) the number of teachers who are provisionally licensed; (iv) the type of academic credentials attained by each teacher and in what subjects; (v) the number of career and technical education credentials conferred by each school on its graduating students in each of the three prior academic years; (vi) each school's accreditation status, including the accrediting body; and (vii) the number of incidents of restraint and seclusion occurring in each of the previous three academic years.

H. The Board of Education shall develop and promulgate regulations for private special education day schools on restraint and seclusion that establish the same requirements for restraint and seclusion as those for public schools.

I. The Department of Education shall revise the state's special education complaint procedures and practices to ensure the Department requires and enforces corrective actions that (i) achieve full and appropriate remedies for school divisions' non-compliance with special education laws and regulations, including, at a minimum, requiring school divisions to provide compensatory services to students with disabilities when the Department determines divisions did not provide legally obligated services; and (ii) ensure that relevant personnel understand how to avoid similar non-compliance in the future.

J.1. Out of this appropriation, $2,200,000 the first year and $2,200,000 the second year from the general fund is provided to support families of special education students, and professional development and coaching as required by Chapters 468 and 502, 2024 Acts of Assembly.

2. Out of this amount, $1,100,000 the first year and $1,100,000 the second year shall be provided to Virginia's Parent Training and Information Center in the Commonwealth designated pursuant to 20 U.S.C. § 1471(e) to support eight regional special education family support centers.

3. Out of this amount, $1,100,000 the first year and $1,100,000 the second year shall be provided to support the development of professional development materials and ongoing special education coaching.

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	K. The Department of Education shall, after consultation with the local schools currently utilizing Children's Services Act (CSA) funds for transitional services, as defined in § 2.2-5211 of the Code of Virginia, issue guidance regarding how local school divisions can utilize CSA funds for transition services. Such guidance shall be issued by July 1, 2027.				
	L. The Department of Education shall, no later than December 1, 2026, make recommendations to the Chairs of the Senate Finance and Appropriations Committee, Health and Human Resources Subcommittee, and the House Appropriations Health and Human Resources Subcommittee on (i) removing barriers to using funds provided for Students with Intensive Support Needs including additional recommended uses of Students with Intensive Support Needs funds that would allow children to remain in their public school and (ii) how the department will make the Students with Intensive Support Needs application process less cumbersome. Such recommendations shall address concerns raised by local education agencies as noted in the department's report to the Office of Children's Services.				
119.	Pupil Assessment Services (18400)			$69,517,717	$67,117,717
	Test Development and Administration (18401)	$69,517,717	$67,117,717		
	Fund Sources: General	$50,892,336	$48,492,336		
	Special	$309,965	$309,965		
	Federal Trust	$18,315,416	$18,315,416		
	Authority: § 22.1-253.13:3, sections C and E, Code of Virginia; P.L. 107-110, Federal Code.				
	A.1. Out of this appropriation, $47,321,829 the first year and $44,921,829 the second year from the general fund is provided to support the costs of contracts for test development, administration, scoring, and reporting as well as other program-related costs of the Standards of Learning testing program. Of this amount, $21,941,151 the first year and $44,921,829 the second year shall be unallotted. Prior to the allotment of these funds, the Department of Education shall provide an updated report to the Secretary of Education, the Secretary of Finance, and the Department of Planning and Budget on the annual contract cost, and the Department's available general fund and nongeneral fund sources to support those costs. The Department of Education shall maximize available nongeneral funds to support the cost of the existing assessment contract extension through December 31, 2027, and the cost of a new assessment contract. Any balances for the purposes specified in this paragraph and paragraph A.2.b. that are unexpended on June 30, 2027, that are required to meet contract obligations through December 31, 2027, shall not revert to the general fund but shall be reappropriated for expenditure in the next fiscal year for the same purpose. Any general fund not required to meet contract obligations shall remain unallotted.				
	2. a. Pursuant to Chapter 760, 2022 Acts of the General Assembly, the Department shall include in its annual report a plan to implement a new state assessment system, including a revised timeframe; estimated short- and long-term costs, including the costs to transition to the new system; staffing and training needs; key milestones; and project deliverables.				
	b. Notwithstanding any contrary provisions of law, the Department is directed and authorized to pursue an extension to the current assessment contracts through December 31, 2027, to allow sufficient time for the Department to complete procurement processes as necessary to select an assessment vendor. Extensions to the existing assessment contracts shall not be subject to the provisions for renewals of high risk contracts.				
	B. Out of this appropriation, $1,551,416 the first year and $1,551,416 the second year from the general fund is provided for continued computer adaptive test transition and revision.				
	C. Notwithstanding any contrary provisions of law, the Department of Education shall not be required to administer the Stanford 9 norm-referenced test.				
	D. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is provided for assessment related materials for a verified credit in high school history and social science. In establishing graduation requirements, the State Board of Education shall require students to earn one verified credit in history and social science. Such verified credit shall be earned by (i) the successful completion of a state-developed end-of-course Standards of Learning assessment; (ii) achievement of a passing score on a Board-approved standardized test administered on a statewide, multistate, or international basis that				

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	measures content that incorporates or exceeds the Standards of Learning content in the course for which the verified credit is given; (iii) achievement of criteria for the receipt of a locally awarded verified credit from the local school board in accordance with criteria established in Board guidelines when the student has not passed a corresponding Standards of Learning assessment; or (iv) successful completion of assessments that include state-developed performance tasks scored locally in accordance with Board guidelines using state-developed rubrics.				
120.	School and Division Assistance (18500)			$10,820,021	$10,820,021
	School Improvement (18501)	$4,749,096	$4,749,096		
	School Nutrition (18502)	$5,510,321	$5,510,321		
	Pupil Transportation (18503)	$560,604	$560,604		
	Fund Sources: General	$5,530,348	$5,530,348		
	Special	$31,010	$31,010		
	Federal Trust	$5,258,663	$5,258,663		
	Authority: School Improvement: § 22.1-253.13:1 et seq., Code of Virginia; P. L. 107-110, Federal Code.				
	School Nutrition: §§ 22.1-24, 22.1-89.1, and 22.1-207.3, Code of Virginia; P.L. 79-396, P.L. 89-642, P.L. 95-627, as amended, P.L. 108-265, Federal Code.				
	Pupil Transportation: Title 22.1, Chapter 12, and Title 46.2, Code of Virginia; P. L. 103-272 and P.L. 109-20, Federal Code.				
	A. This appropriation includes $1,100,183 the first year and $1,100,183 the second year from the general fund for contractual services related to assisting schools that do not meet the Standards of Accreditation as prescribed by the Board of Education.				
	B. Notwithstanding the provisions of § 2.2-1502.1, Code of Virginia, the Board of Education, in cooperation with the Department of Planning and Budget, is authorized to invite a school division to participate in the school efficiency review program described in § 2.2-1502.1, Code of Virginia, as a component of a division level academic review pursuant to § 22.1-253.13:3, Code of Virginia.				
	C. Out of this appropriation, $1,922,461 the first year and $1,922,461 the second year from the general fund is provided to the Office of School Quality to assist low performing schools.				
	D. The Department of Education shall develop and submit a detailed plan for the state's school improvement program by November 15, 2026 to the Board of Education and the chairs of the House Appropriations, House Education, Senate Finance and Appropriations, and Senate Education and Health Committees.				
	E. The Department of Education shall annually develop a status report that includes updates on key school improvement program activities, available and needed resources, program performance, and student and school outcomes. This report shall be submitted annually to the Board of Education and the chairs of the House Appropriations, House Education, Senate Finance and Appropriations, and Senate Education and Health Committees no later than December 1 each year.				
	F. The Department of Education, in collaboration with school divisions, shall review participation in the Community Eligibility Provision statewide, including (i) reasons for non-participation among schools with Identified Student Percentages between 25.0 and 40.0 percent with a focus on those with an Identified Student Percentage between 35.0 and 40.0 percent, (ii) a summary of the financial benefits that schools or divisions participating in the Community Eligibility Provision have realized, and (iii) recommendations for encouraging participation, including cost estimates for each option. The Department shall report to the Chairs of the House Committees on Education and Appropriations and the Senate Committees on Education and Health and Finance and Appropriations by March 1, 2027.				
121.	Technology Assistance Services (18600)			$24,131,043	$18,993,043
	Instructional Technology (18601)	$5,875,077	$737,077		

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	Distance Learning and Electronic Classroom (18602)	$18,255,966	$18,255,966		
	Fund Sources: General	$11,241,937	$6,103,937		
	Special	$105,000	$105,000		
	Trust and Agency	$12,719,402	$12,719,402		
	Federal Trust	$64,704	$64,704		

Authority: Instructional Technology: §§ 22.1-20.1, 22.1-70.2, 22.1-199.1, 22.1-253.13:1 through 22.1-253.13:8, Code of Virginia; P.L. 107-110, Federal Code.

Distance Learning and Electronic Classroom: § 22.1-212.2, Code of Virginia.

Virtual Virginia Payments

1. From appropriations in this Item, the Department of Education shall provide assistance for the Virtual Virginia program.

2. This appropriation includes $498,000 the first year and $498,000 the second year from the general fund to support the Virtual Virginia full-time program for 200 students in grades nine through 12.

3. This appropriation includes $330,000 the first year and $330,000 the second year from the general fund to support the virtual mathematics outreach program.

4. The local share of costs associated with the operation of the Virtual Virginia program shall be computed using the composite index of local ability-to-pay.

5. The Department of Education shall maintain a plan to support the per-student, per-course fee schedule for local school divisions to participate in Virtual Virginia (VVA) coursework for elementary, middle, and high school students. Such fee schedule plan shall provide (i) an allotment of slots, determined by the Department, per course to a school division free of charge, and (ii) for any slots a school division wishes to use beyond the free slots, a per-course, per-student fee that may include discounts for school divisions based upon the composite index of local ability to pay. The department shall also include in its plan the current student participation enrollment by grade level in each VVA course, the number of students enrolled in VVA courses that a fee of any kind is charged and how such fee is currently paid for in each participating school division.

6.a. Out of this appropriation, $5,138,000 the first year from the general fund is provided for the continued implementation of a statewide learning management system (LMS) and resources.

b. The Department of Education shall establish a workgroup to explore long-term funding options to support school division usage, Virtual Virginia activities, and professional learning support. The workgroup should consist of representatives from participating school divisions, Virtual Virginia, and the Virginia Community College System to review impacts to dual enrollment and two-year matriculation, equitable access to high school and college credit courses along with viable funding possibilities. The workgroup shall consider a funding model whereby a fee schedule is developed for school divisions to subscribe to LMS services through a statewide contract administered through Virtual Virginia. The workgroup shall report to the Chairs of the House Committees on Education and Appropriations and the Senate Committees on Education and Health and Finance and Appropriations by December 1, 2026.

122.	Teacher Licensure and Education (56600)			$3,825,298	$3,825,298
	Teacher Licensure and Certification (56601)	$3,021,025	$3,021,025		
	Teacher Education and Assistance (56602)	$804,273	$804,273		
	Fund Sources: General	$1,459,525	$1,459,525		
	Special	$2,365,773	$2,365,773		

Authority: Teacher Licensure and Certification: §§ 22.1-16, 22.1-298.1, 22.1-299, 22.1-299.2, 22.1-302, 22.1-303, 22.1-305.2, 22.1-316 to 22.1-318, Code of Virginia; P.L. 107-110, Federal Code.

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Teacher Education and Assistance: §§ 22.1-290; 22.1-290.01; 22.1-290.1, 22.1-298, 22.1-305.2, 22.1-305.1, Code of Virginia; P. L. 108-446 and P. L. 107-110, Federal Code.

A. Proceeds from the fee schedule for the issuance of teaching certificates shall be utilized to defray all, or any part of, the expenses incurred by the Department of Education in issuing or accounting for teaching certificates. The fee schedule shall take into account the actual costs of issuing certificates. Any portion of the general fund appropriation for this Item may be supplemented by such fees.

B. The Board of Education is authorized to approve changes in the licensure fee amounts charged to school personnel pursuant to 8VAC20-23-40 A.2.

C. In furtherance of the General Assembly's interest in understanding trends in Virginia's teaching work force, teacher turnover rates, and the market for teachers, as evidenced by such metrics as the number of applicants per position, the Department shall develop and provide a model exit questionnaire that Virginia school divisions may administer to their exiting teachers.

D. Out of this appropriation, $93,084 the first year and $93,084 the second year from the general fund is provided to support local school division access to the National Association of State Directors of Teacher Education and Certification (NASDTEC) Clearinghouse to research educator misconduct.

E. Out of this appropriation, $558,000 the first year and $558,000 the second year from the general fund is provided to support the automated teacher licensure application and intake process.

F. Out of this appropriation, $395,991 the first year and $395,991 the second year from the general fund is provided to strengthen the Department of Education's role in helping school divisions with the most substantial teacher recruitment and retention challenges and to implement a statewide strategic plan for recruiting and retaining teachers in the most critical shortage areas.

G. Statewide non-profit organizations that are affiliated with established national professional associations shall be permitted to apply for state funds to support teacher training for educators.

123.	Administrative and Support Services (19900)			$31,572,000	$30,366,770
	General Management and Direction (19901)	$7,159,989	$5,949,819		
	Information Technology Services (19902)	$14,540,394	$14,540,394		
	Accounting and Budgeting Services (19903)	$6,769,271	$6,769,271		
	Policy, Planning, and Evaluation Services (19929)	$3,102,346	$3,107,286		
	Fund Sources: General	$27,365,011	$26,159,781		
	Special	$3,143,825	$3,143,825		
	Federal Trust	$1,063,164	$1,063,164		

Authority: Article VIII, Sections 2, 4, 5, 6, 8, Constitution of Virginia; Title 2.2, Chapters 10, 12, 29, 30, 31, and 32; Title 22.1, 22.1-8 through 20, 22.1-21 through 24; Title 51.1, Chapters 4, 5, 6.1, and 11; Title 60.2, Chapters 60.2-100, 60.2-106; Title 65.2, Chapters 1, 6, and 9, Code of Virginia; P.L. 108-446, P.L. 107-110, Federal Code.

A. Out of this appropriation, $9,000 the first year and $9,000 the second year from the general fund is designated to support annual membership dues to the Southern Regional Education Board. In addition, $5,000 the first year and $5,000 the second year from the general fund is designated to pay registration and travel expenses of citizens appointed as Virginia commissioners for the Southern Regional Education Board.

B. Out of this appropriation $135,611 the first year and $140,551 the second year from the general fund is provided for the fees and travel expenses associated with the Interstate Compact on Educational Opportunity for Military Children, established pursuant to Chapter 187, of the 2009 Acts of Assembly.

C. The Department of Education is authorized to collect proceeds from the sale of educational resources it has developed, such as technology applications, on-line course

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content, assessments, and other educational content, to out-of-state individuals or entities and to in-state, for-profit entities. The Department of Education is further authorized to deposit such proceeds in a non-reverting special fund account established in its financial records for this purpose. Net proceeds from such sales shall be expended by the Department of Education to further develop existing educational resources or to create new educational resources for the benefit of the commonwealth's public schools and which may also be sold under the provisions of this paragraph. The Secretary of Administration shall authorize any licensing agreements executed by the Department of Education pursuant to this paragraph.

D. Out of this appropriation, $34,625 the first year and $34,625 the second year from the general fund shall be used to provide performance evaluation training to teachers, principals, division superintendents, and other affected school division personnel in support of the transition from continuing employment contracts to annual employment contracts for teachers and principals.

E. Out of this appropriation, $100,000 the first year and $100,000 the second year from the general fund is provided for the Board of Education, in consultation with the Standards of Learning Innovation Committee, to continue redesigning the School Performance Report Card so that it is more effective in communicating to parents and the public regarding information about the status and achievements of the schools and school divisions.

F. Out of this appropriation, $300,000 the first year and $300,000 the second year is provided from the general fund for the Department of Education to develop and implement a growth scale for the existing Standards of Learning mathematics and reading assessments. This growth scale should facilitate data-driven school improvement efforts and support the state's accountability and accreditation systems.

G. Out of the amounts in this item, the Department of Education shall develop and administer biennially to individuals holding a license from the Department in each public elementary and secondary school in the Commonwealth a voluntary and anonymous school personnel survey to evaluate school-level teaching conditions and the impact such conditions have on teacher retention and student achievement. Such survey may include questions regarding school leadership, teacher leadership, teacher autonomy, demands on teachers' time, student conduct management, professional development, instructional practices and support, new teacher support, community engagement and support, and facilities and other resources. The Superintendent of Public Instruction shall report the results of any school personnel survey to the Chairs of the House Committees on Appropriations and Education and to the Senate Committees on Finance and Appropriations and Education and Health annually before the first day of each General Assembly Regular Session.

H. Out of this appropriation, $132,932 the first year from the general fund and $132,932 the second year from the general fund is provided for the Department of Education, in consultation with the Department of General Services, to develop or adopt and maintain a data collection tool to assist each school board to determine the relative age of each public school building in the local school division and the amount of maintenance reserve funds that are necessary to restore each such building. The Department of Education shall transfer these funds or a portion of these funds to the Department of General Services if the Department of Education determines that the Department of General Services shall develop and collect maintenance reserve data from each local school division. The Department of Education shall report the data on an annual basis as part of the Superintendent's Annual Report.

I. The Office of Community Schools shall provide an annual report and make it publicly available on its website that includes: the number of schools that have adopted the Community School framework; the status of these schools in implementing and evaluating the framework; an update and outcome of state grants awarded; and an assessment of the services provided by the Office to support schools.

J. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is provided for staffing and contracted services through the finance office to support activities related to the Joint Subcommittee on Elementary and Secondary Education Funding. These positions may also be used to support the Department's fiscal operations following the conclusion of the Joint Subcommittee's work.

K. In accordance with all applicable Virginia Department of Human Resource Management

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policies and procedures, the Department of Education shall ensure that any position supported by non-continuous or non-recuring funding sources is identified by the appropriate category or type of state employment, and that all such positions are advertised, recruited, and filled using the appropriate category or type of state employment.

L. The Department of Education shall review funding for regional career and technical education schools, including (i) identifying funding sources and amounts for such schools and (ii) proposing recommendations and estimated costs for alternative funding mechanisms, including but not limited to a similar mechanism as Academic Year Governor's Schools. The Department shall report on the findings of the review to the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee by December 1, 2026.

M. Out of this appropriation, $1,000,000 the first year and $250,000 the second year from the general fund is provided to support the Joint Subcommittee on Elementary and Secondary Education Funding. The Superintendent of Public Instruction shall issue a Request for Proposals (RFP) for a contractor to support the development of a new funding formula. The RFP shall be subject to the approval of a majority of the House members and a majority of the Senate members of the Joint Subcommittee on Elementary and Secondary Education Funding. The Superintendent shall ensure continued collaboration between the contractor, the Joint Subcommittee, and the Department of Planning and Budget.

Total for Department of Education, Central Office Operations			**$331,777,604**	**$322,844,374**
General Fund Positions	205.17	205.17		
Nongeneral Fund Positions	369.33	369.33		
Position Level	574.50	574.50		
Fund Sources: General	$124,152,987	$115,219,757		
Special	$6,850,573	$6,850,573		
Commonwealth Transportation	$315,842	$315,842		
Trust and Agency	$12,724,402	$12,724,402		
Federal Trust	$187,733,800	$187,733,800		

Direct Aid to Public Education (197)

124.	Financial Assistance for Educational, Cultural, Community, and Artistic Affairs (14300)		$73,829,402	$57,428,902
	Financial Assistance for Supplemental Education (14304)	$73,829,402	$57,428,902	
	Fund Sources: General	$73,829,402	$57,428,902	

Authority: Discretionary Inclusion.

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

Supplemental Education Assistance Programs (14304)	**FY 2027**	**FY 2028**
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	$1,350,000	$1,350,000
AED/CERP Grants	$500,000	$0
AI Innovation in Education Pilot Program	$2,000,000	$0
American Civil War Museum	$400,000	$200,000
AP, IB, and Cambridge Assessment	$900,000	$900,000

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Exam Fee Reduction				
Big Free Bookstore	$300,000			$0
Black History Museum and Cultural Center of Virginia	$700,000			$700,000
Blue Ridge Partnership for Health Science Centers	$250,000			$0
Blue Ridge PBS	$1,200,000			$1,200,000
Boys and Girls Club of the Northern Neck	$250,000			$0
Career and Technical Education Regional Centers	$600,000			$600,000
Career and Technical Education Resource Center	$498,021			$498,021
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	$500,000			$500,000
Communities in Schools (CIS)	$2,004,400			$2,004,400
Community Builders Program	$300,000			$300,000
Community Schools Development and Implementation Planning Grant	$7,500,000			$2,500,000
Computer Science Teacher Training	$550,000			$550,000
Connect Plus	$600,000			$600,000
Critical National Security Language Grant Program	$250,000			$250,000
Dolly Parton's Imagination Library For Kids	$1,500,000			$1,500,000
Donors Choose	$500,000			$0
EduTutorVA	$250,000			$250,000
eMediaVA	$1,200,000			$1,200,000
Goodwill Industries of the Valley - Diplomas for All	$900,000			$900,000
Great Aspirations Scholarship Program (GRASP)	$500,000			$500,000
Grow Your Own Teacher	$240,000			$240,000
Hampton Roads Recovery High School	$250,000			$250,000
Hanover County Public Schools - Center for Trades and Technology	$750,000			$0
Jobs for Virginia Graduates (JVG)	$2,243,776			$2,243,776
Loudoun County Recovery High School	$250,000			$250,000
Milk and Cookies (MAC) Children's Program	$250,000			$250,000
National Board Certification Program	$5,227,500			$5,170,000
New Chesapeake Men for Progress Education Foundation	$200,000			$0
Opportunity Scholars	$500,000			$0
PBS Appalachia	$1,200,000			$1,200,000
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	$1,200,000			$1,200,000
Praxis and Virginia Communication and Literacy Assessment Assistance for	$50,000			$50,000

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Provisionally Licensed Minority Teachers				
Project Discovery	$987,500			$987,500
Public Safety Training Center - Prince William County	$50,000			$50,000
REACH Virginia	$500,000			$0
Reck League	$250,000			$250,000
RFK Outreach - Cyber Bus	$200,000			$0
Rockingham County Public Schools CTE	$4,100,000			$0
School Program Innovation	$500,000			$500,000
Small School Division Assistance	$145,896			$145,896
Soundscapes - Newport News	$90,000			$90,000
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	$3,781,000			$3,781,000
Teacher Residency Program	$3,600,000			$3,600,000
21st Century Community Learning Centers	$2,000,000			$2,000,000
Van Gogh Outreach Program	$71,849			$71,849
Virginia Alliance of YMCAs	$500,000			$0
Virginia Early Childhood Foundation (VECF)	$1,250,000			$1,250,000
Virginia Girl Scout Legislative Coalition	$193,000			$0
Virginia Holocaust Museum	$125,000			$125,000
Virginia Leads Innovation Network	$250,000			$250,000
Virginia Museum of History and Culture	$300,000			$300,000
Virginia Outdoor Education Program	$100,000			$0
Virginia Student Training and Refurbishment (VA STAR) Program	$300,000			$300,000
Vision Screening Grants	$791,000			$791,000
VPI Provisional Teacher Licensure	$425,000			$425,000
Wolf Trap Model STEM Program	$1,600,000			$1,300,000
Total	**$73,829,402**		**$57,428,902**	

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

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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, $498,021 the first year and $498,021 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.1. 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 have obtained national certification from the National Board for Professional Teaching Standards and grants for candidates working in a Title I school or a school eligible for participation in the Community Eligibility Provision pursuant to § 22.1-207.4:1 who are candidates for initial national certification or maintenance of national certification (MOC) from the National Board for Professional Teaching Standards. This appropriation includes an amount estimated at $5,227,500 the first year and $5,170,000 the second year from the general fund for the purpose of paying these bonuses and grants. The Board shall establish procedures for determining amounts of awards if the moneys are not sufficient to award each eligible teacher the appropriate award amount.

2. Any public school staff member who has obtained national certification from the National Board for Professional Teaching Standards shall be eligible to receive an initial grant award of $5,000 and a subsequent award of $2,500 each year for the life of the certificate.

3. Any candidate (i) working in a Title 1 school or a school eligible for participation in the Community Eligibility Provision pursuant to § 22.1-207.4:1 and (ii) who is pursuing initial national certification from the National Board for Professional Teaching Standards is eligible to apply to the Department for a grant to cover (a) half of the total initial national certification fee, equal to the sum of the cost of the four components and the registration fee for initial national certification, to be disbursed upon initial registration for such certification and (b) the remaining half of such total initial national certification fee to be disbursed upon successful achievement of initial national certification as verified by the National Board for Professional Teaching Standards.

4. Any candidate (i) working in a Title 1 school or a school eligible for participation in the Community Eligibility Provision pursuant to § 22.1-207.4:1 and (ii) who is pursuing MOC from the National Board for Professional Teaching Standards is eligible to apply to the Department for an incentive grant to cover the total MOC fee, equal to the sum of the cost of MOC and the registration fee for MOC, to be disbursed upon successful completion of the MOC process as verified by the National Board for Professional Teaching Standards.

5. By October 15 of each year, school divisions shall notify the Department of Education of the number of eligible candidates under contract for that school year that hold or are pursuing such certification.

G. This appropriation includes $3,781,000 the first year and $3,781,000 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, $2,208,000 the first year and $2,208,000 the second year from the 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

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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. Scholarships may be used to assist with expenses incurred during the supervised clinical practice required for licensure. 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 under paragraph G.

4. a. Out of this appropriation, $350,000 the first year and $350,000 the second year from

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the general fund is provided to support costs for teachers to become qualified to teach dual enrollment and industry credential courses in local school divisions. Qualifying teachers are 1) 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, or 2) high school teachers employed by a local school division and pursing additional training or coursework to earn a Board of Education-approved industry recognized credential that will lead to instruction in high schools in their local school division of regionally in-demand industry credentials. The Department of Education shall collaborate with the Virginia Office of Education Economics to determine regionally in-demand industry credentials.

b. For teachers pursuing credentialing requirements to teach dual enrollment courses, 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 $12,000. 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.

c. For teachers pursuing additional training or coursework to teach an industry credential, the Department of Education shall make payments on behalf of the awardees directly to the employing school division for reimbursement of training, coursework, or assessment costs. The lifetime maximum credentialing award for each approved eligible teacher is $12,000. Eligibility for access to these reimbursement 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 reimbursement is warranted, ii) the career and technical course or courses that shall be offered by the awardee's high school and taught by the awardee upon successful acquirement of the industry credential, and iii) the projected student enrollment in the awardee's employing public high school career and technical courses.

d. 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 or reimbursement awarded to each school division, the institution of higher education receiving tuition, the credentialing area pursued by recipients, and dual enrollment or career and technical courses offered after the recipient's successful completion of the pursued credentialing. The Department shall submit the report by June 30 annually to the Secretary of Education, 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,

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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, 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 a performance category of Off Track or Needs Intensive Support or a federal identification status of Comprehensive Support and Improvement (CSI); Targeted Support and Improvement (TSI); or Additional Targeted Support and Improvement (ATSI). 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 performance categories of Off Track or Needs Intensive Support or a federal identification status of Comprehensive Support and Improvement (CSI), Targeted Support and Improvement (TSI), or Additional

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Targeted Support and Improvement (ATSI), 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 performance categories of Off Track or Needs Intensive Support or a federal identification status of Comprehensive Support and Improvement (CSI), Targeted Support and Improvement (TSI), or Additional Targeted Support and Improvement (ATSI), 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 based on need, relative to the performance category from the School Performance and Support Framework 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 the Teach for America Program to support hiring teachers in challenged schools. Within the fiscal year, any unobligated balance may be used for the Teacher Residency program.

O. Out of this appropriation, $1,600,000 the first year and $1,600,000 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

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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, $3,600,000 the first year and $3,600,000 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.

1. Of this amount, $1,850,000 the first year and $1,850,000 the second year is provided for Virginia Commonwealth University to continue and expand a program to support residents in partnership with the Richmond Teacher Residency program. Virginia Commonwealth University shall include this 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, $1,250,000 the first year and $1,250,000 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.

T. This appropriation includes $500,000 the first year and $500,000 the second year from the general fund to support 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. 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)

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'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 one 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. Any school division or consortium of divisions which desires to apply for this competitive grant must submit a proposal to the Department of Education annually by the date requested by the Department 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 as part of the STEM C Competition Team Grant Fund. Grants may not exceed $5,000 each. At least half of this appropriation should be provided to public elementary and secondary schools in the Commonwealth at which at least 60 percent of students qualify for free or reduced-price lunch.

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 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.

Y. Out of this appropriation, $791,000 the first year and $791,000 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.

Z. Out of this appropriation, $600,000 the first year and $600,000 the second year from the general fund is provided for annual grants of $60,000 to each of the eight regional career and technical centers, Winchester Public Schools' Innovation Center and Norfolk Public Schools'

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Norfolk Technical Center, to expand workforce readiness education and industry based skills.

AA. 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 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.

BB. 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).

CC. Out of this appropriation, $1,200,000 the first year and $1,200,000 the second year from the general fund is provided to Blue Ridge PBS for educational outreach programming.

DD. Out of this appropriation, $1,200,000 the first year and $1,200,000 the second year from the general fund is provided to support public-private partnerships between local school divisions and the Virginia Alliance of YMCAs to expand student participation opportunities in curriculum based learning loss programs through existing summer Power Scholars Academies or after school programs in such partnered school divisions.

EE. 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.

FF. Out of this appropriation, $1,200,000 the first year and $1,200,000 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 be determined by July 1 of each year in consultation with division superintendents or their designee and 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 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.

GG. Out of this appropriation, $1,350,000 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

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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.

HH. 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.

II. 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 Dolly Parton's Imagination Library for Kids program.

JJ. Out of this appropriation, $250,000 the first year and $250,000 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.

KK. 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.

LL. Out of this appropriation, $500,000 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.

MM. Out of this appropriation, $240,000 the first year and $240,000 the second year from the general fund is provided for a Grown Your Own Teacher program to provide grants to low-income high school graduates who attended an institution of higher education in the Commonwealth and subsequently teach in high-need public schools in the school divisions from which they graduated high school. The Department of Education shall establish a process by which school divisions may apply for grants from the Grow Your Own Teacher Program to provide a grant of $7,500 per academic year for up to four years for individuals who (i) graduated from a public high school in the local school division; (ii) were eligible for free lunch during the individual's attendance at a public high school in the local school division; and (iii) teach, within one year of graduating from an institution of higher education in the Commonwealth for a period of at least four years, at a public school at which at least 50 percent of students qualify for free lunch in the school division from which such individual graduated high school. In developing such process, the Department will ensure that at least one school division within each of the eight superintendent regions, applying for such grants, be awarded prior to awarding grants to multiple school divisions within a single superintendent region. Each superintendent region shall be permitted to apply for up to four tuition grant awards. The Department is authorized to offer and award any remaining unallotted awards to other applying school divisions within a superintendent region. In the event that any nominee fails or refuses to comply with the teaching commitment, no grant shall be disbursed to the nominee.

NN. Out of this appropriation, $125,000 the first year and $125,000 the second year from the general fund is provided for the Virginia Holocaust Museum. These funds will support the Alexander Lebenstein Teacher Education Institute and expand the professional development of educators across the Commonwealth and the advancement of experiential learning opportunities for K-12 students. Additionally, 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 the Virginia Standards of Learning, related to the history of the Holocaust, hate crimes and other genocides.

OO. Out of this appropriation, $90,000 the first year and $90,000 the second year from the

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general fund is provided to Newport News Public Schools to expand the Soundscapes program and increase student participation in intensive music study and ensemble performances.

PP. Out of this appropriation, $425,000 the first year and $425,000 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.

QQ. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund is provided to Prince William County Public Schools for a Public Safety Training Center at Unity Reed High School, which prepares students for a career in fire fighting.

RR. Out of this appropriation, $1,200,000 the first year and $1,200,000 the second year from the general fund is provided for PBS Appalachia for educational outreach programming.

SS. 1. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund is provided to support the establishment of year-round high schools that are open to any student residing in the defined region 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. School divisions and regions are encouraged to use their Opioid Abatement Authority City/County Settlement Funds to support operations of the high schools.

2. Of this amount, $250,000 the first year and $250,000 the second year is provided to Loudoun County Public Schools to support the establishment of a school for students residing in Superintendent's Region 4.

3. Of this amount, $250,000 the first year and $250,000 the second year is provided to Virginia Beach Public Schools to support the establishment of a school for students residing in Superintendent's Region 2.

4. Loudoun County and Virginia Beach 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.

TT. Out of this appropriation, $250,000 the first year and $250,000 the second year from the general fund is provided to Reck League to support students in underperforming schools in the Hampton Roads region.

UU. Out of this appropriation, $2,000,000 the first year and $2,000,000 the second year from the general fund is provided to supplement the 21st Century Community Learning Centers Program in Item 127. These funds shall be awarded to community-based organizations partnering with school divisions for afterschool, 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.

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VV. Out of this appropriation, $400,000 the first year and $200,000 the second year from the general fund is provided for the American Civil War Museum to support the advancement of experiential learning opportunities for K-12 students. These funds are intended to support free high-quality, evidence-based learning experiences, educational content, and exhibitions for students, educators and parents to engage in educational content, aligned to the Virginia Standards of Learning.

WW. Out of this appropriation, $7,500,000 the first year and $2,500,000 the second year from the general fund is provided to support Community Schools Development and Implementation Planning Grants. The Department shall award 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 practices. These funds shall not revert to the general fund at the end of fiscal year 2027 but shall be reappropriated for expenditure for the same purpose in fiscal year 2028.

XX. Out of this appropriation, $900,000 the first year and $900,000 the second year from the general fund is provided for the Advanced Placement (AP), International Baccalaureate (IB), and Cambridge Assessment International Education Exam Fee Reduction Program (the Program) for the purpose of covering all but $20 of the last dollar cost of applicable fees associated with taking an AP, IB or Cambridge examination for any public high school student who is eligible to receive free or reduced price lunch after all other applicable discounts and financial assistance are taken into account. For students attending a school participating in the Community Eligibility Provision, eligibility shall be based on an individual student's family income. The Program shall be administered by the Department. Pursuant to the Program, the Department shall annually transfer to each local school board a grant in a sum sufficient to cover such portion of such fees for each such student in the local school division. The Department shall establish such rules, policies, and procedures as it deems necessary or appropriate for the administration of the Program, including an annual process whereby each local school board demonstrates its grant funding needs. Each local school board shall provide notification to eligible students and parents of the availability of this assistance at the time of enrollment in a course associated with such examination and at the time of test registration of the opportunity for the student to take an AP, IB or Cambridge examination at such reduced fee.

YY. Out of this appropriation, $250,000 the first year and $250,000 the second year from the general fund is provided for the Critical National Security Language Grant program.

ZZ. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is provided for the Community Builders Program in the cities of Roanoke and Petersburg. Funds shall be distributed among the two localities based on prior year final average daily membership.

AAA. Out of this appropriation, $700,000 the first year and $700,000 the second year from the general fund is provided to the Black History Museum and Cultural Center of Virginia to support the advancement of experiential learning opportunities for K-12 students and their communities.

BBB. Out of this appropriation, $600,000 the first year and $600,000 the second year from the general fund is provided to establish the Connect Plus program to support wraparound services for youth and families in the St. Luke community of Henrico County through targeted curriculum and programming.

CCC. Out of this appropriation, $250,000 the first year and $250,000 the second year from the general fund is provided for the Virginia Leads Innovation Network (VaLIN) to enable the network to support a regional center model supporting the needs of Virginia's educators, students, and families.

DDD. Out of this appropriation, $500,000 the first year from the general fund is provided to Opportunity Scholars to expand access to high-quality training and work-based learning opportunities across the Commonwealth.

EEE. Out of this appropriation, $300,000 the first year from the general fund is provided to

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support the Big Free Bookstore operated by REACH, Inc. in Norfolk.

FFF. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is provided to the Virginia Museum of History and Culture to support the Civics Connects program for middle school-aged children in the Commonwealth.

GGG. Out of this appropriation, $500,000 the first year from the general fund is provided for grants, administered by the Department of Education, to high-need public elementary and secondary schools to assist such schools with the purchase of Automated External Defibrillators for the development and/or implementation of a cardiac emergency response plan (CERP) to further promote CERP preparedness.

HHH. Out of this appropriation, $2,000,000 the first year from the general fund is provided to support the AI Innovation in Education Pilot Program. The Department shall administer the Program and develop guidelines. Funding may be used to support the adoption of artificial intelligence software, programs, and training. These funds shall not revert to the general fund at the end of fiscal year 2027 but shall be reappropriated for the same purpose in fiscal year 2028.

III. Out of this appropriation, $193,000 the first year from the general fund is provided to the Virginia Girl Scout Legislative Coalition to support youth mental wellness programs for girl scouts in the Nation's Capital Council, Colonial Coast Council, Commonwealth of Virginia Council, and Virginia's Skyline Council. Each council shall receive $43,250 to develop “patch" programs and hold mental health summits.

JJJ. Out of this appropriation, $900,000 the first year and $900,000 the second year from the general fund is provided to support the Diplomas for All Program at the Goodwill Industries of the Valley's Excel Center to help adults earn high school diplomas and workforce credentials.

KKK. Out of this appropriation, $250,000 the first year from the general fund is provided to the Boys and Girls Club of the Northern Neck to support the Northumberland Youth and Teen Clubhouse.

LLL. Out of this appropriation, $500,000 the first year from the general fund is provided to DonorsChoose to administer a grant program consisting of individual grants of supplies valued at no more than $750 per grant for Virginia public school teachers, within their first two years of service, to obtain supplies and materials for their classrooms or school operations.

MMM. Out of this appropriation, $500,000 the first year from the general fund is provided to the Virginia Alliance of YMCAs to support the continuation of the partnership between the YMCA of South Hampton and Virginia Beach Public Schools. These funds shall not revert to the general fund at the end of fiscal year 2027 but shall be reappropriated for the same purpose in fiscal year 2028.

NNN. Out of this appropriation, $250,000 the first year from the general fund is provided to the Blue Ridge Partnership for Health Science Careers to support the cost of a feasibility study for the establishment of a Regional Public Biomedical Sciences High School.

OOO. Out of this appropriation, $4,100,000 the first year from the general fund is provided to Rockingham County Public Schools to support career and technical education programs, including equipment.

PPP. Out of this appropriation, $100,000 the first year from the general fund is provided for Virginia Outdoor Education Program grants. These grants are provided by the Department to assist school divisions seeking to develop outdoor learning spaces to enhance student learning about the environment. The Department of Education shall establish guidelines for implementation of the program including the application process and award criteria.

QQQ. Out of this appropriation, $750,000 the first year from the general fund is provided to Hanover County Public Schools for the Hanover Center for Trades and Technology to purchase equipment.

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RRR. Out of this appropriation, $200,000 the first year from the general fund is provided to support the New Chesapeake Men for Progress Education Foundation to provide mentoring for young men in the community and enhanced services for underserved youth.

SSS. Out of this appropriation, $500,000 the first year from the general fund is provided for REACH Virginia to provide teacher retention services to Virginia public school divisions.

TTT. Out of this appropriation, $200,000 the first year from the general fund is provided to RFK Outreach to support the purchase of equipment for a mobile cyber education bus.

125.	State Education Assistance Programs (17800)			$11,700,340,017	$11,622,039,898
	Standards of Quality for Public Education (SOQ) (17801)	$9,782,838,888	$9,706,107,560		
	Financial Incentive Programs for Public Education (17802)	$955,225,128	$968,731,129		
	Financial Assistance for Categorical Programs (17803)	$66,550,835	$69,476,041		
	Distribution of Lottery Funds (17805)	$895,725,166	$877,725,168		
	Fund Sources: General	$10,058,099,621	$10,331,799,500		
	Special	$1,020,000	$1,020,000		
	Commonwealth Transportation	$1,495,230	$1,495,230		
	Trust and Agency	$1,427,725,166	$1,152,725,168		
	Dedicated Special Revenue	$212,000,000	$135,000,000		

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

Appropriation Detail of Education Assistance Programs (17800)

Standards of Quality (17801)	**FY 2027**	**FY 2028**
Basic Aid	$5,081,690,613	$5,014,145,418
Sales Tax	$1,880,400,000	$1,928,800,000
Textbooks	$104,933,124	$104,255,549
Vocational Education	$99,355,854	$98,577,877
Gifted Education	$44,945,714	$44,648,013
Special Education	$568,016,130	$564,150,728
Special Education Add-On	$136,344,292	$135,693,303
At-Risk Add-On (split funded)	$869,327,557	$816,632,269
English Learner Teachers	$218,947,673	$224,876,211
VRS Retirement (includes RHCC)	$477,915,367	$474,705,540

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Social Security	$256,500,987			$254,828,851
Group Life	$14,143,968			$14,010,470
Remedial Summer School	$30,317,609			$30,783,331
Total	**$9,782,838,888**			**$9,706,107,560**
Incentive Programs (17802)				
Compensation Supplement	$252,476,642			$512,253,786
Governor's Schools	$34,218,495			$35,847,352
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
Early Reading Specialists Initiative	$3,476,790			$3,476,790
Breakfast After the Bell Incentive	$1,074,000			$1,074,000
School Meals Expansion	$1,600,000			$1,600,000
School Construction Assistance Program	$384,000,000			$135,000,000
Supplemental Payment in Lieu of Sales Tax on Food and Personal Hygiene Products	$275,000,000			$276,100,000
Total	**$955,225,128**			**$968,731,129**
Categorical Programs (17803)				
Adult Education	$1,051,800			$1,051,800
Adult Literacy	$2,480,000			$2,480,000
American Indian Treaty Commitment	$63,187			$66,891
School Lunch Program	$5,801,932			$5,801,932
Special Education - Homebound	$5,760,242			$5,817,838
Special Education - Jails	$5,117,608			$6,208,971
Special Education - State Operated Programs	$46,276,066			$48,048,609
Total	**$66,550,835**			**$69,476,041**
Lottery Funded Programs (17805)				
At-Risk Add-On (split funded)	$138,663,607			$184,932,099
Foster Care	$12,194,417			$13,126,037
Special Education - Students with Intensive Support Needs Application	$112,686,265			$107,686,265
Early Reading Intervention	$49,343,298			$48,987,538
Mentor Teacher	$1,000,000			$1,000,000
K-3 Primary Class Size Reduction	$173,342,279			$172,013,813
School Breakfast Program	$19,576,470			$20,389,350
SOL Algebra Readiness	$19,635,415			$19,479,312
Infrastructure and Operations Per Pupil Funds	$336,361,275			$276,361,277
Regional Alternative Education	$10,633,320			$11,427,352

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Individualized Student Alternative Education Program (ISAEP)	$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	$979,675			$1,012,980
Supplemental Support for Accomack and Northampton	$1,750,000			$1,750,000
Total	**$895,725,166**			**$877,725,168**
Technology – VPSA	$56,002,800			$56,163,600
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 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 1,187,484.85 the first year and 1,180,137.15 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 (ISAEP) 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

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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 2023-2024 school year and 1/3 of the index of wealth per capita (population estimates for 2023 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 2023 - 50 percent; (2) adjusted gross income for the calendar year 2023 as reported by the State Department of Taxation - 40 percent; (3) the sales for the calendar year 2023 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, 2025.

b. For any locality whose total calendar year 2023 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 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.

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.

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.

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.

d. If a local school division determines that a substantial error exists in a constituent index element used to calculate the local composite index for the upcoming biennium, the division shall notify the Department of Education no later than December 31 of the year that the Department of Education published the local composite index values for the upcoming biennium. If the Department of Education confirms that a substantial error exists in a constituent index element, the Department of Education will make adjustments in funding 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.

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

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consolidated. Small schools are defined as any elementary, middle, or high school with enrollment below 200, 300 and 400 students, respectively.

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, 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, 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.

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.

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.

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 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.

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).

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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 2026-2027 school year and the 2027-2028 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	$64,762	$64,762
Elementary Assistant Principals	$89,240	$89,240
Elementary Principals	$110,059	$110,059
Secondary Teachers	$68,417	$68,417
Secondary Assistant Principals	$95,663	$95,663
Secondary Principals	$118,441	$118,441
Instructional Aides	$27,513	$27,513

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,

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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.

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.

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 G of § 22.1-253.13:2, Code of Virginia, 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 reading specialist staffing standards.

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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 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

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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 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,

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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. 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.

16. At the Department of Education's option, fees for audio-visual services may be deducted from state Basic Aid payments for individual local school divisions.

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

18. 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.

19. 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, 2024, estimate of school age population provided by the Weldon Cooper Center for Public Service and, in the second year, based on the July 1, 2025, 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, 2024, estimate of school age population provided by the Weldon Cooper Center for Public Service and, in the second year, based on the July 1, 2025, estimate of school age population provided by the Weldon Cooper Center for Public Service.

20. 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.

21. This Item includes appropriations totaling an estimated $895,725,168 the first year and $877,725,168 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. Of the amounts in the first year, $10,000,000 are residual profits from fiscal year 2026.

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

23.a. Any locality that has met its required local effort for the Standards of Quality accounts for FY 2027 and that has met its required local match for incentive or Lottery-funded programs in which the locality elected to participate in FY 2027 may carry over into FY 2028 any remaining state Direct Aid to Public Education fund balances available to help minimize any FY 2028 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 2028.

b. Any locality that has met its required local effort for the Standards of Quality accounts for FY 2028 and that has met its required local match for incentive or Lottery-funded

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programs in which the locality elected to participate in FY 2028 may carry over into FY 2029 any remaining state Direct Aid to Public Education fund balances available to help minimize any FY 2029 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 2029.

24. 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.

25. 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 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.

26. 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.

27. 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.

28. 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) At-Risk Add-On and (ii) 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.

29. 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.

30. Each school division shall report to the Department of Education information on the use of funds appropriated in fiscal year 2024 for the Flexible Funding Supplement and on the use of pass-through federal Elementary and Secondary School Emergency 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.

31. a. Notwithstanding the provisions of subsection A of § 22.1-349.1, Code of Virginia, for the purpose of this Item and the College Partnership Laboratory School Fund, a "college partnership laboratory school" means a public, nonsectarian, nonreligious school in the Commonwealth established by a baccalaureate public institution of higher education.

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b. Institutions not eligible for funding under paragraph B.31.a. 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.

c. College partnership laboratory schools shall (i) reach financial sustainability by the end of their initial approval period as defined in § 22.1-349.8, 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 Appropriations and Senate Finance and Appropriations Committees on progress of college laboratory schools in meeting this financial sustainability requirement.

32. In accordance with § 22.1-253.13:5 and § 22.1-253.13:1, Code of Virginia, a local school board shall ensure any public charter school that serves students in grades kindergarten through eight with which the local school board has a charter contract pursuant to § 22.1-212.7, Code of Virginia, is provided resources to meet requirements related to reading intervention and literacy instruction and professional development.

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 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.

c. The appropriation for school employee retirement contributions includes payments from funds derived from the principal of the Literary Fund in accordance with Article VIII, Section 8, of the Constitution of Virginia. The amounts set aside from the Literary Fund for this purpose shall not exceed $360,000,000 the first year and $275,000,000 the second year. Of these amounts, $100,000,000 the second year shall be considered one-time.

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

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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. 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 Supplemental General Fund Payment In Lieu of Sales Tax on Food and Personal Hygiene Products (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.

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 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 $104,933,124 the first year and $104,255,549 the

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second year from the general fund as the state's share of the cost of textbooks based on a per pupil amount of $159.41 the first year and $159.41 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, 2027, or June 30, 2028, 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 $627,900,000 the first year and $644,000,000 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 $418,600,000 the first year and $429,333,000 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 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 $209,300,000 the first year and $214,667,000 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 27.89 support positions per 1,000 ADM to funded SOQ instructional positions in the first year and 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

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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 $177,826,756 the first year and $177,472,848 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.

c. In addition to the funds provided to support the state share of Special Education instructors in paragraphs a and b, an add-on payment shall be provided to support each special education student, based on a 9.25 percent add-on to basic aid per service Level I students and a 17.5 percent add-on to basic aid for Service Level II students, as defined in 8VAC20-81-10.

9. At Risk Add-On

a. Out of this appropriation, $869,327,557 the first year and $816,632,269 the second year from the general fund and $138,663,607 the first year and $184,932,099 the second year from the Lottery Proceeds Fund is provided to distribute the state share of funds for the At-Risk Program. These payments shall be distributed based on the estimated number of At-Risk students, based on (1) the most recent three-year average Identified Student Percentage, applying a 1.25 multiplier factor, and (2) including one quarter of students identified as English language learners.

b. The At-Risk Program shall provide each school division the state share of an 11.0 percent basic-aid add-on per estimated At-Risk student. In addition, the program shall provide each school division the state share of a payment equal to a 0.0 to 37.85 percent basic-aid add-on per estimated At-Risk student, with each school division's add-on percentage determined based upon the school division's concentration of At-Risk students relative to all other school divisions. Funding shall be matched by the local government based on the composite index of local ability-to-pay.

c. These funds may be used for the purposes established in general law, including supporting programs and services for students who are educationally at risk, including prevention, intervention, or remediation activities required pursuant to Standard 1 (§ 22.1-253.13:1); teacher recruitment programs and incentives; targeted compensation adjustments to assist in recruiting and retaining experienced teachers in high poverty schools; Dropout Prevention; community and school-based truancy officer programs; Advancement Via Individual Determination (AVID); Project Discovery; programs for English language learners; the hiring of additional school counselors, testing coordinators, and licensed behavior analysts; programs relating to increasing the success of disadvantaged students in completing a high school degree and providing opportunities to encourage further education and training; programs designed to reduce chronic absenteeism; and initiatives to support both the physical and mental health of students in public schools, including the hiring of licensed practical

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nurses, registered nurses, and advanced practice registered nurses.

d. 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 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.

10. Regional Alternative Education Programs

a. An additional state payment of $10,250,807 the first year and $10,639,052 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.

b. 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.

c.(i) 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.

(ii) 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.

(a) 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.

(b) 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.

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(c) 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.

d. Out of the appropriation included in paragraph C.38. of this item, $765,060 the first year and $1,560,466 the second year from the Lottery Proceeds Fund is provided for a compensation supplement payment equal to 4.0 percent of base pay on July 1, 2026, and 4.0 percent of base pay on July 1, 2027, for Regional Alternative Education Program instructional and support positions.

e. 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 Department of Education shall take this desired number of slots into account when determining the approved number of slots. The approved number of slots shall be set for both years of the biennium. The Department of Education shall 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.

11. Remedial Summer School

a. This appropriation includes $30,317,609 the first year and $30,783,331 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.

b. 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.

12. K-3 Primary Class Size Reduction Payments

a. An additional payment estimated at $173,342,279 the first year and $172,013,813 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 Eligible for Free Lunch, Three-Year Average	Grades K-3 School Ratio	Maximum Individual 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

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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 level in the school.

13. 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 Treasury, establish loan interest rates that are benchmarked to a market index on an annual basis for all tiers of localities and provide interest rates that are reasonably below such market index; 4) when funds are designated or available to be offered as loans, maintain 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 each year. 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 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.

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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.

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.

14. 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 2027	FY 2028
2022	$12,064,500	
2023	$12,039,500	$12,043,500
2024	$12,224,750	$12,226,750
2025	$12,221,500	$12,218,750
2026	$12,917,035	$12,917,035
2027		$12,917,035

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 2028-2030, 2030-2032, and 2032-2034 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 2029, 2030, 2031, 2032, and 2033.

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 $56,002,800 in fiscal year 2027 and $56,163,600 in fiscal year 2028. 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 $56,002,800 in fiscal year 2027 and $56,163,600 in fiscal year 2028 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

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are subject to state accreditation and reporting membership in grades K through 12 as of September 30, 2026, for the fiscal year 2027 issuance, and September 30, 2027, for the fiscal year 2028 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 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 2026 and that are not fully accredited for the second consecutive year, based on school accreditation ratings in effect for fiscal year 2026 and fiscal year 2027 will qualify to participate in the Virginia e-Learning Backpack Initiative in fiscal year 2027 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 2027 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 2027 and that are not fully accredited for the second consecutive year based on school accreditation ratings in effect for fiscal year 2027 and fiscal year 2028 will qualify to participate in the initiative in fiscal year 2028. 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 2028 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.

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 3.a.). 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 3.a.) 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

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access) shall include sufficient download/upload capability to ensure that each student will have adequate 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 d. 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 d. 1) above.

d) School divisions shall be eligible to receive supplemental grants pursuant to paragraph 3.a.) 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 and the Chief Information Officer of the Virginia Information Technologies Agency. Further, the

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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.

15. 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 2027 and $12,000,000 in fiscal year 2028 in conjunction with the Virginia Public School Authority technology notes program authorized in C.14. 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 2027	FY 2028
2022	$2,577,750	
2023	$2,585,250	$2,583,000
2024	$2,622,250	$2,624,000
2025	$2,631,250	$2,628,000
2026	$2,771,698	$2,771,698
2027		$2,771,698

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 2028-2030, 2030-2032, and 2032-2034 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 2029, 2030, 2031, 2032, and 2033.

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.

6) Grant award funds from the issuance of up to $12,000,000 in fiscal year 2027 and

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$12,000,000 in fiscal year 2028 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, 2026, for the fiscal year 2027 issuance, and September 30, 2027, for the fiscal year 2028 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.

16. Early Reading Intervention Payments

a. An additional payment of $49,343,298 the first year and $48,987,538 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 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

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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 Remedial Summer School or At-Risk Add-On may also be used to meet the requirements of this program.

17. Standards of Learning Algebra Readiness Payments

a. An additional payment of $19,635,415 the first year and $19,479,312 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.

18. English Learner Teacher Payments

A payment of $218,947,673 the first year and $224,876,211 the second year from the general fund shall be disbursed by the Department of Education to local school divisions to support the state's share of professional instructional positions for English Learner teachers. Local school divisions shall provide a local match based on the composite index of local ability-to-pay. The number of such English Learner teacher positions required pursuant to the Standards of Quality are as established below:

EL Student Proficiency Level	SOQ Staffing Required
One	1 position per 20 EL students
Two	1 position per 30 EL students
Three	1 position per 40 EL students

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Four	1 position per 50 EL students			
All Other Identified EL Students	1 position per 100 EL students			

19. Special Education Instruction Payments

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

b.1) 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 $112,686,265 the first year and $107,686,265 the second year from the Lottery Proceeds Fund for the purpose of the state's share of the eligible costs reported for services to students qualifying through the Students with Intensive Support Needs Application (SISNA). Notwithstanding any contrary provision of law, the state's share of these costs shall be based on the composite index of local ability-to-pay.

2) (i) The Department of Education is directed to expand the disability categories eligible for payments through this program. To select expanded disability categories, the Department shall consider students with complex behavioral needs that otherwise would be referred to private day school placements.

(ii) Of this amount, $10,000,000 the first year shall be prioritized for payments to serve students through the expanded disability categories. These funds shall not revert to the general fund at the end of fiscal year 2027 but shall be reappropriated for expenditure for the same purpose in fiscal year 2028.

3) The Department of Education shall annually report for the SISNA program the total and per pupil local and state costs for the program and the number of students served, disaggregated by school division and primary disability category. For the purpose of this report, the number of students and per pupil costs shall be adjusted to reflect length of enrollment in the program. Such report shall be posted to the Department's website annually beginning no later than December 1, 2026.

c. Out of the amounts for Financial Assistance for Categorical Programs, $46,276,066 the first year and $48,048,609 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 2026 and the first three quarters of FY 2027. 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 2027 and the first three quarters of FY 2028.

20. 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.

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

21. 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.

22. 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.

23. 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.

24. 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 $12,194,417 the first year and $13,126,037 the second year from the Lottery Proceeds Fund to support children attending public school who have

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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.

25. 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.

26. Adult Literacy Payments

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.

27. 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

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participating in existing programs or for school divisions that begin participation in existing programs. If a school division wishes to begin participation in an existing program, the division shall first receive approval from the Board of Education to begin enrollment and to request state funding. Any additional state share of cost supporting enrollment or participation changes to Governor's Schools is subject to approval and appropriation by the Governor and the General Assembly.

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 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.38. of this item, $1,211,938 the first year and $2,499,538 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 4.0 percent of base pay on July 1, 2026, and 4.0 percent of base pay on July 1, 2027, 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.

j. Notwithstanding § 22.1-26, Code of Virginia, or any other provision of law, any academic year Governor's School established pursuant to § 22.1-26, Code of Virginia, shall be subject to approval by the General Assembly, and shall be included in the introduced budget bill pursuant to § 2.2-1509, Code of Virginia.

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28. 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.

29. School Breakfast Payments

a. Out of this appropriation, $19,576,470 the first year and $20,389,355 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 $0.50; 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, 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'

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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.

d. Divisions and individual schools are encouraged to use funds provided in this section to explore participation in the Community Eligibility Provision.

30. 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;

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.

31. 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.

32. 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.

33. Early Reading Specialists Initiative

a. An additional payment of $3,476,790 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 2026-2028 biennium shall be based on the

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results of the Spring 2025 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 2025 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 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 to serve students at the qualifying school.

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

34. Math/Reading Instructional Specialist Initiative

a. Included in this appropriation is $1,834,538 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 2026-2028 biennium shall be based on the results of the Spring 2025 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 2025 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

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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.

35. 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.

36. Infrastructure and Operations Per Pupil Funds

a. Out of this appropriation, an amount estimated at $336,361,275 the first year and $276,361,277 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 $510.98 per pupil the first year and $422.56 per pupil the 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.36.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, 2027, and June 30, 2028, 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.

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e. Beginning fiscal year 2028, the Department of Education is authorized to withhold a portion of Lottery-funded Infrastructure and Operations Per Pupil Funds otherwise allocated to any school division that does not comply with the Annual School Report reporting requirements in § 22.1-81, Code of Virginia, and in accordance with the timeline specified by the Superintendent of Public Instruction. Payments may be withheld in a fiscal year for divisions that fail to report for the fiscal year ending the preceding June 30. The local school division shall be given an opportunity to correct its compliance with § 22.1-81, Code of Virginia, and if corrected in a timely manner, shall have the full amount of its Infrastructure and Operations Per Pupil Funds allocation restored during the fiscal year. The Department of Education shall establish a policy for withholding partial payment of these funds, which shall include, but not be limited to: an appropriate extension period for division reporting and compliance with § 22.1-81, Code of Virginia; the maximum amount or percentage of such funds that may be withheld during a fiscal year; and a procedure by which the division may have the full allocation of such payments restored during the fiscal year. The Department of Education shall report this policy to local school divisions no later than September 30, 2026, with a notice that the policy will be effective beginning fiscal year 2028. Further, the Department shall include this policy in its Annual School Report instructions each year thereafter.

37. 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.

38. Compensation Supplement

a. Out of this appropriation, $252,476,642 the first year and $512,253,786 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 4.0 percent salary increase effective July 1, 2026, 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 4.0 percent salary increase effective July 1, 2026, 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 4.0 percent salary increase the first year.

2) For the second year, an additional 4.0 percent salary increase effective July 1, 2027, 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 4.0 percent salary increase effective July 1, 2027, 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 4.0 percent salary increase the second year. School divisions that provided an average increase in excess of 4.0 percent in the first year may credit the excess portion of the increase toward the second year for the purpose of accessing these funds in the second year.

3) 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

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provided by the division in the second year.

b. Out of this appropriation, $1,211,938 the first year and $2,499,538 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 $765,060 the first year and $1,560,466 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 4.0 percent the first year, at least an additional 4.0 percent the second year, resulting in a combined increase of at least 8.16 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 July 1, 2026, the first year and July 1, 2027, the second year. 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.

39. School Meals Expansion

Out of this appropriation, $1,600,000 the first year and $1,600,000 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 appropriation.

40. Supplemental Support for Accomack and Northampton

Out of this appropriation, $1,750,000 the first year and $1,750,000 the second year from the Lottery Proceeds Fund shall be disbursed to provide 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.

41. School Construction Assistance Program.

a. Out of this appropriation, $212,000,000 the first year and $135,000,000 the second year from the School Construction Fund and $172,000,000 the first year from the Literary Fund that shall be transferred into the School Construction Fund is provided 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, including public charter schools, regional public charter schools, and joint and regional schools. In the case of a regional or joint school, the school boards of the school divisions participating in such school may jointly apply. Any unobligated balance for this program on June 30 each year shall be reappropriated for expenditure in the next 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, or in the case of regional or joint schools the average local composite index values for the school divisions participating in such school; 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

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locality that contains the school division, or in the case of regional or joint schools the localities that contain the school divisions that participate in such school, 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 or divisions eligible to receive free price meals; (ii) the percentage of residents of the locality or localities in which the local school division or divisions is located with incomes at or below the federal poverty guidelines established by the U.S. Department of Health and Human Services; (iii) the composite index of local ability-to-pay for the local school division or divisions; (iv) debt capacity of the locality or localities in which the school division or divisions is located; and (v) the most recent fiscal stress score of the locality or localities that includes the local school division or divisions 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.

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.

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7. Local school boards shall not exclude public charter schools, regional public charter schools, or joint and regional schools from consideration for School Construction Assistance Program grants. Local school boards that fail to consider the school construction, expansion, or modernization needs of public charter schools, regional public charter schools, or joint and regional schools may be disqualified from receiving School Construction Assistance Program grants.

8. Funds awarded to local school boards under the School Construction Assistance Program may not be diverted to other projects within the local school divisions or divisions. Local school boards that do not use the funds for the awarded purpose must repay the funds to the Department of Education.

42. Supplemental General Fund Payment in Lieu of Sales Tax on Food and Personal Hygiene Products

Out of this appropriation, $275,000,000 the first year and $276,100,000 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 for SOQ sales tax payments pursuant to § 58.1-611.1.C, Code of Virginia. These funds represent the reduction of sales tax distributions to school divisions resulting from the exemption of the state sales and use tax on food for human consumption and essential personal hygiene products. These payments shall be applied in the same manner as sales tax payments to offset the state and local shares of basic aid and shall require no local match.

126.	Early Childhood Care and Education Programs (17600)				$716,911,494	$695,022,764
	Early Childhood Care and Education Programs (17601)	$716,911,494	$695,022,764			
	Fund Sources: General	$572,241,170	$546,012,330			
	Federal Trust	$144,670,324	$149,010,434			

Authority: Early Childhood Care and Education: Title 22.1, Chapter 14, Code of Virginia; P.L. 113-186, Federal Code

A. Out of this appropriation, $547,241,170 the first year and $546,012,330 the second year from the general fund is provided to support Early Childhood Care and Education Programs as provided below.

Program	FY 2027	FY 2028
Child Care Subsidy Program		
Birth to Five		
General Fund	$290,119,093	$286,742,923
Federal CCDF	$112,538,990	$115,915,160
TANF/VIEW & Fee for Service (GF appropriated through Department of Social Services)	$22,433,170	$22,433,170
School Age		
General Fund	$47,368,917	$46,404,977
Federal CCDF	$32,131,334	$33,095,274
TANF/VIEW & Fee for Service (GF appropriated through Department of Social Services)	$4,431,501	$4,431,501
CCSP Total	**$509,023,005**	**$509,023,005**
Mixed Delivery Grant Program		
General Fund	$38,837,720	$38,837,720
Virginia Preschool Initiative		

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General Fund: Four Year Olds	$137,798,520			$140,909,790
General Fund: VPI Expansion	$33,116,920			$33,116,920
VPI Total	**$170,915,440**			**$174,026,710**
Employee Child Care Assistance Pilot Program	$25,000,000			$0
Total General Fund	**$572,241,170**			**$546,012,330**

B. Child Care Subsidy Program

1. The Department of Education and the Department of Social Services shall determine the amount of nongeneral funds to be transferred to the Department of Social Services to address costs associated with administration of the Child Care and Development Fund each year from amounts appropriated in Item 117. Additionally, the Department of Education and the Department of Social Services shall determine the amount of general and nongeneral funds to be transferred to the Department of Social Services to support the budgeted slots in the Child Care Subsidy Program from amounts appropriated in this Item.

2. Allocations for birth to five and school age children are intended as estimates only. The Department of Education is authorized to reallocate funds within the Child Care Subsidy Program as needed.

3. Notwithstanding 8VAC-20-790, the Department of Education shall establish an annual target at the local level for the number of children that may be served by available funds and ensure that each locality has mechanisms in place for maintaining waitlists if family demand exceeds the targets.

4. Family copayment rates shall be $5 per month for households whose income is below 100% of the federal poverty level and up to 5% of annual income for all other households with no household exceeding 5% of their income.

5. Parental work and job search requirements shall include a time limit of 90 days for job search. Households are eligible for up to one extension for extraordinary circumstances, which shall be defined and tracked by the Department of Education.

6. The Department of Education shall revise attendance requirements for the Child Care Subsidy Program, subject to review by the Early Childhood Care and Education Commission, to ensure participating children fully benefit and maximization of available resources.

C. Mixed Delivery Grant Program

1. A Mixed-Delivery initiative is established to support public-private delivery of early learning services for birth to five-year-old children. Programs must provide full-day or half-day services. The Department of Education is authorized to prorate payment for this program so as not to exceed available appropriation. Actual funding provided to the Virginia Early Childhood Foundation shall be based on the actual use of allocated slots. Lead agencies shall report to the Virginia Early Childhood Foundation on actual use of allocated slots, and any funds allocated but not used on the actual provision of early childhood services shall be returned to the Department of Education.

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 in accordance with the statewide measurement and improvement system VQB5.

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c) Any locality that desires to participate in this grant program must submit a proposal each year to the Virginia Early Childhood Foundation. 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-risk birth to five-year-old children in private settings that demonstrates the coordination of resources 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, (iii) a plan to transition the Mixed-Delivery local model into a sustainable program, and (iv) a mechanism for annually measuring and reporting unmet parental demand and preference, including establishing waitlists.

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 local initiative in order to fully implement the associated goals and objectives of Mixed-Delivery Models. Recipients of a Mixed-Delivery Preschool grant and divisions participating in such grant 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 initiative.

g) Children served by the Mixed-Delivery initiative shall be assigned student identification numbers as provided in § 22.1-287.03 B of the Code of Virginia to evaluate program outcomes and to permit comparison with Virginia Preschool Initiative outcomes.

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

2. Providers in the program may collect copayments from participating families. Such copayments shall be based on the same schedule provided for the Child Care Subsidy Program.

3. Parental work and job search requirements shall be the same as required for the Child Care Subsidy Program.

4. The Department of Education, in consultation with the Virginia Early Childhood Foundation and subject to review by the Early Childhood Care and Education Commission, shall revise attendance requirements for the Mixed-Delivery initiative to ensure participating children fully benefit and maximization of available resources.

D. Virginia Preschool Initiative

1.a. Funds 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

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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.

b. 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.

c. 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 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.

d. The Department of Education shall revise attendance requirements for the Virginia Preschool Initiative, subject to review by the Early Childhood Care and Education Commission, to ensure participating children fully benefit and maximization of available resources.

e.(i) Grants shall be distributed based on an allocation formula providing the state share of a $10,722 per pupil grant in the first year and a $10,722 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 $5,361 in the first year and $5,361 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 $11,488 per pupil grant in the first year and a $11,488 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 $5,744 in the first year and $5,744 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 $10,913 per pupil grant in the first year and a $10,913 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 $5,456.50 in the first year and $5,456.50 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

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exceeds available appropriation.

(ii) VPI Expansion funds are 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 as provided for four-year old slots.

(iii) 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 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.

(iv) 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.

(v) 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.

2.a. 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. The plan shall also include a mechanism for annually measuring and reporting unmet parental demand and preference, including establishing waitlists.

b. 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

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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.

c. 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.

3. 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:

a. "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.

b. "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.

c. "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.

4. 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.

5.a. 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.

b. 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

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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.

6. VPI Expansion funds are provided to support Virginia Preschool Initiative slots to serve children on wait lists. In each year, unused grants distributed as provided in for four-year old slots 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.

7.a. VPI Expansion funds are 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 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. Community-based providers that are recipients of Virginia Preschool Initiative grants 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 Virginia Preschool Initiative community-add-on partnerships and provided that the provider meets the expectations of the statewide measurement and improvement system.

b. The amount of these add-on grants for community-based providers 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. This 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 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 and shall align with Child Care Subsidy Program rates. The Department of Education is authorized to prorate payments for these add-on grants so as not to exceed the available appropriation.

8. VPI Expansion funds are provided to support increased Virginia Preschool Initiative teacher to student ratios and class sizes, as follows:

a. 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.

b. 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.

E. Any unexpended balance from funds provided in a previous biennium for the Small Family Day Home Provider Incentive Pilot Program shall be carried forward into subsequent fiscal years and used to support the pilot program until its expiration at the end of fiscal year 2029.

F. The Department of Education, in collaboration with the Department of Social Services, shall prepare and submit an annual report to the Governor and Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than December 15 each year. Such annual report shall include the following information:

1. All CCSP expenditures from the previous fiscal year, current grant balances and obligation and liquidation deadlines, as well as all anticipated spending for the current and

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two subsequent fiscal years. Identified spending should, at a minimum, be broken down by subsidies (mandated, discretionary and general fund), administrative costs, and quality efforts.

2. Certification from the Department that the maximum amount of federal funds were drawn down in the preceding fiscal year. Should the Department be unable to certify that maximum federal funds were drawn down, the Department shall identify strategies for Virginia to obtain the maximum amount of federal funds in the following fiscal year(s) as part of this plan.

3. The number of subsidies (mandate, discretionary and general fund) provided, by locality, the number of providers receiving subsidy funds, the overall number of child care providers, and the waitlist for services. This information should be provided the previous fiscal year, current fiscal year, and two subsequent fiscal years.

4. The recently completed CCDF annual report as required by the federal Office of Child Care.

5. For the Virginia Preschool Initiative and Mixed Delivery Programs, information detailing the use of state funds, including the number of calculated slots and funding allocated to each local program or provider, and the number of such slots that have been filled. Such information 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; and (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.

6. For Virginia Preschool Initiative, a description of the 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. To compile this information, Virginia Preschool Initiative programs shall report the share of children with Individualized Education Plans in inclusive classrooms annually, and 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.

7. Waitlist information for the CCSP, Mixed Delivery Program, and the Virginia Preschool Initiative, including an estimate of how many children on the waitlist could be served immediately if a slot became available based on eligibility and regional capacity.

G. Funds are provided for the Employee Child Care Assistance Pilot Program administered by the Virginia Early Childhood Foundation (Foundation).

1. In establishing guidelines for the Program, the Foundation shall: (i) limit eligibility for state contributions for slots serving households with income at or below 100 percent of the state median income; (ii) establish a schedule of expected family copayments not to exceed 5 percent of household income for households with income at or below 300 percent of the federal poverty level and between 5 percent and 7 percent of family income for households with incomes between 85 percent and 100 percent of the state median income; and (iii) provide that the state match does not exceed 40 percent of the cost of the slot remaining after application of family copayments. Upon approval of the Early Childhood Care and Education Commission, income eligibility and family copayment rates may be adjusted for areas of the state where the area median income exceeds the state median income; however in no case shall income eligibility requirements in such areas exceed the area median income.

2. Program funds shall be provided on a first-come, first-served basis. The Foundation is encouraged to prioritize participation of small businesses and serving a variety of employers and employees representing each Ready Region.

3. For the purpose of the Program, "Eligible mixed delivery provider" means a child day center or family day home that has been selected or identified to deliver mixed delivery services through a local agreement with the relevant regional entity established pursuant to subsection D of § 22.1-289.05 of the Code of Virginia, "Employer" means an employer with at least one employee who works in the Commonwealth in each of 20 or more calendar weeks in the current or preceding calendar year, and "Small business" means an employer with fewer

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than 50 employees.

4. The Foundation shall provide an initial progress report to the General Assembly by December 1, 2026.

5. Program reporting shall include anticipated expenditures for the Program through June 30, 2030 based on projected demands and costs and detail on additional payors.

H. Notwithstanding 8VAC-20-780, or any other requirement in state law or regulation, the Superintendent of Public Instruction shall have the authority to alter staff-to-child ratios and group sizes for licensed child day centers and child day centers that participate in the Child Care Subsidy Program or Mixed Delivery Grant Program by increasing the number of children per staff by (1) one child for groups of children from birth to the age of eligibility to attend public school, and (2) two children for groups of children from the age of eligibility to attend public school through 12 years. Child day centers that take advantage of this flexibility must notify families in writing of the temporary increase in ratios and group size. This authority and any resultant waiver of state law or regulation shall expire June 30, 2028. The Superintendent of Public Instruction shall ensure that any action taken under this provision is permissible under federal requirements.

127.	Federal Education Assistance Programs (17900).....				$1,479,997,315	$1,479,997,315
	Federal Assistance to Local Education Programs (17901).....	$1,479,997,315	$1,479,997,315			
	Fund Sources: Federal Trust.....	$1,479,997,315	$1,479,997,315			

Authority: PL 107-110, PL 108-446, PL 105-332, PL 105-220, PL 105-220, Federal Code.

a. The appropriation to support payments to school divisions from federal program grant funds is contained in this Item. Such federal program grant funds are based on the latest estimates available to the Department of Education and are provided here for informational purposes and are subject to change within each state fiscal year by the awarding federal agency. The Department of Education is directed to update the estimated federal program grant fund amounts contained in the table in this item on a periodic basis throughout the biennium.

b. The Department of Education will encourage localities to apply for Medicaid reimbursements for eligible special education expenditures which will help to increase available state and local funding for other educational activities and expenditures.

c. It is the intent of the General Assembly that in any fiscal year when revenues received or budgeted by the Commonwealth, applicable to any public education program, which were derived from a federally funded grant or program and subsequently realize a decrease in such funding levels, that the Commonwealth will not supplant any of the decreased federal funding received or budgeted with any general fund revenues from the Commonwealth.

Item Details of Federal Education Assistance Program Awards (17900)	**FY 2027**	**FY 2028**
School Nutrition - Breakfast, Lunch, Special Milk	$591,045,484	$591,045,484
School Nutrition - Summer Food Service Program and After School At-risk Program	$131,711,985	$131,711,985
Fresh Fruit and Vegetables	$4,366,271	$4,366,271
Team Nutrition Grants	$23,217	$23,217
Special Education - IDEA - Part B Section 611	$302,820,655	$302,820,655
Special Education - IDEA - Part B Section 619 - Preschool	$9,298,696	$9,298,696
Migration Education - Basic Grant	$844,427	$844,427
Migrant Education - Consortium Incentive Grants	$85,698	$85,698

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Title I - Neglected & Delinquent Children	$1,138,422			$1,138,422
Title I Part A - Improving Basic Programs	$289,755,309			$289,755,309
Title II Part A - Improving Teacher Quality	$39,130,373			$39,130,373
Title III Part A - Language Acquisition State Grant	$14,646,871			$14,646,871
Title IV Part A - Student Support and Academic Enrichment Grant	$20,953,032			$20,953,032
Title IV Part B - 21st Century Community Learning Centers	$19,998,488			$19,998,488
Title VI - Rural and Low-Income Schools	$2,337,621			$2,337,621
Adult Literacy	$14,966,487			$14,966,487
Vocational Education - Basic Grant	$26,697,851			$26,697,851
School Improvement Grants	$3,834,584			$3,834,584
Safe Drug-Free Schools	$3,013,243			$3,013,243
Special Education Program Improvement	$1,355,569			$1,355,569
Special Education - Personnel Development	$184,381			$184,381
Schools and Roads - Grants to States	$1,420,679			$1,420,679
Troops to Teachers Grant	$262,905			$262,905
Chesapeake Bay Studies	$13,807			$13,807
Payments in Lieu of Real Estate Taxes	$91,260			$91,260
Total	**$1,479,997,315**			**$1,479,997,315**
Total for Direct Aid to Public Education			**$13,971,078,228**	**$13,854,488,879**
Fund Sources: General	$10,704,170,193	$10,935,240,732		
Special	$1,020,000	$1,020,000		
Commonwealth Transportation	$1,495,230	$1,495,230		
Trust and Agency	$1,427,725,166	$1,152,725,168		
Dedicated Special Revenue	$212,000,000	$135,000,000		
Federal Trust	$1,624,667,639	$1,629,007,749		
Grand Total for Department of Education, Central Office Operations			**$14,302,855,832**	**$14,177,333,253**
General Fund Positions	205.17	205.17		
Nongeneral Fund Positions	369.33	369.33		
Position Level	574.50	574.50		
Fund Sources: General	$10,828,323,180	$11,050,460,489		
Special	$7,870,573	$7,870,573		
Commonwealth Transportation	$1,811,072	$1,811,072		
Trust and Agency	$1,440,449,568	$1,165,449,570		
Dedicated Special Revenue	$212,000,000	$135,000,000		
Federal Trust	$1,812,401,439	$1,816,741,549		

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128.	Instruction (19700)			$8,994,903	$8,994,903
	Classroom Instruction (19701)	$8,794,643	$8,794,643		
	Occupational-Vocational Instruction (19703)	$158,065	$158,065		
	Outreach and Community Assistance (19710)	$42,195	$42,195		
	Fund Sources: General	$7,982,490	$7,982,490		
	Special	$135,239	$135,239		
	Federal Trust	$877,174	$877,174		

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	Authority: §§ 22.1-346 through 22.1-349, Code of Virginia.				
129.	Residential Support (19800)			$6,900,073	$6,900,073
	Food and Dietary Services (19801)	$569,176	$569,176		
	Medical and Clinical Services (19802)	$509,723	$509,723		
	Physical Plant Services (19803)	$2,743,491	$2,743,491		
	Residential Services (19804)	$2,646,839	$2,646,839		
	Transportation Services (19805)	$430,844	$430,844		
	Fund Sources: General	$6,757,360	$6,757,360		
	Special	$104,220	$104,220		
	Federal Trust	$38,493	$38,493		
	Authority: Title 22.1, Chapter 19, Code of Virginia.				
130.	Administrative and Support Services (19900)			$3,714,412	$3,714,412
	General Management and Direction (19901)	$3,714,412	$3,714,412		
	Fund Sources: General	$3,438,078	$3,438,078		
	Special	$222,864	$222,864		
	Federal Trust	$53,470	$53,470		
	Authority: Title 22.1, Chapter 19, Code of Virginia.				
	A. Notwithstanding any other provision of law, the Virginia School for the Deaf and the Blind is authorized to retain the income generated by the rental of facilities on the Staunton campus to outside entities.				
	B. Notwithstanding any other provision of law, the Board of Visitors of the Virginia School for the Deaf and the Blind may establish, in compliance with the provisions of Article 3 (§ 23.1-809 et seq.) of Chapter 8 of Title 23.1, Code of Virginia, a campus police department and employ campus police officers upon appointment as provided in § 23.1-812, Code of Virginia. Campus police officers appointed and employed by the Virginia School for the Deaf and the Blind shall be eligible for the Virginia Law Officers' Retirement System pursuant to Chapter 2.1 of Title 51.1 (§ 51.1-211 et seq.), Code of Virginia, and Line of Duty Act benefits pursuant to Chapter 4 of Title 9.1 (§ 9.1-400 et seq.), Code of Virginia.				
	Total for Virginia School for the Deaf and the Blind			**$19,609,388**	**$19,609,388**
	General Fund Positions	206.00	206.00		
	Position Level	206.00	206.00		
	Fund Sources: General	$18,177,928	$18,177,928		
	Special	$462,323	$462,323		
	Federal Trust	$969,137	$969,137		
	§ 1-51. STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA (245)				
131.	Higher Education Student Financial Assistance (10800)			$318,413,512	$313,583,512
	Scholarships (10810)	$304,623,512	$299,793,512		
	Regional Financial Assistance for Education (10813)	$13,790,000	$13,790,000		
	Fund Sources: General	$299,553,512	$308,323,512		
	Special	$5,010,000	$5,010,000		
	Dedicated Special Revenue	$13,850,000	$250,000		
	Authority: Title 23.1, Chapter 6, Code of Virginia, Regional Grants and Contracts: Discretionary Inclusion; Undergraduate and Graduate Assistance: Discretionary Inclusion				
	A. Those private institutions which participate in the programs provided by the				

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appropriations in this Item shall, upon request by the State Council of Higher Education, submit financial and other information which the Council deems appropriate.

B. Out of the amounts for Scholarships the following sums shall be made available for:

1. Tuition Assistance Grant Program, $121,825,881 the first year and $121,825,881 the second year from the general fund is designated for full-time undergraduate and graduate students.

2. a. Virginia Space Grant Consortium Scholarships, $795,000 the first year and $795,000 the second year from the general fund.

b. Out of the amounts included in this item, $100,000 the first year and $100,000 the second year from the general fund shall be provided to the Virginia Space Grant Consortium (VSGC) to provide scholarships for select high school students to participate in immersive ground and flight training through the solo experience as a step in addressing the critical pilot shortage. The VSGC shall work with Averett University and Liberty University to provide two sessions of its New Horizons solo academy giving 30 high school students the opportunity to accomplish their first solo flight.

c. Out of the amounts included in this item, $220,375 the first year and $220,375 the second year from the general fund shall be provided to the Virginia Space Grant Consortium to provide scholarships for high school students to participate in the Virginia Earth System Science Scholars program.

d. Out of the amounts included in this item, $75,000 the first year and $75,000 the second year from the general fund is designated to expand and create new certificate and academic pathways to address workforce gaps for skilled technical workers in aerospace related fields through the Virginia Space Grant Consortium.

3. Out of this appropriation, $20,000 the first year and $20,000 the second year from the general fund is designated to provide grants of up to $5,000 per year for Virginia students who attend schools and colleges of optometry. Each student receiving a grant shall agree to set up practice in the Commonwealth for a period of not less than two years upon completion of instruction.

4. No amount, or part of an amount, listed for any program specified under paragraph B shall be expended for any other program in this appropriation.

C. Tuition Assistance Grant Program

1. Payments to students out of this appropriation shall not exceed $5,250 the first year and $5,250 the second year for qualified undergraduate students and $5,000 the first year and $5,000 the second year for qualified graduate and medical students attending not-for-profit, independent institutions in accordance with § 23.1-628 through § 23.1-635, Code of Virginia. However, for those undergraduate students pursuing a career in teaching, payments shall be increased by an additional $500 in their senior year.

2. The private institutions which participate in this program shall, during the spring semester previous to the commencement of a new academic year or as soon as a student is admitted for that year, whichever is later, notify their enrolled and newly admitted Virginia students about the availability of tuition assistance awards under the program. The information provided to students and their parents must include information about the eligibility requirements, the application procedures, and the fact that the amount of the award is an estimate and is not guaranteed. The number of students applying for participation and the funds appropriated for the program determine the amount of the award. Conditions for reduction of award amount and award eligibility are described in this Item and in the regulations issued by the State Council of Higher Education. The institutions shall certify to the council that such notification has been completed and shall indicate the method by which it was carried out. Upon consultation with and approval from SCHEV, private institutions which participate in this program may develop and distribute the Tuition Assistance Grant application form for electronic administration.

3. Institutions participating in this program must submit annually to the council copies of audited financial statements.

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4. To be eligible for a fall or full-year award out of this appropriation, a student's application must have been received by a participating independent college or by the State Council of Higher Education by September 15. Returning students who received the award in the previous year will be prioritized. Applications for a fall or full-year award received after September 15 but no later than October 1 will be held for consideration if funds are available and returning student awards have been made. Applications for spring semester only awards must be received by December 1 and will be considered only if funds remain available.

5. No limitations shall be placed on the award of Tuition Assistance Grants other than those set forth herein or in the Code of Virginia.

6. All eligible institutions not previously approved by the State Council of Higher Education to participate in the Tuition Assistance Grant Program shall have received accreditation by a nationally recognized regional accrediting agency, prior to participation in the program or by the Commission on Osteopathic College Accreditation of the American Osteopathic Association in the case of freestanding institutions of higher education that offer the Doctor of Osteopathic Medicine as the sole degree program.

7. Payments to undergraduate students shall be greater than payments to graduate and medical students and shall be based on a differential established by the State Council of Higher Education for Virginia.

8. No awards shall be provided to graduate students except in health-related professional programs to include allied health, nursing, pharmacy, medicine, and osteopathic medicine.

9. Any general fund appropriation in the Tuition Assistance Grant Program which is unexpended at the close of business June 30 of any fiscal year shall be reappropriated for use in the program in the following year.

10. a. New incoming students enrolled exclusively in an online education or distance learning program are eligible to receive awards up to $2,625 the first year and $2,625 the second year from the Tuition Assistance Grant Program. However, existing students enrolled exclusively in online education or distance learning programs as of the 2019-20 academic year shall remain eligible to receive awards of up to the 2019-2020 award amounts for as long as the student maintains enrollment in each successive fiscal year, unless granted an exception for cause by SCHEV, until current degree completion or current degree program eligibility limits have otherwise expired, whichever comes first.

b. It is the intent of the General Assembly that awards under this paragraph related to new incoming students shall be calculated and granted at 50 percent of the undergraduate residential level.

11. Out of this appropriation, $6,750,000 the first year and $6,750,000 the second year from the general fund is designated such that all students eligible and receiving an award under this program enrolled into a TAG-eligible private not-for-profit Virginia Historically Black College and University (HBCU) accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) shall receive an additional award of up to $7,500 the first year and up to $7,500 the second year.

12. Out of this appropriation $1,800,000 the first year and $1,800,000 the second year from the general fund is designated for an additional award of up to $2,000 for all students eligible and receiving an award under this program and enrolled into a TAG-eligible private not-for-profit Virginia institution, whose Hispanic-identifying students represent a three-year average of at least 25 percent of total undergraduate enrollment, and accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).

D.1. Regional Grants and Contracts: Out of this appropriation, $170,000 the first year and $170,000 the second year from the general fund is designated to support Virginia's participation in the Southern Regional Education Board initiative to increase the number of minority doctoral graduates.

2. The amounts listed in paragraph D.1. shall be expended in accordance with the

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agreements between the Commonwealth of Virginia and the Southern Regional Education Board.

E.1. Out of this appropriation, $16,780,000 the first year and $19,250,000 the second year from the general fund is designated to support the Virginia Military Survivors and Dependents program, § 23.1-608, Code of Virginia, to provide up to a $2,200 annual stipend to offset the costs of room, board, books and supplies for qualified survivors and dependents of military service members.

2. The amount of the stipend is an estimate depending on the number of students eligible under § 23.1-608, Code of Virginia. Changes that increase or decrease the grant amount shall be determined by the State Council of Higher Education for Virginia.

3. The Director, State Council of Higher Education for Virginia, shall allocate these funds to public institutions of higher education on behalf of students qualifying under this provision.

4. Each institution of higher education shall report the number of recipients for this program to the State Council of Higher Education for Virginia by April 1 of each year. The State Council of Higher Education for Virginia shall report this information to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by June 30 of each year.

5. The Department of Veterans Services shall consult with the State Council of Higher Education for Virginia prior to the dissemination of any information related to the financial benefits provided under this program.

F.1. Out of the appropriation for this Item, $3,285,256 the first year and $3,285,256 the second year from the general fund is designated to support the Two-Year College Transfer Grant Program.

2. The State Council of Higher Education for Virginia shall disburse these funds for full-time students consistent with § 23.1-623 through § 23.1-627, Code of Virginia. Beginning with students who are entering a senior institution as a two-year transfer student for the first time in the fall 2013 academic year, and who otherwise meet the eligibility criteria of § 23.1-624, Code of Virginia, the maximum EFC is raised to $12,000 or its equivalent.

3. The actual amount of the award depends on the number of students eligible under § 23.1-623 through § 23.1-627, Code of Virginia. Changes that decrease the grant amount shall be determined by the State Council of Higher Education for Virginia.

4. Out of this appropriation, up to $600,000 the first year and $600,000 the second year from the general fund is designated to support students eligible for the first time under § 23.1-623 through § 23.1-627, Code of Virginia. The State Council of Higher Education for Virginia shall transfer these funds to Norfolk State University, Old Dominion University, Radford University, University of Virginia's College at Wise, Virginia Commonwealth University and Virginia State University so that each institution can provide for grants of $1,000 from these funds for these students.

a. Each institution shall award grants from these funds for one year and students shall not receive subsequent awards until they have satisfied the requirements to move to the next class level. Each recipient may receive a maximum of one year of support per class level for a maximum total of two years of support.

b. Any balances remaining from the appropriation identified in paragraph F.4. shall not revert to the general fund at the end of the fiscal year, but shall be brought forward and made available to the State Council of Higher Education for Virginia to support the purposes specified in paragraphs F.1. and F.4. in the subsequent fiscal year.

c. It is anticipated that the institutions shift by a total of 600 the number of students each enrolls from first time freshman to transfers eligible under § 23.1-623 through § 23.1-627, Code of Virginia. Institutional goals under this fund are estimated as follows:

Institution	Transfer Target
Norfolk State University	80
Old Dominion University	140

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Radford University		140		
University of Virginia's College at Wise		20		
Virginia Commonwealth University		140		
Virginia State University		80		

d. The State Council of Higher Education for Virginia may allocate these funds among the institutions in Paragraph F.4.c. as necessary to meet the actual number of transfers each institution generates for students eligible for the first time under § 23.1-623 through § 23.1-627, Code of Virginia. Each institution shall report its progress toward the targets in Paragraph F.4.c. to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by May 1 each year.

e. The report shall include a detailed accounting of the use of the funds provided and a plan for achieving the goals identified in this item.

G. 1. Out of this appropriation, $33,200,000 the first year and $40,000,000 the second year from the general fund and $13,600,000 the first year from nongeneral funds is designated for the New Economy Workforce Credential Grant Program.

2. The State Council of Higher Education for Virginia shall develop guidelines for the program, collect data, evaluate and approve grant funds for allocation to eligible institutions. Data should be collected on currently eligible programs and all other short-term, career-focused training programs offered at comprehensive community colleges, excluding employer-sponsored workforce training, in the same manner as currently collected for eligible programs. Data will be provided to the Office of Labor Market Alignment annually for analysis.

3. Local community colleges shall not start new workforce programs that would duplicate existing high school and adult Career and Technical Education (CTE) programs for high-demand occupations in order to receive funding under this Grant.

4. No more than 25 percent of Grant funds may be used in one occupational field.

5. In the annual report on the program pursuant to § 23.1-627.7., Code of Virginia, the Council shall include an analysis of grant fund utilization by occupational field and a summary of any actions taken by the Council or the Virginia Community College System to comply with the provisions of paragraph G.4.

6. To the greatest extent possible, institutions shall submit reimbursement requests within 60 days of program completion by the student; credential reimbursement shall be submitted within 90 days of program completion unless otherwise excepted by the Council. All annual data must be submitted by November 1 of the following fiscal year to ensure the annual report can be written and validated ahead of the start of the General Assembly session in January.

7. By August 1 of each year, the participating institutions shall each submit to SCHEV a projection plan for the awarding of program funds, including a list of new program offerings, which programs from the prior year will not be offered, and institution plans for instances where funds are projected to be exhausted prior to end of the fiscal year.

H. Out of this appropriation, $5,000,000 the first year and $5,000,000 the second year from nongeneral funds is designated for scholarships for eligible students participating in the Gaining Early Awareness and Readiness for Undergraduate Program (GearUp).

I.1. Out of this appropriation $37,500,000 the first year and $37,500,000 the second year from the general fund is provided to enhance efforts to recruit and retain students eligible for Pell grant assistance at public institutions of higher education.

2. The State Council of Higher Education for Virginia shall work with institutions with below average enrollment of Pell-eligible students to develop individualized recruitment and retention plans targeting low-income students.

3. Any Virginia public institution of higher education may apply for funding through a

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competitive grant process. Applications must demonstrate efforts to restructure outreach, recruitment, admission, and retention procedures. Funds are intended to support initiatives that attract, enroll, and retain low-income students. Institutions that request funds for need-based financial aid must specify that aid may be used to support internship opportunities. Priority shall be given to institutions with below-average Pell enrollment. Any unexpended balance in this item at the close of business on June 30 each year shall not revert to the general fund, but shall be carried forward and reappropriated. Out of the amount in paragraph I.1. of this item, the Council may use up to one percent of the funds for the administration and evaluation of the activities described in this item.

4. Any institutional grant under this initiative shall be subject to performance outcomes established in paragraph I.5. Funds shall be ongoing to ensure successful enrollment and completion for students. Initiatives demonstrating successful outcomes may be prioritized in future base funding requests.

5. The Council shall establish eligibility criteria, evaluate proposals, determine award sizes, establish performance outcomes and monitor performance in consultation with staff from the House Appropriations and the Senate Finance and Appropriations Committees, the Office of the Secretary of Education, and the Department of Planning and Budget. The Council shall notify the Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee 30 days prior to releasing funds to institutions.

6. The Council shall report periodically on activities related to this initiative and make recommendations for any potential future support to institutions that successfully meet their defined outcomes. Additionally, by November 1 of each year within the performance period of any awarded institutional grant, the Council shall report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees and the Secretary of Education on the outcomes and effectiveness of the awarded funds. Such report shall include, at minimum, data on recruitment, retention, and graduation of Pell-eligible students at institutions receiving funding and performance against the outcomes established in paragraph I.5.

J. 1. As a condition of this appropriation, $85,000,000 the first year and $85,000,000 the second year from the general fundis designated to offset the impact of programs under Title 23.1, Chapter 6, Code of Virginia.

2. The State Council of Education for Virginia shall work with public higher education institutions to determine the appropriate allocation of these funds.

3. Any unexpended balance from this paragraph at the close of business on June 30 each year shall not revert to the general fund, but shall be carried forward and reappropriated to support the same purposes in the subsequent fiscal year.

4. By December 15 of each year, the Council shall report on the status of programs as of November 15 under Title 23.1, Chapter 6, Code of Virginia.

K. 1. The State Council of Higher Education for Virginia (SCHEV), in collaboration with the Department of Veterans Services (DVS) and public colleges and universities, shall collect and report by December 15 of each year data related to the Virginia Military Survivors and Dependents Education Program (VMSDEP) as follows:

a. Approved and active beneficiaries by eligibility category:

1) Veterans with 90 percent disability

2) Veterans with 100 percent disability

3) Gold star beneficiaries

b. Beneficiary classification, reported as aggregate institutional totals:

1) Spouses and dependents

2) Combat and noncombat qualifying service

3) Eligibility pathway, including qualification through DD-214 or through 5 year VA

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residency				
4) Residency status at eligibility determination				
c. Enrollment and academic utilization:				
1) Total number of people approved for VMSDEP Eligibility				
2) Total number of enrolled VMSDEP beneficiaries				
3) Aggregate counts of full and part time students				
4) Aggregate counts of enrolled beneficiaries by remaining semesters of eligibility				
5) Major upon graduation-what degree was conferred				
d. For each public college and university:				
1) Total VMSDEP funding allocation				
2) Distribution of said allocation				
2. As part of the data collection, SCHEV will ensure an audit of the data is conducted by the Auditor of Public Accounts and include in the annual report the result of the audits for the previous two years.				
3. SCHEV and DVS will prepare a glossary of terms for the financial aid offices at each public college and university.				
4. DVS and all public colleges and universities shall cooperate with SCHEV in the execution of its responsibilities under this item.				
L. Out of this appropriation, $500,000 the first year from the general fund is designated to support grants to in-state undergraduate students attending Virginia University of Lynchburg to provide collegiate education and not to provide religious training or theological education.				
132. Financial Assistance For Educational and General Services (11000)			$104,410	$104,410
Sponsored Programs (11004)	$4,410	$4,410		
Outstanding Faculty Recognition (11009)	$100,000	$100,000		
Fund Sources: Special	$104,410	$104,410		
Authority: Outstanding Faculty Recognition Program: Discretionary Inclusion.				
The State Council of Higher Education for Virginia shall annually provide a grant to faculty members selected to be honored under the Outstanding Faculty Recognition program from such private funds as may be designated for this purpose. The faculty members shall be selected from public and private institutions of higher education in Virginia, but recipients of Outstanding Faculty Recognition Awards shall not be eligible for the awards in subsequent years.				
133. Higher Education Academic, Fiscal, and Facility Planning and Coordination (11100)			$31,498,732	$31,812,797
Higher Education Coordination and Review (11104)	$16,751,197	$17,065,262		
Regulation of Private and Out-of-State Institutions (11105)	$1,562,273	$1,562,273		
Institutional Program Support (11107)	$13,185,262	$13,185,262		
Fund Sources: General	$29,755,893	$30,069,958		
Special	$1,552,839	$1,552,839		
Trust and Agency	$190,000	$190,000		
Authority: § 23.1-200, § 23.1-203, § 23.1-1107, § 23.1-629, § 23.1-903.4.				

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A. 1. It is the intent of the General Assembly to provide general fund support to contract at a level equivalent to the Tuition Assistance Grant undergraduate award with Mary Baldwin University for Virginia women resident students to participate in the Virginia Women's Institute for Leadership at Mary Baldwin University.

2. The amounts included in this Item are $372,899 the first year and $372,899 the second year from the general fund for the programmatic and financial administration of this program.

3. General fund appropriations provided under this contract may include financial incentive for the participating students at Mary Baldwin University in the Virginia Women's Institute for Leadership Program and funds to support programmatic administration. Students receiving this financial incentive will not be eligible for Tuition Assistance Grants.

4. By October 1 of each year, Mary Baldwin University shall report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Director, State Council of Higher Education for Virginia, and the Director, Department of Planning and Budget, on the number of students participating in the Virginia Women's Leadership Program, the number of in-state and out-of-state students receiving awards, the amount of the awards, the number of students graduating, and the number of students receiving commissions in the military.

B. In discharging the responsibilities specified in § 23.1-219, Code of Virginia, the State Council of Higher Education for Virginia shall provide exemptions to individual proprietorships, associations, co-partnerships or corporations which are now or in the future will be using the words "college" or "university" in their training programs solely for their employees or customers, which do not offer degree-granting programs, and whose name includes the word "college" or "university" in a context from which it clearly appears that such entity is not an educational institution.

C. Out of the appropriation for Higher Education Coordination and Review, $12,026,428 the first year and $12,340,493 the second year from the general fund is provided for continuation of the Virtual Library of Virginia. Funding for the Virtual Library of Virginia is provided for the benefit of students and faculty at the Commonwealth's public institutions of higher education and participating nonprofit, independent private colleges and universities. Out of this amount, $561,946 the first year and $561,946 the second year is earmarked to allow the participation of nonprofit, independent private colleges and universities.

D. Out of this appropriation, $950,366 and ten positions the first year and $950,366 and ten positions the second year from nongeneral funds is provided to support higher education coordination and review services, including expenses incurred in the regulation and oversight of the private and out-of-state postsecondary institutions and proprietary schools operating in Virginia. These funds will be generated through fee schedules developed pursuant to § 23.1-224, Code of Virginia. Out of this amount, $190,000 the first year and $190,000 the second year from nongeneral funds is designated to administration of the Student Tuition Guarantee Fund.

E. The State Council of Higher Education for Virginia, in consultation with the House Appropriations Committee, the Senate Finance and Appropriations Committee, the Department of General Services, and the Department of Planning and Budget, shall develop a six-year capital outlay plan for higher education institutions including affiliated entities. As a part of this plan SCHEV shall consider (i) current funding mechanisms for capital projects and improvements at the Commonwealth's institutions of higher education, including general obligation bonds and other viable funding methods; (ii) mechanisms to assist private institutions of higher education in the Commonwealth with their capital needs.

F. The Executive Director, State Council of Higher Education for Virginia, may appoint an advisory committee to assist the council with technology-enriched learning initiatives. The advisory committee may assist the council in (i) developing innovative, cost-effective, technology-enriched teaching and learning initiatives, including distance and distributed learning initiatives; (ii) improving cooperation among and between the public and private institutions of higher education in the Commonwealth; (iii) improving efficiency and expand the availability of technology-enriched courses; and (iv) facilitating the sharing of research and experience to improve student learning.

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G. In addition to the reviews conducted under § 23.1-206 and § 23.1-306, Code of Virginia, the State Council of Higher Education shall evaluate the progress of individual initiatives funded in this act as part of the incentive funding provided to colleges and universities with regard to improvements in retention, graduation, degree production and other criteria the Council deems appropriate.

H. Out of this appropriation, $475,047 the first year and $475,047 the second year from the general fund is designated to support research and analysis and the administration of a multi-agency longitudinal data system to improve consumer information and policy recommendations.

I.1. a. As a condition of this appropriation, $7,324,776 the first year and $7,324,776 the second year from the general fund is designated to support the goals of the Innovative Internship Fund and Program, § 23.1-903.4, Code of Virginia, which shall be implemented and identified as the Internships Virginia (InVA) initiative. The funding is designed to expand paid or credit-bearing student internships in collaboration with Virginia employers. In furtherance of the goal of providing all postsecondary students in Virginia with one or more paid internships during their undergraduate course of study, funding shall be used for: (a) institutional grants to enhance engagement with employers related to internship placement and to assist students in securing and successfully completing internships, including students that traditionally do not participate in such programs; (b) administrative and other expenditures to accomplish the purposes of the Innovative Internship Fund and Program and this paragraph.

b. The Council and partners previously identified as the Virginia Talent and Opportunity Partnership (V-TOP) shall adopt the Internships Virginia (InVA) brand implemented by the Virginia Economic Development Partnership, and all programs and grants funded through this item shall be identified by reference to that brand. Funding provided in this item, including any previous or future balances from this initiative, shall be expended exclusively to promote or facilitate paid or credit-bearing internships pursuant to subparagraph 2.

2. Institutional grants shall be awarded to support initiatives that establish or enhance an on-campus internship center or similar one-stop service to assist students and employers with intern placement and that are expected to produce a demonstrated increase in student participation in paid or credit-bearing internship programs. Institutions shall be eligible for grants upon demonstrating that it is a key priority of the institution and its senior academic and administrative leadership to have a coordinated plan to expand internship participation by students, to incorporate internships in curricula, to report completion of internships and courses that include internships on student transcripts, and to remove administrative and financial barriers to internship opportunities. The plan shall include: (i) an implementation timeline, (ii) the allocation of resources and funding strategies to support internships, (iii) the assignment of dedicated personnel to facilitate placement of students in internships and engage with employers, (iv) the identification of how the institution will support students that are less likely to participate in internships, to be employed in an occupation related to their major upon completion of their certificate or degree, or to earn at or above the average earnings of graduates in their program major; (v) opportunities to align existing student employment opportunities on campus to include best practices of an internship program; and (vi) metrics for measuring, reporting, and regularly reviewing progress on the plan. Institutions that have not developed a plan may be eligible for planning grants as long as the planning grants are led by senior academic and administrative leadership. In determining the amount of grant awards, the Council shall consider the number of undergraduate students enrolled at the institution, the number of students at the institution who participate in internships, and the numerical and percentage increase in internship participation expected to result from the initiative. In addition, the Council shall increase grant awards based upon the following factors: (i) an institution's emphasis on internships that are part of pathways to full-time employment with Virginia-based employers; (ii) the institutional initiative's alignment with specific state or regional programs or partnerships related to economic growth and diversification or workforce development in Virginia; (iii) an institution's strength of commitment as reflected in its reallocation of institutional funds or solicitation of philanthropic support or business partnerships to support the initiative. This funding is intended to be recurring for institutions that demonstrate substantial yearly progress in achieving the objectives of the

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initiative as measured by the number of internships successfully completed by students.

3. In administering the program authorized in this paragraph, the Council shall cooperate with the Virginia Economic Development Partnership and identified partners in carrying out the authority's responsibilities under Item 113 S. of this act for employer-focused activities that expand availability of and access to paid or credit-bearing internships and corresponding pathways leading to full-time Virginia-based employment. In cooperation with the Virginia Economic Development Partnership and identified partners, the Council shall (i) engage stakeholders from business and industry, secondary and higher education, economic development, and state agencies and entities that are successfully engaging employers or successfully operating internship programs; (ii) explore strategies in Virginia and elsewhere on successful institutional, regional, statewide or sector-based internship programs; (iii) gather and report consistent data across institutions regarding current institutional internship practices, scale, and outcomes; (iv) develop internship readiness educational resources, delivery methods, and outreach and awareness activities for students and institutional career development personnel; and (v) pursue shared services or other efficiency initiatives, including technological solutions. The Council and VEDP, in consultation with partners, shall establish goals and metrics for internships for employers, students, and institutions that support an increased number of students and employers participating in internships while ensuring the quality of the program. Institutions shall set goals and progress measures aligned with the metrics established by the Council and VEDP related to increasing the number of students participating in internships and shall develop a plan to ensure that existing programs and any new programs developed include internships where appropriate. Institutions shall report to the Council annually regarding progress on these goals. Beginning in fiscal year 2027, the Council and VEDP shall submit an annual report to the Governor and the Chairs of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations on progress meeting the goals and metrics, including institutional progress, and expenses incurred for the activities outlined in this item by November 1 of each year.

2. Institutional grants shall be awarded to support initiatives that establish or enhance an on-campus internship center or similar one-stop service to assist students and employers with intern placement and that are expected to produce a demonstrated increase in student participation in paid internship programs and work-based learning opportunities. Institutions shall be eligible for grants upon demonstrating that it is a key priority of the institution and its senior academic and administrative leadership to have a coordinated plan to expand internship participation by students, to incorporate internships in curricula, to report completion of internships and courses that include internships on student transcripts, and to remove administrative and financial barriers to internship opportunities. The plan shall include: (i) an implementation timeline, (ii) the allocation of resources and funding strategies to support internships, (iii) the assignment of dedicated personnel to facilitate placement of students in internships and engage with employers, (iv) the identification of how the institution will support students that are less likely to participate in internships and work-based learning opportunities, to be employed in an occupation related to their major upon completion of their certificate or degree, or to earn at or above the average earnings of graduates in their program major; (v) opportunities to align existing student employment opportunities on campus to include best practices of an internship program; and (vi) metrics for measuring, reporting, and regularly reviewing progress on the plan. Institutions that have not developed a plan may be eligible for planning grants as long as the planning grants are led by senior academic and administrative leadership. In determining the amount of grant awards, the Council shall consider the number of undergraduate students enrolled at the institution, the number of students at the institution who participate in internships, and the numerical and percentage increase in internship participation expected to result from the initiative. In addition, the Council shall increase grant awards based upon the following factors: (i) an institution's emphasis on internships that are part of pathways to full-time employment with Virginia-based employers; (ii) the institutional initiative's alignment with specific state or regional programs or partnerships related to economic growth and diversification or workforce development in Virginia; (iii) an institution's strength of commitment as reflected in its reallocation of institutional funds or solicitation of philanthropic support or business partnerships to support the initiative. This funding is intended to be recurring for institutions that demonstrate substantial yearly progress in achieving the objectives of the initiative as measured by the number of internships successfully completed by students.

3. In administering the program authorized in this paragraph, the Council shall (i) engage

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stakeholders from business and industry, secondary and higher education, economic development, and state agencies and entities that are successfully engaging employers or successfully operating internship programs; (ii) cooperate with the Virginia Economic Development Partnership and identified partners in carrying out the authority's responsibilities under Item 113 S. of this act for employer-focused activities that expand availability of and access to paid and credit-bearing internships and corresponding pathways leading to full-time Virginia-based employment; (iii) explore strategies in Virginia and elsewhere on successful institutional, regional, statewide or sector-based internship programs; (iv) gather and report consistent data across institutions regarding current institutional internship practices, scale, and outcomes; (v) develop internship readiness educational resources, delivery methods, and outreach and awareness activities for students and institutional career development personnel; and (vi) pursue shared services or other efficiency initiatives, including technological solutions. The Council and VEDP, in consultation with partners, shall establish goals and metrics for internships and work-based learning opportunities for employers, students, and institutions that support an increased number of students and employers participating in internships and work-based learning opportunities while ensuring the quality of the program. Institutions shall set goals and progress measures aligned with the metrics established by the Council and VEDP related to increasing the number of students participating in internships and work-based learning opportunities and shall develop a plan to ensure that existing programs and any new programs developed include internships or a work-based learning opportunity where appropriate. Institutions shall report to the Council annually regarding progress on these goals. Beginning in fiscal year 2027, the Council and VEDP shall submit an annual report to the Governor and the Chairs of the House Committee on Appropriations and Senate Committee on Finance and Appropriations on progress of meeting the goals and metrics, including institutional progress, and expenses incurred for the activities outlined in this item by November 1 of each year.

J. In addition to the exceptions pursuant to § 2.2-3815, the provisions of the section shall not be construed to prevent the release of a social security number to the U.S. Census, U.S. Education Department, or other agency of the federal government, by the State Council of Higher Education for the purposes of data-matching to improve knowledge of the outcomes of education programs of the Commonwealth, including, but not limited, to earnings and education-related debt. In addition, the office of the workforce development advisor shall also have access to wage records collected by the Council.

K. The State Council of Higher Education for Virginia shall collect annual dues on behalf of Virginia Sea Grant to support its operational costs. The Council shall make payments out of nongeneral funds in this appropriation to Virginia Sea Grant, and shall enter into a memorandum of understanding with Virginia Sea Grant to define fiscal responsibilities and establish reimbursement rates and processes for the delivery of services.

L.1. The State Council of Higher Education for Virginia, in consultation with staff from the House Appropriations and Senate Finance and Appropriations Committee, Department of Planning and Budget, Secretary of Finance and Secretary of Education, as well as representatives of public higher education institutions, shall review financial aid awarding practices and tuition discounting strategies.

2. The Council shall review current state financial aid awarding policies and make recommendations to: (1) appropriately prioritize and address affordability for low- and middle-income students; (2) increase program efficiency and effectiveness in meeting state goals that align with The Virginia Plan; and (3) simplify communication and improve student understanding of eligibility criteria. The review shall also: (1) assess financial aid by income level and the utilization and reporting of tuition revenue used for financial aid and unfunded scholarships; and (2) consider the pros and cons of authorizing remittance of tuition and fees for merit scholarships for students of high academic achievement.

M.1. The State Council of Higher Education for Virginia shall develop a plan for implementing a statewide survey on institutional expenditures by program and academic discipline at Virginia's public institutions to determine the effectiveness of spending related to the attainment of state and institutional goals and inform strategic decision-making.

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2. The Council may review existing reporting capacities and other state examples of cost analysis by program and academic discipline in higher education to: (1) determine the Council's current capacity to conduct the survey; (2) determine any additional staff and financial support necessary for conducting such a survey; (3) determine the potential for long-range cost containments; and (4) detail a plan for survey implementation.

N. Out of this appropriation, $250,000 the first year and $250,000 the second year from the general fund is designated for the Guidance to Postsecondary Success program. The program coordinates statewide efforts to increase college access and student success.

O. The State Council of Higher Education for Virginia, in fulfilling the requirements under § 23.1-1304, Code of Virginia, may use online training modules that expand training beyond the initial orientation for Boards of Visitor members.

P. Out of this appropriation, $750,000 the first year and $750,000 the second year from the general fund is provided to support a mental health workforce program at institutions of higher education in consultation with the Virginia Health Care Foundation. The program shall support the costs of required supervision for graduates of Masters of Social Work and Masters of Counseling programs seeking licensure. Eligible institutions include public institutions of higher education operating in Virginia. The State Council of Higher Education for Virginia shall report the outcomes of the program annually to the Governor and General Assembly.

Q.1. As part of the biennial six-year financial plan required in the provisions of § 23.1-306, Code of Virginia, each public four-year institution of higher education, Richard Bland College, and the Virginia Community College System shall include in its six-year plan and amendments to its plan submitted to the State Council of Higher Education for Virginia (SCHEV) an official commitment and set of policies and practices to support freedom of expression and inquiry, free speech, academic freedom, and diversity of thought.

2. Each public four-year institution of higher education, Richard Bland College, and the Virginia Community College System shall also submit an annual report on freedom of expression and inquiry, free speech, academic freedom, and diversity of thought to the Secretary of Education, including related incidents and statistics from the prior academic year.

R. As a condition of this appropriation, $174,000 and one position the first year and $174,000 and one position the second year from the general fund is designated for the establishment of a student loan ombudsman to provide timely assistance to student borrowers of any student education loan in the Commonwealth. The ombudsman will also be responsible for establishing and maintaining an online student loan borrower education course, which would cover key loan terms, documentation requirements, monthly payment obligations, income-based repayment options, loan forgiveness, and disclosure requirements.

S. The State Council of Higher Education for Virginia (SCHEV) shall conduct a study and impact analysis of the decline in international student enrollment at four-year colleges and universities in the Commonwealth and to develop recommendations to address such impacts. In conducting the study, SCHEV shall work in coordination with public institutions of higher education and shall (i) identify public colleges and universities exhibiting sustained declines in international student enrollment, as well as those experiencing a significant decline during the 2025–2026 academic year; (ii) compare enrollment trends between public and private four-year institutions to determine whether declines are consistent statewide or disproportionately affecting specific categories of institutions; and (iii) evaluate international student enrollment trends in graduate programs and assess whether graduate-level enrollment is declining at a similar or higher rate than undergraduate enrollment. SCHEV shall further assess the institutional, academic, financial, economic, societal, and workforce impacts associated with declining international student enrollment, including but not limited to impacts on tuition revenue, research capacity, graduate education, workforce pipelines, and the Commonwealth's long-term economic competitiveness. As part of this analysis, SCHEV shall examine the extent to which current federal administration policies, including visa, immigration, and related regulatory actions, have contributed to observed enrollment trends. SCHEV shall submit its findings and any recommendations in a report to the Chairs of the House Committee on Education and the Senate Committee on Education and Health, the Secretary of Education, and the Governor no later than December 1, 2026.

ITEM 134.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
134.	Higher Education Federal Programs Coordination (11200)			$2,415,426	$2,415,426
	Higher Education Federal Programs Coordination (11201)	$2,415,426	$2,415,426		
	Fund Sources: Federal Trust	$2,415,426	$2,415,426		
	Authority: Title 23.1, Chapter 2, Code of Virginia.				
	Out of this appropriation, $2,440,426 the first year and $2,440,426 the second year from nongeneral funds is designated for grants to improve teacher quality (No Child Left Behind Act grant).				
135.	Financial Assistance for Public Education (Categorical) (17100)			$3,000,000	$3,000,000
	Early Awareness and Readiness Programs (17117).	$3,000,000	$3,000,000		
	Fund Sources: Federal Trust	$3,000,000	$3,000,000		
	Authority: Discretionary Inclusion.				
	Out of this appropriation, $3,000,000 the first year and $3,000,000 the second year from nongeneral funds is designated for the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) grant.				
136.	Technology Assistance Services (18600)			$200,000	$200,000
	Distance Learning and Electronic Classroom (18602)	$200,000	$200,000		
	Fund Sources: Special	$200,000	$200,000		
	Authority: Code of Virginia, § 23.1-211				
	Out of this appropriation, $200,000 the first year and $200,000 the second year from nongeneral funds is designated to cover the costs of coordination and administration of the Virginia State Authorization Reciprocity Agreement (SARA) program as administered by the Southern Regional Education Board (SREB) and the National Council on State Authorization Reciprocity Agreements (NC-SARA).				
	Total for State Council of Higher Education for Virginia			**$355,632,080**	**$351,116,145**
	General Fund Positions	53.00	53.00		
	Nongeneral Fund Positions	25.00	25.00		
	Position Level	78.00	78.00		
	Fund Sources: General	$329,309,405	$338,393,470		
	Special	$6,867,249	$6,867,249		
	Trust and Agency	$190,000	$190,000		
	Dedicated Special Revenue	$13,850,000	$250,000		
	Federal Trust	$5,415,426	$5,415,426		
	§ 1-52. CHRISTOPHER NEWPORT UNIVERSITY (242)				
137.	Educational and General Programs (10000)			$119,564,502	$119,732,244
	Higher Education Instruction (100101)	$62,259,187	$62,259,187		
	Higher Education Research (100102)	$2,861,180	$2,861,180		
	Higher Education Academic (100104)	$13,565,314	$13,565,314		
	Higher Education Student Services (100105)	$8,645,857	$8,645,857		
	Higher Education Institutional Support (100106)	$13,367,430	$13,367,430		
	Operation and Maintenance Of Plant (100107)	$18,865,534	$19,033,276		
	Fund Sources: General	$60,910,883	$61,078,625		
	Higher Education Operating	$58,653,619	$58,653,619		
	Authority: Title 23.1, Chapter 14, Code of Virginia.				

ITEM 137.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

C. 1. Out of this appropriation, $667,670 the first year and $667,670 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-1 A1 completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical Science (40);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. Christopher Newport University is expected to maintain increases in:

a. Data Science and Technology awards of 5 annually over the base year.

b. Science and Engineering awards of 15 annually over the base year.

c. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees annually.

138.	Higher Education Student Financial Assistance (10800)			$12,749,360	$12,419,360
	Scholarships (10810)	$12,720,297	$12,390,297		
	Fellowships (10820)	$29,063	$29,063		
	Fund Sources: General	$8,819,360	$8,489,360		
	Higher Education Operating	$3,930,000	$3,930,000		

Authority: Title 23.1, Chapter 14, Code of Virginia.

Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.

139.	Financial Assistance For Educational and General Services (11000)			$1,598,882	$1,598,882
	Sponsored Programs (11004)	$1,598,882	$1,598,882		

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	Fund Sources: Higher Education Operating	$1,598,882	$1,598,882		
	Authority: Title 23.1, Chapter 14, Code of Virginia.				
	The Higher Education Operating fund source listed in this Item is considered to be a sum sufficient appropriation, which is an estimate of funding required by the university to cover sponsored program operations.				
140.	Higher Education Auxiliary Enterprises (80900) a sum sufficient, estimated at			$83,627,283	$83,627,283
	Food Services (80910)	$20,101,072	$20,101,072		
	Bookstores And Other Stores (80920)	$709,796	$709,796		
	Residential Services (80930)	$28,631,732	$28,631,732		
	Parking And Transportation Systems And Services (80940)	$1,934,290	$1,934,290		
	Student Unions And Recreational Facilities (80970)	$6,552,836	$6,552,836		
	Recreational And Intramural Programs (80980)	$176,447	$176,447		
	Other Enterprise Functions (80990)	$15,551,796	$15,551,796		
	Intercollegiate Athletics (80995)	$9,969,314	$9,969,314		
	Fund Sources: Higher Education Operating	$71,423,414	$71,423,414		
	Debt Service	$12,203,869	$12,203,869		
	Authority: Title 23.1, Chapter 14, Code of Virginia.				
	Total for Christopher Newport University			**$217,540,027**	**$217,377,769**
	General Fund Positions	367.06	367.06		
	Nongeneral Fund Positions	728.68	728.68		
	Position Level	1,095.74	1,095.74		
	Fund Sources: General	$69,730,243	$69,567,985		
	Higher Education Operating	$135,605,915	$135,605,915		
	Debt Service	$12,203,869	$12,203,869		
	§ 1-53. THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA (204)				
141.	Educational and General Programs (10000)			$303,474,062	$303,474,062
	Higher Education Instruction (100101)	$166,184,483	$166,184,483		
	Higher Education Research (100102)	$2,567,446	$2,567,446		
	Higher Education Public Services (100103)	$31,293	$31,293		
	Higher Education Academic (100104)	$45,638,477	$45,638,477		
	Higher Education Student Services (100105)	$16,162,675	$16,162,675		
	Higher Education Institutional Support (100106)	$42,382,657	$42,382,657		
	Operation and Maintenance Of Plant (100107)	$30,507,031	$30,507,031		
	Fund Sources: General	$83,770,806	$83,770,806		
	Higher Education Operating	$216,139,456	$216,139,456		
	Debt Service	$3,563,800	$3,563,800		
	Authority: Title 23.1, Chapter 28, Code of Virginia.				
	A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).				
	B. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In				

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accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

C. Out of this appropriation, $245,000 the first year and $245,000 the second year from the general fund is designated to support the Lewis B. Puller Jr. Veterans Benefits Clinic.

D. Out of this appropriation, $287,850 and two positions the first year and $287,850 and two positions the second year from the general fund is designated to develop a specialization in military and veterans counseling within the existing clinical mental health counseling degree program and a post-graduate certificate in veterans counseling.

E. The College of William and Mary may extend the authority granted to it under the Restructured Higher Education Financial and Administrative Operations Act (Title 23.1, Chapter 10, Code of Virginia) to Richard Bland College in a manner that is consistent with the Management Agreement By and Between the Commonwealth of Virginia and the College of William and Mary in Virginia, executed November 15, 2005 and subsequently amended to the provisions of the memorandum of understanding related to financial operations and other related administrative areas as executed by the presidents of both institutions on November 15, 2017 and as may subsequently be amended.

F. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the management agreement between the College of William and Mary and the Commonwealth, as set forth in Chapters 933 and 943 of the 2006 Acts of Assembly.

G. 1. Out of this appropriation, $1,221,670 the first year and $1,221,670 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-1 A1 completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical Sciences (40);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. The College of William and Mary is expected to maintain increases in:

a. Data Science and Technology awards of 20 annually over the base year.

b. Science and Engineering awards of 15 annually over the base year.

c. Education awards of 5 annually over the base year.

d. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees annually.

H. Out of this appropriation, $250,000 and two positions the first year and $250,000 and two positions the second year from the general fund is designated for the development of the Public Policy's Whole of Government program. This program will provide a hybrid Master of Public Policy degree that will allow the first year to be completed online.

ITEM 141.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	I. The 4-VA, a public-private partnership among George Mason University, James Madison University, the University of Virginia, Virginia Tech, Old Dominion University, Virginia Military Institute, Virginia Commonwealth University, the College of William and Mary, and CISCO Systems, Inc., utilizes emerging technologies to promote collaboration and resource sharing to increase access, reduce time to graduation and reduce unit cost while maintaining and enhancing quality. Instructional talent across the eight institutions is leveraged in the delivery of programs in foreign languages, science, technology, engineering and mathematics. The 4-VA Management Board can expand this partnership to additional institutions as appropriate to meet the goals of the 4-VA initiative. It is expected that funding will be pooled by the management board as required to support continuing efforts of the 4-VA priorities and projects.				
	J. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund is designated to support operating expenses for research efforts connected with the Bray School in partnership with the Colonial Williamsburg Foundation.				
142.	Higher Education Student Financial Assistance (10800)			$61,583,020	$61,417,020
	Scholarships (10810)	$44,865,662	$44,699,662		
	Fellowships (10820)	$16,717,358	$16,717,358		
	Fund Sources: General	$6,702,246	$6,536,246		
	Higher Education Operating	$54,880,774	$54,880,774		
	Authority: Title 23.1, Chapter 28, Code of Virginia.				
	A. Higher education operating funds appropriated in this program may be allocated for need-based aid to Virginia undergraduate students to enhance the quality and diversity of the student body.				
	B. The appropriation for the fund source Higher Education Operating in this Item shall be considered sum sufficient appropriation, which is an estimate of the revenue collected to meet student financial aid needs, under the terms of the management agreement between the university and the Commonwealth as set forth in Chapters 933 and 943 of the 2006 Acts of Assembly.				
	C. Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.				
143.	Financial Assistance For Educational and General Services (11000)			$32,339,735	$32,339,735
	Sponsored Programs (11004)	$32,339,735	$32,339,735		
	Fund Sources: General	$75,000	$75,000		
	Higher Education Operating	$32,264,735	$32,264,735		
	Authority: Title 23.1, Chapter 28, Code of Virginia.				
	A. 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 are designated to build research capacity in biomedical research and biomaterials engineering.				
	B. The Higher Education Operating fund source listed in this Item is considered to be a sum sufficient appropriation, which is an estimate of funding required by the university to cover sponsored program operations.				
143.10	Historic and Commemorative Attraction Management (50200)			$400,000	$400,000
	Historic Landmarks and Facilities Management (50203)	$400,000	$400,000		

ITEM 143.10.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Fund Sources: General	$400,000	$400,000		
	Authority: Title 2.2, Chapter 2, § 2.2-208 Code of Virginia.				
	The amounts provided in this appropriation are designated for the support of James Monroe's Highland.				
144.	Higher Education Auxiliary Enterprises (80900) a sum sufficient, estimated at			$96,034,440	$96,034,440
	Food Services (80910)	$23,465,746	$23,465,746		
	Bookstores And Other Stores (80920)	$799,578	$799,578		
	Residential Services (80930)	$35,836,373	$35,836,373		
	Parking And Transportation Systems And Services (80940)	$1,900,309	$1,900,309		
	Telecommunications Systems And Services (80950)	$2,257,550	$2,257,550		
	Student Health Services (80960)	$5,575,127	$5,575,127		
	Student Unions And Recreational Facilities (80970)	$8,565,528	$8,565,528		
	Recreational And Intramural Programs (80980)	$1,148,078	$1,148,078		
	Other Enterprise Functions (80990)	$6,694,508	$6,694,508		
	Intercollegiate Athletics (80995)	$9,791,643	$9,791,643		
	Fund Sources: Higher Education Operating	$79,851,600	$79,851,600		
	Debt Service	$16,182,840	$16,182,840		
	Authority: Title 23.1, Chapter 28, Code of Virginia.				
	Total for The College of William and Mary in Virginia			**$493,831,257**	**$493,665,257**
	General Fund Positions	563.96	563.96		
	Nongeneral Fund Positions	882.96	882.96		
	Position Level	1,446.92	1,446.92		
	Fund Sources: General	$90,948,052	$90,782,052		
	Higher Education Operating	$383,136,565	$383,136,565		
	Debt Service	$19,746,640	$19,746,640		
	Virginia Institute of Marine Science (268)				
145.	Educational and General Programs (10000)			$37,041,071	$36,923,096
	Higher Education Instruction (100101)	$1,499,865	$1,499,865		
	Higher Education Research (100102)	$17,681,183	$17,563,208		
	Higher Education Academic (100104)	$7,153,696	$7,153,696		
	Higher Education Institutional Support (100106)	$4,725,581	$4,725,581		
	Operation and Maintenance Of Plant (100107)	$5,980,746	$5,980,746		
	Fund Sources: General	$34,912,398	$34,794,423		
	Higher Education Operating	$2,128,673	$2,128,673		
	Authority: Title 23.1, Chapter 28, and Title 28.2, Chapter 11, Code of Virginia.				
	A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).				
	B. If sufficient appropriations are not made available by the Commonwealth, it shall not be necessary for the Virginia Institute of Marine Science to reallocate funds from existing research projects to provide the funding for research mandated in the Code of Virginia or in the Appropriation Act.				
	C. Out of this appropriation, $637,876 and 6.85 positions the first year and $637,876 and 6.85 positions the second year from the general fund is designated to support an Aquaculture Genetics and Breeding Technology Center at the Virginia Institute of Marine Science. The				

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center shall coordinate its efforts with the repletion program of the Virginia Marine Resources Commission.

D. It is the intent of the General Assembly that the development of a disease resistant native oyster remains a high priority for oyster-related research activities at the Virginia Institute of Marine Science.

E. Out of this appropriation, $68,391 the first year and $68,391 the second year from the general fund is provided for the continuation of the Clean Marina Program. This additional funding will allow the Virginia Institute of Marine Science to provide education, outreach, and technical assistance to the Commonwealth's marinas in an effort to improve water quality.

F. Out of this appropriation, $785,196 the first year and $667,221 the second year from the general fund is designated for the monitoring of the Chesapeake Bay's blue crab population. This additional support will permit the Virginia Institute of Marine Science to generate the data necessary to develop fishery management plans, determine in-danger habitats, and project the annual blue crab catch. These amounts are also designated to support surveys to assess juvenile blue crab stock.

G. Notwithstanding Chapter 719, 1999 Acts of Assembly, out of this appropriation, $159,579 the first year and $159,579 the second year from the general fund shall be provided to the Virginia Institute of Marine Science to support the Fishery Resource Grant Fund and Program. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the State Comptroller upon written request of the President of the College of William and Mary.

H. Out of this appropriation, $432,894 and 3.15 positions the first year and $432,894 and 3.15 positions the second year from the general fund is designated to support research on sea level rise and state-of-the-art storm surge modeling, as well as for subcontracting with the College of William and Mary's Virginia Coastal Resilience Collaborative (VCRC) to conduct policy and legal analyses of stakeholder-driven adaptation responses to sea level rise, in support of the Commonwealth Center for Recurrent Flooding Resiliency. The center, a collaborative partnership involving the Virginia Institute of Marine Science, Old Dominion University, and the VCRC, shall work with municipalities both along coastal Virginia and throughout the Commonwealth to develop useful resilience strategies.

I. Out of this appropriation, $125,000 the first year and $125,000 the second year from the general fund is designated for the establishment of a marine conservation fellowship program in partnership with Virginia-based marine science education programs and conservation museums.

J. Out of this appropriation, $188,086 and one position the first year and $188,086 and one position the second year from the general fund is designated for supporting a network engineer, maintenance contracts, and staff training.

K. Out of this appropriation, $406,075 and 2.70 positions the first year and $406,075 and 2.70 positions the second year from the general fund is designated for a postdoctoral researcher and two research technicians, research-related supplies and materials, and ongoing service center costs to monitor the water quality of the Chesapeake Bay and its tributaries.

L. Out of this appropriation, $403,000 the first year and $403,000 the second year from the general fund is designated for evaluating the ecological health of the Elizabeth River, monitoring the performance of past restoration projects, and providing scientific guidance on development of new restoration projects. Every fifth year a State of the Elizabeth River Scorecard report on pollution levels in the Elizabeth River shall be produced. The scorecard shall include, at a minimum, an assessment of fish health data including cancer levels, polycyclic aromatic hydrocarbons levels, and benthic community condition, in correlation with water and sediment contaminant analyses from the Elizabeth River.

M. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the

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management agreement between the College of William and Mary and the Commonwealth, as set forth in Chapters 933 and 943 of the 2006 Acts of Assembly.

N. Out of this appropriation, $386,668 and 2.75 positions the first year and $386,668 and 2.75 positions the second year from the general fund is provided for an annual survey of submerged bay grasses and the development of best management practices for oyster aquaculture that supports co-existence with bay grasses. The survey is also intended to assist in evaluating attainment of water quality standards, permitting efforts of other state agencies, and evaluating progress towards meeting the Chesapeake Bay Program goals.

O. Out of this appropriation, $185,000 the first year and $185,000 the second year from the general fund is provided for a cooperative research program on shellfish aquaculture and seagrass. The research program is intended to determine how aquaculture activity affects the recovery rate of ecologically functional eelgrass beds and develop a landscape-level ecological model that can inform management decisions about how to apportion habitats within the entire coastal bay system on Virginia's Eastern Shore.

P. Out of this appropriation, $225,000 the first year and $225,000 the second year from the general fund is designated to enhance Virginia Sea Grant's workforce and professional development programming, and the Commonwealth's capacity to address Chesapeake Bay restoration goals through fellowships with state agencies. Funding will boost capacity and competitiveness of the Virginia Sea Grant program to pursue new federal resources, advance a statewide platform for resilience and expand core workforce development and research in the Commonwealth.

Q. 1. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the general fund is designated for Atlantic menhaden research and reporting. This funding shall be used for Atlantic menhaden research necessary to inform a scientifically defensible and ecologically meaningful Chesapeake Bay harvest cap. This report will be generated by the Virginia Institute of Marine Science (VIMS) in collaboration with the Virginia Marine Resources Commission, and with the cooperation of relevant stakeholders, including recreational anglers, the reduction and bait fishery sectors, and non-governmental organizations. VIMS will create an annual proposal to draw from this funding, until delivery of the final report that provides an approach to setting a scientifically-defensible Chesapeake Bay harvest cap. The development of this approach may be informed by research on (i) the seasonal abundance of Atlantic menhaden in the Chesapeake Bay; (ii) the movement rates of Atlantic menhaden between the Atlantic coast and the Chesapeake Bay; (iii) the impacts of predator (e.g. striped bass, osprey, and other species) demand and consumption of Atlantic menhaden on the Atlantic menhaden population; (iv) the spatial and temporal patterns of the Atlantic menhaden commercial fishing effort in the Chesapeake Bay; (v) and the possibility of localized depletion of Atlantic menhaden in the Chesapeake Bay. This work can utilize recommendations from the report delivered October 1, 2023, titled “Atlantic Menhaden Research Planning" and/or the expected December 2026 deliverables from the SCEMFIS-funded project titled “Development of a Research Roadmap for Atlantic Menhaden in the Chesapeake Bay."

2. The Virginia Department of Workforce Development and Advancement and the Virginia Economic Development Authority, in consultation with the Menhaden Management Advisory Committee of the Virginia Marine Resource Commission, will contribute analysis and recommendations to the Menhaden report on potential workforce impacts. Beginning with fiscal year 2028 and in subsequent fiscal years thereafter, the Virginia Marine Resource Commission shall provide new scientific data and research products generated under this item by the Virginia Institute of Marine Science, to inform the annual discussion and deliberations of Atlantic States Marine Fisheries Commission on any proposed changes to the coastwide or Chesapeake Bay total allowable catch levels. The committee report shall include (i) projected workforce impacts from coastwide and Chesapeake Bay changes in total allowable catch, and (ii) recommendations for addressing impacts to workers by changes in total allowable catch.

3. VIMS shall present report progress, current findings and any recommendations, along with their annual proposal to draw from the menhaden funding for the following year to the Chairmen of the Senate Committee on Agriculture, Conservation and Natural Resources, the House Committee on Agriculture, Chesapeake and Natural Resources, the Secretary of Natural and Historic Resources, the Ecological Reference Points Workgroup of the Atlantic

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	States Marine Fisheries Commission, and the Menhaden Management Advisory Committee of the Virginia Marine Resources Commission, yearly by October 1.				
146.	Higher Education Student Financial Assistance (10800)			$437,502	$437,502
	Fellowships (10820)	$437,502	$437,502		
	Fund Sources: General	$437,502	$437,502		
	Authority: Title 23.1, Chapter 28, Code of Virginia.				
147.	Financial Assistance For Educational and General Services (11000)			$31,136,370	$31,136,370
	Eminent Scholars (11001)	$76,439	$76,439		
	Sponsored Programs (11004)	$31,059,931	$31,059,931		
	Fund Sources: Higher Education Operating	$31,136,370	$31,136,370		
	Authority: Title 23.1, Chapter 28 and Title 28.2, Chapter 11, Code of Virginia.				
	A. Out of the amounts for sponsored programs, $50,000 the first year and $50,000 the second year from nongeneral funds shall be paid from the Marine Fishing Improvement Fund to support the Mariculture and Marine Product Advisory Program.				
	B. The Higher Education Operating fund source listed in this Item is considered to be a sum sufficient appropriation, which is an estimate of funding required by the institute to cover sponsored program operations.				
	Total for Virginia Institute of Marine Science			**$68,614,943**	**$68,496,968**
	General Fund Positions	331.57	331.57		
	Nongeneral Fund Positions	101.60	101.60		
	Position Level	433.17	433.17		
	Fund Sources: General	$35,349,900	$35,231,925		
	Higher Education Operating	$33,265,043	$33,265,043		
	Grand Total for The College of William and Mary in Virginia			**$562,446,200**	**$562,162,225**
	General Fund Positions	895.53	895.53		
	Nongeneral Fund Positions	984.56	984.56		
	Position Level	1,880.09	1,880.09		
	Fund Sources: General	$126,297,952	$126,013,977		
	Higher Education Operating	$416,401,608	$416,401,608		
	Debt Service	$19,746,640	$19,746,640		
	§ 1-54. GEORGE MASON UNIVERSITY (247)				
148.	Educational and General Programs (10000)			$862,778,781	$851,660,378
	Higher Education Instruction (100101)	$495,074,650	$489,109,764		
	Higher Education Research (100102)	$16,175,522	$16,022,743		
	Higher Education Public Services (100103)	$3,423,804	$3,413,176		
	Higher Education Academic (100104)	$140,547,547	$138,968,637		
	Higher Education Student Services (100105)	$52,651,972	$52,167,377		
	Higher Education Institutional Support (100106)	$87,461,461	$85,625,842		
	Operation and Maintenance Of Plant (100107)	$67,443,825	$66,352,839		
	Fund Sources: General	$282,317,869	$281,617,869		
	Higher Education Operating	$580,460,912	$570,042,509		
	Authority: Title 23.1, Chapter 15, Code of Virginia.				
	A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals as described in the Restructured Higher				

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Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. Out of this appropriation, an amount estimated at $289,614 the first year and $289,614 the second year from the general fund and $124,120 the first year and $124,120 the second year from nongeneral funds are designated for the educational telecommunications project to provide graduate engineering education. For supplemental budget requests, the participating institutions and centers jointly shall submit a report in support of such requests to the State Council of Higher Education for Virginia for review and recommendation to the Governor and General Assembly.

C. Out of this appropriation, $459,125 the first year and $459,125 the second year from the general fund is designated for the School for Conflict Resolution.

D. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

E. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund is designated to support the Potomac Science Center.

F. Out of this appropriation, $400,000 the first year and $400,000 the second year from the general fund is designated to develop a pathway program to attract and train veterans for cyber security careers.

G. The 4-VA, a public-private partnership among George Mason University, James Madison University, the University of Virginia, Virginia Tech, Old Dominion University, Virginia Military Institute, Virginia Commonwealth University, the College of William and Mary, and CISCO Systems, Inc., utilizes emerging technologies to promote collaboration and resource sharing to increase access, reduce time to graduation and reduce unit cost while maintaining and enhancing quality. Instructional talent across the eight institutions is leveraged in the delivery of programs in foreign languages, science, technology, engineering and mathematics. The 4-VA Management Board can expand this partnership to additional institutions as appropriate to meet the goals of the 4-VA initiative. It is expected that funding will be pooled by the management board as required to support continuing efforts of the 4-VA priorities and projects.

H. 1. Out of this appropriation, $4,685,320 the first year and $4,685,320 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-1 A1 completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical Sciences (40);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. George Mason University is expected to maintain increases in:

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a. Data Science and Technology awards of 50 annually over the base year.

b. Science and Engineering awards of 35 annually over the base year.

c. Healthcare awards of 35 annually over the base year.

d. Education awards of 40 annually over the base year.

e. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees annually.

I. Out of this appropriation $50,000 the first year and $50,000 the second year from the general fund is designated for campus lighting, generators and other infrastructure at the School for Conflict Resolution at the Point of View facility.

J. The Board of Visitors of George Mason University may participate in a joint venture or innovation agreement with an individual, corporation, governmental body or agency, partnership, association, or other entity to develop and deliver new, collaborative distance learning and technology-based instruction programs for traditional and non-traditional students, including veterans and military personnel. The Board may create or operate such entity accordingly. In the course of any venture or agreement, the Board may authorize a pilot and implementation of distance learning and technology-based instruction programs that are aligned with and responsive to the educational and workforce needs of traditional and non-traditional students. If the Board determines it is necessary to the development and delivery of distance learning and technology-based instruction programs, the Board may create or assist in the creation of; own in whole or in part or otherwise control; participate in or with any entities, public or private; and purchase, receive, subscribe for, own, use, employ, sell, pledge or otherwise acquire or dispose of (i) shares or obligations of, or interests in, any entity organized for any purpose within or outside the Commonwealth and (ii) obligations of any person or corporation. Prior to the execution of any joint venture or innovation agreement, George Mason University shall formally seek and receive approval from the State Council of Higher Education for Virginia and report on whether there will be any impact on current or future operations of the Online Virginia Network Authority.

K. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the management agreement between George Mason University and the Commonwealth, as set forth in Chapters 76 and 77, 2021 Acts of Assembly, Special Session I.

L. George Mason University is authorized to host the State Climate Office to develop and deliver data, analyses, assessments and expertise about Virginia's weather and climate related impacts, risks and risk management options to state and local government agencies, businesses, and communities of place or practice in the Commonwealth. The State Climate Office will serve as a representative to national meteorological, climatological, and hydrological associations to better leverage federal agency partnerships and interstate collaboration to address real-time weather and climate challenges.

M. Notwithstanding any other provision of law, George Mason University is authorized to explore, negotiate, and if deemed appropriate, enter into a public-private partnership with Averett University or a successor entity for the purpose of meeting the demands of a rapidly growing economy in Southern Virginia, by increasing access to both undergraduate and graduate level higher education, enhancing workforce training and career pathways, and supporting economic development in Southern Virginia. This authorization is contingent upon the availability of resources, including funding from one or more of the following sources, individually or in combination from (a) GO Virginia Region 3 (Southern Virginia) or other regions of Go Virginia; (b) the Virginia Tobacco Region Revitalization Commission; (c) the Virginia Economic Development Partnership Authority (VEDP); (d) Danville Regional Foundation; (e) Future of the Piedmont Foundation; (f) Southern Virginia Regional Alliance (SVRA); or (g) any other trusts,

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foundations, philanthropic organizations, local governments, or private entities or businesses.				
N. Out of this appropriation, $500,000 the first year from the general fund is provided for the development and scaling of the AI Innovation Nexus. George Mason University shall coordinate with efforts taken by other Virginia universities, the Commonwealth Artificial Intelligence Institute, and existing public-private partnerships, such as the Spark Institute of the Southeastern Universities Research Association Doing Business for Jefferson Science Associates, LLC, the Commonwealth Cyber Initiative, and the Monarch Sphere Partnership.				
149. Higher Education Student Financial Assistance (10800)			$128,897,061	$128,273,473
Scholarships (10810)	$121,687,245	$121,063,657		
Fellowships (10820)	$7,209,816	$7,209,816		
Fund Sources: General	$83,550,124	$81,566,124		
Higher Education Operating	$45,346,937	$46,707,349		
Authority: Title 23.1, Chapter 15, Code of Virginia.				
A. Notwithstanding the provisions of § 4-5.01.5.b) of this Act, George Mason University is hereby authorized to transfer the balance of its discontinued student loan funds to an endowment fund established by the University to be used for undergraduate and graduate students in the Higher Education Student Financial Assistance Program.				
B. Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.				
C. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the revenue collected to meet student financial aid needs, under the terms of the management agreement between George Mason University and the Commonwealth, as set forth in Chapters 76 and 77, 2021 Acts of Assembly, Special Session I.				
150. Financial Assistance For Educational and General Services (11000)			$343,825,000	$343,825,000
Eminent Scholars (11001)	$1,000,000	$1,000,000		
Sponsored Programs (11004)	$342,825,000	$342,825,000		
Fund Sources: General	$2,106,250	$2,106,250		
Higher Education Operating	$341,718,750	$341,718,750		
Authority: Title 23.1, Chapter 15, Code of Virginia.				
A. 1. Out of this appropriation, $956,250 the first year and $956,250 the second year from the general fund and $5,850,000 the first year and $5,850,000 the second year from nongeneral funds are designated to build research capacity in biomedical research and biomaterials engineering.				
2. Out of this appropriation, $750,000 the first year and $750,000 the second year from the general fund is designated for applied research in simulation modeling and gaming.				
B. Out of this appropriation, $125,000 the first year and $125,000 the second year from the general fund is designated for Lyme Disease research and medical test development.				
C. The Higher Education Operating fund source listed in this Item is considered to be a sum sufficient appropriation, which is an estimate of funding required by the university to cover sponsored program operations.				
D. Out of this appropriation, $275,000 the first year and $275,000 the second year from the general fund is designated for George Mason University, in collaboration with Old Dominion University, the University of Virginia, Virginia Commonwealth University, Virginia Tech-Carilion, INOVA, and Sentara Health System, to continue the Virginia Coordinated Clinical				

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	Research Network efforts to serve as a collective of institutions to conduct significant clinical trials in areas that include oncology, mental health and substance abuse. The Virginia Coordinated Clinical Research Network facilitates identifying and recruiting patients and expanding access for researchers to a clinical base thereby creating greater opportunities for grant funding and the development commercialization of breakthrough products and services.				
151.	Higher Education Auxiliary Enterprises (80900) a sum sufficient, estimated at			$322,947,203	$332,005,194
	Food Services (80910)	$46,973,907	$48,457,243		
	Bookstores And Other Stores (80920)	$2,371,006	$2,443,590		
	Residential Services (80930)	$53,918,717	$55,422,010		
	Parking And Transportation Systems And Services (80940)	$19,166,034	$19,652,219		
	Telecommunications Systems And Services (80950)	$1,067,201	$1,093,001		
	Student Health Services (80960)	$9,981,770	$10,264,715		
	Student Unions And Recreational Facilities (80970)	$14,385,015	$14,702,223		
	Recreational And Intramural Programs (80980)	$23,089,199	$23,586,520		
	Other Enterprise Functions (80990)	$115,234,694	$118,578,785		
	Intercollegiate Athletics (80995)	$36,759,660	$37,804,888		
	Fund Sources: Higher Education Operating	$268,805,003	$277,862,994		
	Debt Service	$54,142,200	$54,142,200		
	Authority: Title 23.1, Chapter 15, Code of Virginia.				
	Total for George Mason University			**$1,658,448,045**	**$1,655,764,045**
	General Fund Positions	1,082.14	1,082.14		
	Nongeneral Fund Positions	4,185.49	4,185.49		
	Position Level	5,267.63	5,267.63		
	Fund Sources: General	$367,974,243	$365,290,243		
	Higher Education Operating	$1,236,331,602	$1,236,331,602		
	Debt Service	$54,142,200	$54,142,200		
	§ 1-55. JAMES MADISON UNIVERSITY (216)				
152.	Educational and General Programs (10000)			$458,595,829	$462,499,006
	Higher Education Instruction (100101)	$238,180,206	$240,146,605		
	Higher Education Research (100102)	$929,467	$929,467		
	Higher Education Public Services (100103)	$2,128,615	$2,141,231		
	Higher Education Academic (100104)	$61,459,641	$61,980,956		
	Higher Education Student Services (100105)	$33,896,328	$34,181,175		
	Higher Education Institutional Support (100106)	$71,494,818	$72,205,208		
	Operation and Maintenance Of Plant (100107)	$50,506,754	$50,914,364		
	Fund Sources: General	$173,780,496	$173,780,496		
	Higher Education Operating	$283,350,195	$287,262,997		
	Debt Service	$1,465,138	$1,455,513		
	Authority: Title 23.1, Chapter 16, Code of Virginia.				
	A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).				
	B. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in				

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exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

C. The 4-VA, a public-private partnership among George Mason University, James Madison University, the University of Virginia, Virginia Tech, Old Dominion University, Virginia Military Institute, Virginia Commonwealth University, the College of William and Mary, and CISCO Systems, Inc., utilizes emerging technologies to promote collaboration and resource sharing to increase access, reduce time to graduation and reduce unit cost while maintaining and enhancing quality. Instructional talent across the eight institutions is leveraged in the delivery of programs in foreign languages, science, technology, engineering and mathematics. The 4-VA Management Board can expand this partnership to additional institutions as appropriate to meet the goals of the 4-VA initiative. It is expected that funding will be pooled by the management board as required to support continuing efforts of the 4-VA priorities and projects.

D. 1. Out of this appropriation, $2,445,920 the first year and $2,445,920 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-1 A1 completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical Sciences (40);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. James Madison University is expected to maintain increases in:

a. Data Science and Technology awards of 10 annually over the base year.

b. Science and Engineering awards of 15 annually over the base year.

c. Healthcare awards of 45 annually over the base year.

d. Education awards of 15 annually over the base year.

e. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees annually.

E. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the management agreement between James Madison University and the Commonwealth, as set forth in Chapters 124 and 125 of the 2019 Acts of Assembly.

F. As part of the six year plan process, James Madison University shall develop a phased transition to direct admission for the undergraduate nursing program. The transition plan shall be reported as part of the August 2026 six year plan submission.

153.	Higher Education Student Financial Assistance (10800)		$39,342,218	$38,728,371

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	Scholarships (10810)	$38,092,597	$37,478,750		
	Fellowships (10820)	$1,249,621	$1,249,621		
	Fund Sources: General	$24,416,666	$23,448,666		
	Higher Education Operating	$14,925,552	$15,279,705		
	Authority: Title 23.1, Chapter 16, Code of Virginia.				
	A. Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.				
	B. The appropriation for the fund source Higher Education Operating in this Item shall be considered sum sufficient appropriation, which is an estimate of the revenue collected to meet student financial aid needs, under the terms of the management agreement between James Madison University and the Commonwealth as set forth in Chapters 124 and 125 of the 2019 Acts of Assembly.				
154.	Financial Assistance For Educational and General Services (11000) a sum sufficient, estimated at			$63,434,304	$63,858,447
	Eminent Scholars (11001)	$350,000	$350,000		
	Sponsored Programs (11004)	$63,084,304	$63,508,447		
	Fund Sources: Higher Education Operating	$63,434,304	$63,858,447		
	Authority: Title 23.1, Chapter 16, Code of Virginia.				
155.	Higher Education Auxiliary Enterprises (80900) a sum sufficient, estimated at			$316,586,882	$336,611,335
	Food Services (80910)	$106,399,302	$113,205,105		
	Bookstores And Other Stores (80920)	$1,635,088	$1,635,088		
	Residential Services (80930)	$53,343,994	$56,618,099		
	Parking And Transportation Systems And Services (80940)	$9,819,820	$10,360,655		
	Telecommunications Systems And Services (80950)	$2,270,621	$2,350,093		
	Student Health Services (80960)	$8,349,862	$8,861,454		
	Student Unions And Recreational Facilities (80970)	$10,244,454	$12,073,489		
	Recreational And Intramural Programs (80980)	$17,405,096	$17,950,308		
	Other Enterprise Functions (80990)	$27,275,461	$29,322,167		
	Intercollegiate Athletics (80995)	$79,843,184	$84,234,877		
	Fund Sources: Higher Education Operating	$272,160,486	$292,184,939		
	Debt Service	$44,426,396	$44,426,396		
	Authority: Title 23.1, Chapter 16, Code of Virginia.				
	Total for James Madison University			**$877,959,233**	**$901,697,159**
	General Fund Positions	1,357.70	1,372.39		
	Nongeneral Fund Positions	3,051.40	3,051.40		
	Position Level	4,409.10	4,423.79		
	Fund Sources: General	$198,197,162	$197,229,162		
	Higher Education Operating	$633,870,537	$658,586,088		
	Debt Service	$45,891,534	$45,881,909		

§ 1-56. LONGWOOD UNIVERSITY (214)

156.	Educational and General Programs (10000)			$97,475,203	$97,475,203

ITEM 156.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
Higher Education Instruction (100101)	$48,336,867	$48,336,867		
Higher Education Public Services (100103)	$698,856	$698,856		
Higher Education Academic (100104)	$9,386,937	$9,386,937		
Higher Education Student Services (100105)	$6,125,462	$6,125,462		
Higher Education Institutional Support (100106)	$20,914,015	$20,914,015		
Operation and Maintenance Of Plant (100107)	$12,013,066	$12,013,066		
Fund Sources: General	$52,433,808	$52,433,808		
Higher Education Operating	$45,041,395	$45,041,395		

Authority: Title 23.1, Chapter 17, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this Act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

C. 1. Out of this appropriation, $547,000 the first year and $547,000 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-1 A1 completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical Sciences (40);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. Longwood University is expected to maintain increases in:

a. Science and Engineering awards of 5 annually over the base year.

b. Healthcare awards of 5 annually over the base year.

c. Education awards of 5 annually over the base year.

d. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairman of the House Appropriations and Senate Finance and Appropriations Committees annually.

157. Higher Education Student Financial Assistance (10800)			$13,069,568	$12,718,568
Scholarships (10810)	$13,023,304	$12,672,304		
Fellowships (10820)	$46,264	$46,264		
Fund Sources: General	$10,073,929	$9,722,929		

ITEM 157.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Higher Education Operating	$2,995,639	$2,995,639		
	Authority: Title 23.1, Chapter 17, Code of Virginia.				
	Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.				
158.	Financial Assistance For Educational and General Services (11000)				
	a sum sufficient, estimated at			$8,143,587	$8,143,587
	Sponsored Programs (11004)	$8,143,587	$8,143,587		
	Fund Sources: Higher Education Operating	$8,143,587	$8,143,587		
	Authority: Title 23.1, Chapter 17, Code of Virginia.				
159.	Higher Education Auxiliary Enterprises (80900)				
	a sum sufficient, estimated at			$70,828,310	$70,828,310
	Food Services (80910)	$8,139,258	$8,139,258		
	Bookstores And Other Stores (80920)	$273,195	$273,195		
	Residential Services (80930)	$25,354,254	$25,354,254		
	Parking And Transportation Systems And Services (80940)	$989,591	$989,591		
	Telecommunications Systems And Services (80950)	$951,620	$951,620		
	Student Health Services (80960)	$2,474,226	$2,474,226		
	Student Unions And Recreational Facilities (80970)	$3,179,541	$3,179,541		
	Recreational And Intramural Programs (80980)	$2,172,334	$2,172,334		
	Other Enterprise Functions (80990)	$16,752,944	$16,752,944		
	Intercollegiate Athletics (80995)	$10,541,347	$10,541,347		
	Fund Sources: Higher Education Operating	$63,240,999	$63,240,999		
	Debt Service	$7,587,311	$7,587,311		
	Authority: Title 23.1, Chapter 17, Code of Virginia.				
	Total for Longwood University			**$189,516,668**	**$189,165,668**
	General Fund Positions	291.39	291.39		
	Nongeneral Fund Positions	471.67	471.67		
	Position Level	763.06	763.06		
	Fund Sources: General	$62,507,737	$62,156,737		
	Higher Education Operating	$119,421,620	$119,421,620		
	Debt Service	$7,587,311	$7,587,311		
	§ 1-57. NORFOLK STATE UNIVERSITY (213)				
160.	Educational and General Programs (10000)			$173,376,557	$171,376,557
	Higher Education Instruction (100101)	$102,743,307	$100,743,307		
	Higher Education Research (100102)	$199,975	$199,975		
	Higher Education Public Services (100103)	$1,326,879	$1,326,879		
	Higher Education Academic (100104)	$18,253,032	$18,253,032		
	Higher Education Student Services (100105)	$7,234,752	$7,234,752		
	Higher Education Institutional Support (100106)	$26,204,354	$26,204,354		
	Operation and Maintenance Of Plant (100107)	$17,414,258	$17,414,258		
	Fund Sources: General	$112,730,729	$110,730,729		
	Higher Education Operating	$60,645,828	$60,645,828		

ITEM 160.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

Authority: Title 23.1, Chapter 19, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B.1. Out of this appropriation, $5,350,128 the first year and $5,350,128 the second year from the general fund is designated for the Bachelor of Science academic programs in Electronics Engineering and Optical Engineering and Master of Science academic programs in Electronics Engineering, Optical Engineering, Computer Science, and Criminal Justice.

2. Out of the amounts for Educational and General Programs, $37,500 the first year and $37,500 the second year from the general fund is provided to serve in lieu of endowment income from the Eminent Scholars Program.

C.1. Out of the amounts for Educational and General Programs, a maximum of $70,000 the first year and $70,000 the second year from the general fund is designated for the Dozoretz National Institute for Minorities in Applied Sciences.

2. Any unexpended balances in paragraphs B.1., B.2., and C.1. in this Item at the close of business on June 30 each year shall not revert to the surplus of the general fund, but shall be carried forward on the books of the State Comptroller and reappropriated in the succeeding year. Norfolk State University may expend any prior year end balances to support its educational and general activities or its auxiliary enterprise activities.

D. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

E. Out of this appropriation, $220,000 the first year and $220,000 the second year from the general fund is designated to increase retention and graduation of juniors and seniors in good academic standing and who have additional demonstrated need.

F. 1. Out of this appropriation, $826,570 the first year and $826,570 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-1 A1 completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical Sciences (40);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. Norfolk State University is expected to maintain increases in:

a. Data Science and Technology awards of 5 annually over the base year.

b. Science and Engineering awards of 5 annually over the base year.

ITEM 160.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

c. Healthcare awards of 5 annually over the base year.

d. Education awards of 5 annually over the base year.

e. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees annually.

G. Out of this appropriation, $548,000 the first year and $548,000 the second year from the general fund is designated for the Center for African American Policy to provide non-partisan research on public policy issues affecting African Americans and other people of color.

H. Out of this appropriation, $12,500,000 the first year and $12,500,000 the second year from the general fund is designated for Norfolk State University, in partnership with Virginia State University, to collaborate with Virginia Union University and Hampton University and various localities throughout the Commonwealth to (a) create Minority Small Business Launch and Innovation Centers that support entrepreneurship customized to minority community needs, (b) improve health outcomes of vulnerable and marginalized populations in their surrounding localities through research, education, workforce development and outreach, (c) expand and upgrade broadband and technology in order to close the digital divide and provide students with additional tech job training, (d) actively engage with local public school districts to provide opportunities and awareness of post-secondary programs and curriculum, (e) initiate a pilot program to provide workforce credentials in the healthcare and trade sectors, and (f) support the creation of an HBCU NoVA Campus by establishing an off-campus instruction site at Northern Virginia Community College in order to provide an opportunity to expand the HBCU presence in Northern Virginia, and access and opportunity to an increasing population of students seeking a four-year degree.

I. 1. Notwithstanding any other provisions of law, Norfolk State University is authorized to remit tuition and fees for merit scholarships for students of high academic achievement subject to the following limitations and restrictions:

2. The number of such scholarships annually awarded to undergraduate Virginia students shall not exceed 20 percent of the fall headcount enrollment of Virginia students in undergraduate studies in the institution from the preceding academic year. The total value of such merit scholarships annually awarded shall not exceed in any year the amount arrived at by multiplying the applicable figure for undergraduate tuition and required fees by 20 percent of the headcount enrollment of Virginia students in undergraduate studies in the institution for the fall semester from the preceding academic year.

3. The number of such scholarships annually awarded to undergraduate non-Virginia students shall not exceed 20 percent of the fall headcount enrollment of non-Virginia students in undergraduate studies in the institution from the preceding academic year. The total value of such merit scholarships annually awarded shall not exceed in any year the amount arrived at by multiplying the applicable figure for undergraduate tuition and required fees by 20 percent of the fall headcount enrollment of non-Virginia students in undergraduate studies in the institution during the preceding academic year.

4. A scholarship awarded under this program shall entitle the holder to receive an annual remission of an amount not to exceed the cost of tuition and required fees to be paid by the student.

161.	Higher Education Student Financial Assistance (10800)		$40,570,271	$39,833,271
	Scholarships (10810)	$40,047,969	$39,310,969	
	Fellowships (10820)	$522,302	$522,302	
	Fund Sources: General	$35,437,404	$34,700,404	
	Higher Education Operating	$5,132,867	$5,132,867	

Authority: Title 23.1, Chapter 19, Code of Virginia.

ITEM 161.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
A. Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.				
B. 1. Out of this appropriation up to $7,222,765 the first year and $7,222,765 from the general fund is provided for an affordability program to offer financial assistance to Virginia students who are Pell grant eligible, meet university admissions requirements, and live within a 45 mile radius of the university. The program is designed to address regional needs relating to access and completion. Funds shall be used to provide last dollar or reduced tuition and fees to students for up to 150 percent of required credits to complete a certificate or degree. Priority shall be placed on students from Norfolk, Portsmouth, and Newport News and remaining funds may be used for room and board if available. It is the intention that the program may include up to 300 students at any one time. In the event that financial aid remains available after recruiting new students for fall semester, the remaining financial aid may be used to fund current students who meet the criteria and/or for eligible new students that enroll in the spring semester.				
2. As part of the six-year plan process, the university shall submit an annual report of the program that includes number of students served, average financial need of students, total expenditures, average award per student, retention and completion rates, other student outcomes as defined by the university, and planned outcomes for the upcoming year.				
3. The University shall submit a detailed budget and implementation plan, including how the institution will disseminate information about the program to area students, the projected size of each cohort, and how the institution will monitor and report on the success of the program.				
162. Financial Assistance For Educational and General Services (11000)				
a sum sufficient, estimated at			$20,231,943	$20,231,943
Sponsored Programs (11004)	$20,231,943	$20,231,943		
Fund Sources: Higher Education Operating	$20,231,943	$20,231,943		
Authority: Title 23.1, Chapter 19, Code of Virginia.				
163. Higher Education Auxiliary Enterprises (80900)				
a sum sufficient, estimated at			$73,743,312	$73,743,312
Food Services (80910)	$8,481,023	$8,481,023		
Bookstores And Other Stores (80920)	$393,740	$393,740		
Residential Services (80930)	$14,529,508	$14,529,508		
Parking And Transportation Systems And Services (80940)	$458,180	$458,180		
Student Health Services (80960)	$1,000,000	$1,000,000		
Student Unions And Recreational Facilities (80970)	$9,570,213	$9,570,213		
Other Enterprise Functions (80990)	$23,756,938	$23,756,938		
Intercollegiate Athletics (80995)	$15,553,710	$15,553,710		
Fund Sources: Higher Education Operating	$64,918,676	$64,918,676		
Debt Service	$8,824,636	$8,824,636		
Authority: Title 23.1, Chapter 19, Code of Virginia.				
Total for Norfolk State University			**$307,922,083**	**$305,185,083**
General Fund Positions	531.15	531.15		
Nongeneral Fund Positions	689.97	689.97		
Position Level	1,221.12	1,221.12		
Fund Sources: General	$148,168,133	$145,431,133		
Higher Education Operating	$150,929,314	$150,929,314		
Debt Service	$8,824,636	$8,824,636		

ITEM 163.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	§ 1-58. OLD DOMINION UNIVERSITY (221)				
164.	Educational and General Programs (10000)			$417,578,386	$417,578,386
	Higher Education Instruction (100101)	$258,081,990	$258,081,990		
	Higher Education Research (100102)	$9,061,812	$9,061,812		
	Higher Education Public Services (100103)	$1,024,235	$1,024,235		
	Higher Education Academic (100104)	$55,970,584	$55,970,584		
	Higher Education Student Services (100105)	$22,454,501	$22,454,501		
	Higher Education Institutional Support (100106)	$39,150,853	$39,150,853		
	Operation and Maintenance Of Plant (100107)	$31,834,411	$31,834,411		
	Fund Sources: General	$224,085,582	$224,085,582		
	Higher Education Operating	$193,492,804	$193,492,804		

Authority: Title 23.1, Chapter 20, Code of Virginia.

A.1. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

2. Out of this appropriation, the university may allocate funds to expand enrollment capacity through expansion of distance learning, TELETECHNET and summer school.

B. Out of this appropriation, $431,013 the first year and $431,013 the second year from the general fund and $198,244 the first year and $198,244 the second year from nongeneral funds are designated for the educational telecommunications project to provide graduate engineering education. For supplemental budget requests, the participating institutions and centers jointly shall submit a report in support of such requests to the State Council of Higher Education for Virginia for review and recommendation to the Governor and General Assembly.

C. Notwithstanding § 1-610, Code of Virginia, Old Dominion University is hereby designated as the administrative agency for the Virginia Coordinate System.

D. Notwithstanding § 23.1-506, Code of Virginia, the governing board of Old Dominion University may charge reduced tuition to any person enrolled in one of Old Dominion University's TELETECHNET sites or higher education centers who lives within a 50-mile radius of the site/center, is domiciled in, and is entitled to in-state tuition charges in the institutions of higher learning in any state, or the District of Columbia, which is contiguous to Virginia and which has similar reciprocal provisions for persons domiciled in Virginia.

E. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

F. Out of this appropriation, $320,000 the first year and $320,000 the second year from the general fund is designated to provide opportunity for 80 students per year to be engaged in STEM education using aerospace, high tech science, technology and engineering in partnership with NASA Wallops Flight Facility. Old Dominion University will collaborate with the Virginia Space Grant Consortium and STEM educators to identify the students who will participate in the program each year. The designated funding in this paragraph will not be considered as a resource for purposes of funding guidelines.

G. Out of this appropriation, $409,200 and four positions the first year and $409,200 and four positions the second year from the general fund is designated to support modeling of socioeconomic impacts of recurrent flooding in support of the Commonwealth Center for

ITEM 164.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

Recurrent Flooding Resiliency. The center, a collaborative partnership involving Old Dominion University, the Virginia Institute of Marine Science, and the College of William and Mary's Virginia Coastal Resilience Collaborative, shall work with municipalities both along coastal Virginia and throughout the Commonwealth to develop useful resilience strategies.

H. The 4-VA, a public-private partnership among George Mason University, James Madison University, the University of Virginia, Virginia Tech, Old Dominion University, Virginia Military Institute, Virginia Commonwealth University, the College of William and Mary, and CISCO Systems, Inc., utilizes emerging technologies to promote collaboration and resource sharing to increase access, reduce time to graduation and reduce unit cost while maintaining and enhancing quality. Instructional talent across the eight institutions is leveraged in the delivery of programs in foreign languages, science, technology, engineering and mathematics. The 4-VA Management Board can expand this partnership to additional institutions as appropriate to meet the goals of the 4-VA initiative. It is expected that funding will be pooled by the management board as required to support continuing efforts of the 4-VA priorities and projects.

I. 1. Out of this appropriation, $3,611,790 the first year and $3,611,790 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-1 A1 completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical Sciences (40);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. Old Dominion University is expected to maintain increases in:

a. Data Science and Technology awards of 15 annually over the base year.

b. Science and Engineering awards of 40 annually over the base year.

c. Healthcare awards of 40 annually over the base year.

d. Education awards of 30 annually over the base year.

e. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees annually.

J. Out of this appropriation, $25,000 the first year and $25,000 the second year from the general fund is designated for the Marine Rescue Program, a collaborative program between Old Dominion University and the Virginia Aquarium and Marine Science Foundation to support rescue efforts for stranded and sick marine animals throughout the entire Virginia coastline region of the Chesapeake Bay.

K. Out of this appropriation, $264,000 the first year and $264,000 the second year from the general fund is designated to provide more targeted internship experiences through the Commonwealth Science, Technology, Engineering, and Mathematics (STEM) Industry Internship Program, managed by the Virginia Space Grant Consortium.

ITEM 165.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
165.	Higher Education Student Financial Assistance (10800)			$71,485,997	$69,350,997
	Scholarships (10810)	$67,685,152	$65,550,152		
	Fellowships (10820)	$3,800,845	$3,800,845		
	Fund Sources: General	$68,158,479	$66,023,479		
	Higher Education Operating	$3,327,518	$3,327,518		

Authority: Title 23.1, Chapter 20, Code of Virginia.

Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.

166.	Financial Assistance For Educational and General Services (11000)			$26,223,883	$26,223,883
	Eminent Scholars (11001)	$421,387	$421,387		
	Sponsored Programs (11004)	$25,802,496	$25,802,496		
	Fund Sources: General	$12,000,895	$12,000,895		
	Higher Education Operating	$14,222,988	$14,222,988		

Authority: Title 23.1, Chapter 20, Code of Virginia.

A.1. Out of this appropriation, $2,099,838 and 14 positions the first year and $2,099,838 and 14 positions the second year from the general fund and $4,500,000 the first year and $4,500,000 the second year from nongeneral funds are designated to build research capacity in modeling and simulation, which shall include efforts to improve traffic management through modeling.

2. Out of this appropriation, $250,000 the first year and $250,000 the second year from the general fund is designated to support science, technology, engineering and mathematics (STEM), and health-related programs. Old Dominion University shall use these funds to promote the use of modeling and simulation in the medical industry.

B. Out of this appropriation, $1,500,000 the first year and $1,500,000 the second year from the general fund is designated to expand research efforts at the Center for Bioelectrics, which uses electrical stimuli in the biomedical area to eliminate cancer cells and tumors without damaging healthy surrounding tissue, accelerate wound healing, and efficiently deliver DNA vaccines. Non-biomedical areas of research include reducing pollutants in exhaust and establishing effective ground penetrating radar.

C. The Higher Education Operating fund source listed in this Item is considered to be a sum sufficient appropriation, which is an estimate of funding required by the university to cover sponsored program operations.

D. Out of this appropriation, $370,000 the first year and $370,000 the second year from the general fund is designated to the Virginia SmallSat Data Consortium, to support development of the Virginia Institute for Spaceflight and Autonomy.

E. Out of this appropriation, $4,000,000 the first year and $4,000,000 the second year from the general fund is provided for the Hampton Roads Biomedical Research Consortium.

F. Out of this appropriation, $250,000 the first year and $250,000 the second year from the general fund is designated to support a minority fellowship program partnership between Old Dominion University and the Virginia Symphony Orchestra.

G. Out of this appropriation, $500,000 each year from the general fund is designated to support the Maritime Center for Mission Engineering Solutions and Workforce Training.

H. Out of this appropriation, $1,500,000 each year from the general fund is designated to support the Institute for Coastal Adaptation and Resilience at Old Dominion University

ITEM 166.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
and its collaboration with the Chesapeake Bay Foundation.				
I. Out of this appropriation, $500,000 each year from the general fund is designated to support the necessary staffing, equipment, and related services for the Potomac Aquifer Recharge Monitoring Laboratory established in § 62.1-274, Code of Virginia.				
167. Higher Education Auxiliary Enterprises (80900)				
a sum sufficient, estimated at			$121,861,551	$121,861,551
Food Services (80910)	$5,271,296	$5,271,296		
Bookstores And Other Stores (80920)	$655,764	$655,764		
Residential Services (80930)	$38,607,137	$38,607,137		
Parking And Transportation Systems And Services (80940)	$6,732,078	$6,732,078		
Telecommunications Systems And Services (80950)	$906,134	$906,134		
Student Health Services (80960)	$3,754,531	$3,754,531		
Student Unions And Recreational Facilities (80970)	$8,398,826	$8,398,826		
Recreational And Intramural Programs (80980)	$4,215,657	$4,215,657		
Other Enterprise Functions (80990)	$19,151,860	$19,151,860		
Intercollegiate Athletics (80995)	$34,168,268	$34,168,268		
Fund Sources: Higher Education Operating	$95,386,189	$95,386,189		
Debt Service	$26,475,362	$26,475,362		
Authority: Title 23.1, Chapter 20, Code of Virginia.				
Old Dominion University is authorized to establish a self-supporting "instructional enterprise" fund to account for the revenues and expenditures of TELETECHNET classes offered at locations outside the Commonwealth of Virginia. Consistent with the self-supporting concept of an "enterprise fund," student tuition and fee revenues for TELETECHNET students at locations outside Virginia shall 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 University's Board of Visitors. Revenue and expenditures of the fund shall be accounted for in such a manner as to be auditable by the State Council of Higher Education for Virginia. Revenues in excess of expenditures shall be retained in the fund to support the entire TELETECHNET program. Full-time equivalent students generated through these programs shall be accounted for separately. Additionally, revenues which remain unexpended on the last day of the previous biennium and the last day of the first year of the current biennium shall be reappropriated and allotted for expenditure in the respective succeeding fiscal year.				
Total for Old Dominion University			**$637,149,817**	**$635,014,817**
General Fund Positions	1,090.51	1,090.51		
Nongeneral Fund Positions	1,531.98	1,531.98		
Position Level	2,622.49	2,622.49		
Fund Sources: General	$304,244,956	$302,109,956		
Higher Education Operating	$306,429,499	$306,429,499		
Debt Service	$26,475,362	$26,475,362		
Eastern Virginia Medical School (274)				
168. Educational and General Programs (10000)			$180,897,123	$180,897,123
Higher Education Instruction (100101)	$44,790,451	$44,790,451		
Higher Education Research (100102)	$7,714,985	$7,714,985		
Higher Education Public Services (100103)	$64,430,376	$64,430,376		
Higher Education Academic (100104)	$8,965,746	$8,965,746		
Higher Education Student Services (100105)	$1,518,941	$1,518,941		
Higher Education Institutional Support (100106)	$53,476,624	$53,476,624		
Fund Sources: General	$66,628,504	$66,628,504		
Higher Education Operating	$114,268,619	$114,268,619		
Authority: Title 23.1, Chapter 30 and Chapter 87, Acts of Assembly of 2002, Chapter 756 and				

ITEM 168.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

Chapter 778, Acts of Assembly of 2023.

A. The appropriation in this item shall provide financial support for the continued operations of the schools and divisions existing as the Eastern Virginia Medical School prior to the effective date of Chapter 756 and Chapter 778 of the 2023 Acts of Assembly.

B. The Department of Planning and Budget may transfer the appropriation from this item to Agency 221 Old Dominion University as necessary to facilitate the operations of Virginia Health Sciences at Old Dominion University.

C. Out of this appropriation, $6,158,108 the first year and $6,158,108 the second year from the general fund is designated for treatment, care and maintenance of indigent Virginia patients through the medical school. The aid is to be apportioned on the basis of a plan to be approved, at the beginning of each biennium, by the Director, Department of Medical Assistance Services.

D. Out of this appropriation, $658,597 the first year and $658,597 the second year from the general fund is designated for the operation of the Family Practice Residency program and Family Practice Medical Student programs.

E. Out of this appropriation, $60,620 the first year and $60,620 the second year from the general fund is designated to support the Eastern Virginia Area Health Education Center.

F. 1. Out of this appropriation, $1,250,000 the first year and $1,250,000 the second year from the general fund is designated to support accreditation requirements at Virginia Health Sciences at Old Dominion University.

2. Out of this appropriation, $1,250,000 the first year and $1,250,000 the second year from the general fund is designated to support community health programs in partnership with Sentara Healthcare.

G. Out of this appropriation $30,000,000 the first year and $30,000,000 the second year from the general fund is provided to support ongoing operations of Virginia Health Sciences at Old Dominion University.

H. State employee as defined by § 2.2-2818 of the Code of Virginia includes the residents and fellows employed by Virginia Health Sciences at Old Dominion University.

169.	Higher Education Student Financial Assistance (10800)			$1,225,700	$1,225,700
	Fellowships (10820)	$1,225,700	$1,225,700		
	Fund Sources: General	$1,225,700	$1,225,700		

Authority: Title 23.1, Chapter 30 and Chapter 87, Acts of Assembly of 2002, Chapter 756 and Chapter 778, Acts of Assembly of 2023.

A. The appropriation in this item shall provide financial support for the continued operations of the schools and divisions existing as the Eastern Virginia Medical School prior to the effective date of Chapter 756 and Chapter 778 of the 2023 Acts of Assembly.

B. The Department of Planning and Budget may transfer the appropriation from this item to Agency 221 Old Dominion University as necessary to facilitate the operations of Virginia Health Sciences at Old Dominion University.

C. Out of this appropriation, $1,225,700 the first year and $1,225,700 the second year from the general fund is designated to support financial aid for in-state medical and health professions students.

170.	Financial Assistance For Educational and General Services (11000)			$32,137,834	$32,137,834
	Sponsored Programs (11004)	$22,893,894	$22,893,894		
	Medical Education (11005)	$9,243,940	$9,243,940		
	Fund Sources: General	$595,612	$595,612		
	Higher Education Operating	$31,542,222	$31,542,222		

ITEM 170.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Authority: Title 23.1, Chapter 30 and Chapter 87, Acts of Assembly of 2002, Chapter 756 and Chapter 778, Acts of Assembly of 2023. A. The appropriation in this item shall provide financial support for the continued operations of the schools and divisions existing as the Eastern Virginia Medical School prior to the effective date of Chapter 756 and Chapter 778 of the 2023 Acts of Assembly. B. The Department of Planning and Budget may transfer the appropriation from this item to Agency 221 Old Dominion University as necessary to facilitate the operations of Virginia Health Sciences at Old Dominion University. C. Out of this appropriation, $595,612 the first year and $595,612 the second year from the general fund is designated to build research capacity in medical modeling and simulation. D. Virginia Health Sciences at Old Dominion University shall transfer funds to the Department of Medical Assistance Services to fully fund the state share for Medicaid supplemental payments to physicians affiliated with Eastern Virginia Medical School or Virginia Health Sciences at Old Dominion University for Medicaid supplemental capitation payments to managed care organizations for the purpose of securing access to Medicaid physician's services in Eastern Virginia. The funds to be transferred must comply with 42 CFR 433.51. E. Virginia Health Sciences at Old Dominion University 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 primary teaching hospitals affiliated with Eastern Virginia Medical School or Virginia Health Sciences at Old Dominion University. These Medicaid supplemental fee-for-service and/or capitation payments to managed care organizations are for the purpose of securing access to hospital services in Eastern Virginia. The funds to be transferred must comply with 42 CFR 433.51. F. Virginia Health Sciences at Old Dominion University is hereby authorized to transfer funds to the Department of Medical Assistance Services to fully fund the state share for Medicaid supplemental payments and managed care directed payments to primary teaching hospitals affiliated with Eastern Virginia Medical School or Virginia Health Sciences at Old Dominion University. 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 Virginia Health Sciences at Old Dominion University that are in excess of fair market value or that alleviate pre-existing financial burdens of the school. Virginia Health Sciences at Old Dominion University is authorized to use general fund dollars to accomplish this transfer. As part of interagency agreements, the department shall require the public entities to attest to compliance with applicable CMS criteria.				
	Total for Eastern Virginia Medical School			**$214,260,657**	**$214,260,657**
	Fund Sources: General	$68,449,816	$68,449,816		
	Higher Education Operating	$145,810,841	$145,810,841		
	Grand Total for Old Dominion University			**$851,410,474**	**$849,275,474**
	General Fund Positions	1,090.51	1,090.51		
	Nongeneral Fund Positions	1,531.98	1,531.98		
	Position Level	2,622.49	2,622.49		
	Fund Sources: General	$372,694,772	$370,559,772		
	Higher Education Operating	$452,240,340	$452,240,340		
	Debt Service	$26,475,362	$26,475,362		
	§ 1-59. RADFORD UNIVERSITY (217)				
171.	Educational and General Programs (10000)			$195,596,100	$195,595,984
	Higher Education Instruction (100101)	$134,252,616	$134,252,500		
	Higher Education Public Services (100103)	$670,549	$670,549		
	Higher Education Academic (100104)	$14,040,009	$14,040,009		
	Higher Education Student Services (100105)	$7,399,087	$7,399,087		

ITEM 171.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
Higher Education Institutional Support (100106)	$26,741,679	$26,741,679		
Operation and Maintenance Of Plant (100107)	$12,492,160	$12,492,160		
Fund Sources: General	$102,968,891	$102,968,775		
Higher Education Operating	$92,627,209	$92,627,209		

Authority: Title 23.1, Chapter 21, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

C. 1. Out of this appropriation, $1,028,460 the first year and $1,028,460 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-1 A1 completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical Sciences (40);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. Radford University is expected to maintain increases in:

a. Data Science and Technology awards of 5 annually over the base year.

b. Science and Engineering awards of 5 annually over the base year.

c. Healthcare awards of 10 annually over the base year.

d. Education awards of 10 annually over the base year.

e. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees annually.

5. Out of the amounts designated for degree production $300,000 the first year and $300,000 the second year is designated to support a flat-fee degree initiative for education programs. Radford University shall offer alternative tuition or fee structures, including discounted tuition, flat tuition rates, discounted student fees, or student fee and student services flexibility, to any first-time, incoming freshman undergraduate student who (i) has established domicile, as that term is defined in § 23.1-500 et seq., in the Commonwealth and (ii) enrolls full time with the intent to earn a degree in a program that

ITEM 171.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	leads to employment as a teacher in the region. Such an alternative tuition or fee structure may be renewed each year if the recipient maintains continuous full-time enrollment. If a recipient fails to maintain continuous full-time enrollment, subsequently enrolls in a noneligible degree program, or fails to complete the eligible degree program within four years, the institution shall convert the financial benefit received by the student to a financial obligation payable by the student to the institution on terms established by the institution.				
172.	Higher Education Student Financial Assistance (10800)			$32,231,983	$31,622,983
	Scholarships (10810)	$30,963,836	$30,354,836		
	Fellowships (10820)	$1,268,147	$1,268,147		
	Fund Sources: General	$30,324,512	$29,715,512		
	Higher Education Operating	$1,907,471	$1,907,471		
	Authority: Title 23.1, Chapter 21, Code of Virginia.				
	Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.				
173.	Financial Assistance For Educational and General Services (11000) a sum sufficient, estimated at			$9,010,037	$9,010,037
	Eminent Scholars (11001)	$48,397	$48,397		
	Sponsored Programs (11004)	$8,961,640	$8,961,640		
	Fund Sources: Higher Education Operating	$9,010,037	$9,010,037		
	Authority: Title 23.1, Chapter 21, Code of Virginia.				
174.	Higher Education Auxiliary Enterprises (80900) a sum sufficient, estimated at			$68,977,308	$68,977,308
	Food Services (80910)	$19,251,178	$19,251,178		
	Bookstores And Other Stores (80920)	$605,227	$605,227		
	Residential Services (80930)	$16,275,025	$16,275,025		
	Parking And Transportation Systems And Services (80940)	$1,657,550	$1,657,550		
	Telecommunications Systems And Services (80950)	$659,898	$659,898		
	Student Health Services (80960)	$3,242,356	$3,242,356		
	Student Unions And Recreational Facilities (80970)	$6,101,566	$6,101,566		
	Recreational And Intramural Programs (80980)	$1,659,883	$1,659,883		
	Other Enterprise Functions (80990)	$5,324,675	$5,324,675		
	Intercollegiate Athletics (80995)	$14,199,950	$14,199,950		
	Fund Sources: Higher Education Operating	$64,777,308	$64,777,308		
	Debt Service	$4,200,000	$4,200,000		
	Authority: Title 23.1, Chapter 21, Code of Virginia.				
	Total for Radford University			**$305,815,428**	**$305,206,312**
	General Fund Positions	644.39	644.39		
	Nongeneral Fund Positions	964.69	964.69		
	Position Level	1,609.08	1,609.08		
	Fund Sources: General	$133,293,403	$132,684,287		
	Higher Education Operating	$168,322,025	$168,322,025		
	Debt Service	$4,200,000	$4,200,000		

§ 1-60. RICHARD BLAND COLLEGE (241)

ITEM 175.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
175.	Educational and General Programs (10000)			$22,401,891	$22,401,891
	Higher Education Instruction (100101)	$11,935,831	$11,935,831		
	Higher Education Research (100102)	$6,989	$6,989		
	Higher Education Public Services (100103)	$4,500	$4,500		
	Higher Education Academic (100104)	$1,131,610	$1,131,610		
	Higher Education Student Services (100105)	$1,384,137	$1,384,137		
	Higher Education Institutional Support (100106)	$5,537,606	$5,537,606		
	Operation and Maintenance Of Plant (100107)	$2,401,218	$2,401,218		
	Fund Sources: General	$15,348,348	$15,348,348		
	Higher Education Operating	$7,053,543	$7,053,543		

Authority: Title 23.1, Chapter 28, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

C. In order to advance the goals of the Commonwealth of Virginia, the Virginia Plan for Higher Education and Richard Bland College, Richard Bland College may develop and deliver new, collaborative educational pathways and innovative educational models, including distance learning, technology-based instruction, prior learning assessments, work-based learning, and competency-based programs that lead to high-demand fields and industries critical to the economic development of the Petersburg region and Virginia. In addition, Richard Bland College may:

1. Continue to explore new and expanded partnership opportunities with existing partners as well as identify potential new higher education partners to pursue shared services and other options for cost reduction and increased efficiencies for any non-core business functions of the college. Unitization of shared services functions in the areas of Collections, Enterprise Resource Program (ERP), Procurement, and Accounts Payable will reduce overhead expenses and enable re-investment in the College's core business;

2. Identify higher education partners to strategically merge and align academic programming to advance the credential and completion goals outlined in the Virginia Plan for Higher Education;

3. Broker agreements between and among educational, industry, and non-profit partners and establish collaborative, innovative partnership agreements with school districts, public and private colleges and universities, economic development agencies, employers, philanthropic organizations, veterans organizations, public agencies and other partners as necessary to strengthen and streamline educational pathways from high school, to work-based learning, to baccalaureate and advanced degrees that prepare individuals, including nontraditional students and veterans, for entry into STEM-H and other high-demand careers in the Commonwealth;

4. Pilot and implement innovative educational approaches and technologies, and promote the development, delivery, and ongoing assessment of innovative, cost-effective degree programs and stackable credentials, including industry-recognized, competency-based credentials that are aligned with and responsive to the educational and workforce development needs of traditional and non-traditional students, including veterans and military personnel, and advance the economic development needs of employers and industries statewide;

ITEM 175.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
5. Identify and implement new strategies to support economic and community development in Virginia and to expand opportunities for traditional and non-traditional students, including veterans, to prepare for high-demand fields.				
6. The President of Richard Bland College shall submit a report on the institution's progress in exploring and expanding partnership opportunities for shared services and academic programming with other higher education partners to the Chairs of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Education and Health, and the Senate Committee on Finance and Appropriations no later than July 1 of each year.				
D. Out of this appropriation, $1,557,350 and 13 positions the first year and $1,557,350 and 13 positions the second year from the general fund is designated to address the staffing recommendations of the Auditor of Public Accounts related to financial management, information technology, human resources, financial aid, and operations.				
E. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is designated to support student success initiatives at Richard Bland College. Supported activities may include: (i) the implementation of Guided Pathways; (ii) the increase of course offerings related to diversity, equity, and inclusion; (iii) expansion of the College's health care service offerings for students; and (iv) expansion of student employment opportunities on campus.				
176. Higher Education Student Financial Assistance (10800)			$2,526,630	$2,474,630
Scholarships (10810)	$2,526,630	$2,474,630		
Fund Sources: General	$2,466,630	$2,414,630		
Higher Education Operating	$60,000	$60,000		
Authority: Title 23.1, Chapter 28, Code of Virginia.				
Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.				
177. Financial Assistance For Educational and General Services (11000) a sum sufficient, estimated at			$15,000	$15,000
Sponsored Programs (11004)	$15,000	$15,000		
Fund Sources: Higher Education Operating	$15,000	$15,000		
Authority: Title 23.1, Chapter 28, Code of Virginia.				
178. Higher Education Auxiliary Enterprises (80900) a sum sufficient, estimated at			$4,866,110	$4,866,110
Food Services (80910)	$679,731	$679,731		
Bookstores And Other Stores (80920)	$200,000	$200,000		
Residential Services (80930)	$2,392,254	$2,392,254		
Parking And Transportation Systems And Services (80940)	$248,000	$248,000		
Recreational And Intramural Programs (80980)	$29,000	$29,000		
Other Enterprise Functions (80990)	$897,962	$897,962		
Intercollegiate Athletics (80995)	$419,163	$419,163		
Fund Sources: General	$16,580	$16,580		
Higher Education Operating	$4,849,530	$4,849,530		
Authority: Title 23.1, Chapter 28, Code of Virginia.				
Total for Richard Bland College			**$29,809,631**	**$29,757,631**

ITEM 178.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	General Fund Positions	84.43	84.43		
	Nongeneral Fund Positions	41.41	41.41		
	Position Level	125.84	125.84		
	Fund Sources: General	$17,831,558	$17,779,558		
	Higher Education Operating	$11,978,073	$11,978,073		

§ 1-61. UNIVERSITY OF MARY WASHINGTON (215)

179.	Educational and General Programs (10000)			$114,270,424	$110,570,424
	Higher Education Instruction (100101)	$67,254,442	$63,554,442		
	Higher Education Research (100102)	$454,915	$454,915		
	Higher Education Public Services (100103)	$597,273	$597,273		
	Higher Education Academic (100104)	$11,688,425	$11,688,425		
	Higher Education Student Services (100105)	$11,286,386	$11,286,386		
	Higher Education Institutional Support (100106)	$14,066,263	$14,066,263		
	Operation and Maintenance Of Plant (100107)	$8,922,720	$8,922,720		
	Fund Sources: General	$56,715,106	$53,015,106		
	Higher Education Operating	$57,555,318	$57,555,318		

Authority: Title 23.1, Chapter 18, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. Out of this appropriation an amount estimated at $80,483 the first year and $80,483 the second year from the general fund and $36,130 the first year and $36,130 the second year nongeneral funds are designated for the educational telecommunications project to provide graduate engineering education. The participating institutions and centers shall jointly submit an annual report and operating plan to the State Council of Higher Education for Virginia in support of these funded activities.

C. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

D. Notwithstanding any other provision of law, the University of Mary Washington may enter into an agreement with the Fredericksburg Regional Alliance, a nonprofit organization dedicated to cooperative economic development efforts in the Fredericksburg region, for the purpose of expanding regional efforts in the field of economic development and research.

E. 1. Out of this appropriation, $338,550 the first year and $338,550 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-1 A1 completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical

ITEM 179.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

Sciences (40);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. University of Mary Washington is expected to maintain increases in:

a. Science and Engineering awards of 5 annually over the base year.

b. Education awards of 5 annually over the base year.

c. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairs of the House Appropriations and Senate Finance and Appropriation Committees annually.

F. Out of this appropriation, $568,000 the first year and $568,000 the second year from the general fund is designated to support an educational partnership between regional K-12 school divisions, community colleges, University of Mary Washington and industry to develop a curriculum that accelerates time to degree, lowers cost, eliminates the skills gap and reduces reliance on student debt in the areas of Education, Healthcare and Cybersecurity.

G. Out of this appropriation, $1,700,000 the first year from the general fund is designated to support planning for the establishment of the Mary Washington College of Medicine through a public-private partnership between the University of Mary Washington and Mary Washington Healthcare. The funding will support:

(i) development of an innovative, cost-efficient medical education model that evaluates opportunities to shorten time to degree, reduce student cost, leverage existing public and private assets, and emphasize early and sustained clinical education, with the goal of minimizing long-term financial exposure to the Commonwealth while maximizing workforce return on investment and prioritizing the recruitment and retention of Virginia students;

(ii) program and curriculum development necessary to meet SCHEV, SACSCOC, and LCME requirements, with a specific focus on training primary care physicians and expanding primary care/obstetrics pathways to improve maternal health outcomes in rural and underserved areas, establishing a diverse, Virginia-centered pipeline that engages students from the community beginning in high school, through undergraduate education, partnering with other higher education institutions in underserved areas and/or with underserved students, medical schools, and in-state residency training, and evaluating strategies to incentivize graduates to remain in Virginia to practice, including loan repayment, tuition assistance, and service-based commitment models;

(iii) creation of the governance, legal, and regulatory framework required for a public-private medical school, including accreditation strategy, academic affiliation agreements, faculty and residency alignment, and operational policies;

(iv) early accreditation preparation and institutional readiness activities to position the school for enrollment by fall 2029;

(v) independent financial review to validate the long-term feasibility and sustainability of a high-value, workforce-oriented medical school model and to ensure that upfront planning reduces future costs to the Commonwealth;

(vi) architectural and capital asset review to assess modifications and space needs across existing facilities to support a clinically integrated educational approach;

(vii) evaluation and expansion planning for learning resources, including medical library collections; and

(viii) project management and operating support to coordinate planning activities across both institutions and regional partners.

ITEM 180.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
180.	Higher Education Student Financial Assistance (10800)			$17,564,602	$17,330,602
	Scholarships (10810)	$17,525,069	$17,291,069		
	Fellowships (10820)	$39,533	$39,533		
	Fund Sources: General	$7,364,602	$7,130,602		
	Higher Education Operating	$10,200,000	$10,200,000		
	Authority: Title 23.1, Chapter 18, Code of Virginia.				
	Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.				
181.	Financial Assistance For Educational and General Services (11000) a sum sufficient, estimated at			$809,533	$809,533
	Eminent Scholars (11001)	$57,396	$57,396		
	Sponsored Programs (11004)	$752,137	$752,137		
	Fund Sources: Higher Education Operating	$809,533	$809,533		
	Authority: Title 23.1, Chapter 18, Code of Virginia.				
182.	Museum and Cultural Services (14500)			$1,133,379	$1,133,379
	Collections Management and Curatorial Services (14501)	$1,133,379	$1,133,379		
	Fund Sources: General	$799,268	$799,268		
	Special	$334,111	$334,111		
	Authority: Title 23.1, Chapter 18 and Chapter 51, Acts of Assembly of 1960; § 23.1-1310, Code of Virginia.				
	The amounts provided in this appropriation are designated for the support of Belmont, the estate and memorial gallery of American artist Gari Melchers.				
183.	Administrative and Support Services (19900)			$1,727,314	$1,727,314
	Operation of Higher Education Centers (19931)	$1,727,314	$1,727,314		
	Fund Sources: General	$1,264,479	$1,264,479		
	Special	$462,835	$462,835		
	Authority: Title 23.1, Chapter 18, Code of Virginia.				
184.	Historic and Commemorative Attraction Management (50200)			$548,070	$548,070
	Historic Landmarks and Facilities Management (50203)	$548,070	$548,070		
	Fund Sources: General	$484,660	$484,660		
	Special	$63,410	$63,410		
	Authority: Title 2.2, Chapter 2, § 2.2-208 Code of Virginia.				
	The amounts provided in this appropriation are designated for the support of the James Monroe Museum and Memorial Library.				
185.	Higher Education Auxiliary Enterprises (80900) a sum sufficient, estimated at			$54,645,246	$54,645,246
	Food Services (80910)	$9,250,229	$9,250,229		
	Residential Services (80930)	$21,875,346	$21,875,346		
	Parking And Transportation Systems And Services (80940)	$700,239	$700,239		

ITEM 185.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Telecommunications Systems And Services (80950)	$2,892,432	$2,892,432		
	Student Health Services (80960)	$645,576	$645,576		
	Student Unions And Recreational Facilities (80970)	$5,418,540	$5,418,540		
	Recreational And Intramural Programs (80980)	$1,092,794	$1,092,794		
	Other Enterprise Functions (80990)	$9,906,653	$9,906,653		
	Intercollegiate Athletics (80995)	$2,863,437	$2,863,437		
	Fund Sources: Higher Education Operating	$49,206,618	$49,206,618		
	Debt Service	$5,438,628	$5,438,628		
	Authority: Title 23.1, Chapter 18, Code of Virginia.				
	Total for University of Mary Washington			**$190,698,568**	**$186,764,568**
	General Fund Positions	233.66	233.66		
	Nongeneral Fund Positions	465.00	465.00		
	Position Level	698.66	698.66		
	Fund Sources: General	$66,628,115	$62,694,115		
	Special	$860,356	$860,356		
	Higher Education Operating	$117,771,469	$117,771,469		
	Debt Service	$5,438,628	$5,438,628		

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186.	Educational and General Programs (10000)			$1,485,003,691	$1,485,003,691
	Higher Education Instruction (100101)	$734,505,332	$734,505,332		
	Higher Education Research (100102)	$55,997,005	$55,997,005		
	Higher Education Public Services (100103)	$22,597,224	$22,597,224		
	Higher Education Academic (100104)	$246,641,523	$246,641,523		
	Higher Education Student Services (100105)	$92,056,748	$92,056,748		
	Higher Education Institutional Support (100106)	$176,684,538	$176,684,538		
	Operation and Maintenance Of Plant (100107)	$156,521,321	$156,521,321		
	Fund Sources: General	$219,367,554	$219,367,554		
	Higher Education Operating	$1,265,636,137	$1,265,636,137		

Authority: Title 23.1, Chapter 22, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B.1. This appropriation includes an amount not to exceed $1,393,959 the first year and $1,393,959 the second year from the general fund for the operation of the Family Practice Residency Program and Family Practice medical student programs. This appropriation for Family Practice programs, whether ultimately implemented by contract, agreement or other means, is considered to be a grant.

2. The university shall report by July 1 annually to the Department of Planning and Budget an operating plan for the Family Practice Residency Program.

3. The University of Virginia, in cooperation with the Virginia Commonwealth University Health System Authority, shall establish elective Family Practice Medicine experiences in Southwest Virginia for both students and residents.

4. In the event the Governor imposes across-the-board general fund reductions, pursuant to his executive authority in § 4-1.02 of this act, the general fund appropriation for the Family Practice programs shall be exempt from any reductions, provided the general fund appropriation for the family practice program is excluded from the total general fund appropriation for the University of Virginia for purposes of determining the university's portion of the statewide general fund reduction requirement.

ITEM 186.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

C. 1. Out of this appropriation, $2,476,467 the first year and $2,476,467 the second year from the general fund and $1,714,900 the first year and $1,714,900 the second year from nongeneral funds is designated for the Virginia Foundation for Humanities and Public Policy.

2. Out of the total funding in paragraph C.1., $250,000 and two positions the first year and $250,000 and two positions the second year from the general fund and $714,900 and four positions the first year and $714,900 and four positions the second year from nongeneral funds is provided to support Discovery Virginia, an online archive to preserve elements of Virginia history, culture, and heritage, and make the materials accessible to the public.

3. Out of the total funding in paragraph C.1., $500,000 and 2.00 positions the first year and $500,000 and 2.00 positions the second year from the general fund and $1,000,000 and 4.15 positions the first year and $1,000,0000 and 4.15 positions the second year from nongeneral funds is provided to create curriculum materials for K-12 schools, establish a network of Humanities Ambassadors in public schools and libraries across the state, and support classroom visits by Foundation program staff to support student use of the Foundation for the Humanities resources.

4. Pursuant to House Joint Resolution 762, 1999 Session of the General Assembly, funds in this Item begin to address the objective of appropriating one dollar per capita for the support of the Foundation.

D. Out of this appropriation, an amount estimated at $390,647 the first year and $390,647 the second year from the general fund and at least $468,850 the first year and at least $468,850 the second year from nongeneral funds are designated for the educational telecommunications project to provide graduate engineering education. For supplemental budget requests, the participating institutions and centers jointly shall submit a report in support of such requests to the State Council of Higher Education for Virginia for review and recommendation to the Governor and General Assembly.

E. Out of this appropriation, $183,306 the first year and $183,306 the second year from the general fund, and at least $283,500 the first year and at least $283,500 the second year from nongeneral funds are designated for the independent Virginia Institute of Government at the University of Virginia Center for Public Service.

F. Out of this appropriation, at least $148,577 the first year and $148,577 the second year from the general fund is designated for support of diabetes education and public service at the Virginia Center for Diabetes Professional Education at the University of Virginia.

G. Out of this appropriation $304,927 the first year and $304,927 the second year from the general fund and $53,189 the first year and $53,189 the second year from nongeneral funds are designated for support of the State Arboretum at Blandy Farm.

H. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

I. The 4-VA, a public-private partnership among George Mason University, James Madison University, the University of Virginia, Virginia Tech, Old Dominion University, Virginia Military Institute, Virginia Commonwealth University, the College of William and Mary, and CISCO Systems, Inc., utilizes emerging technologies to promote collaboration and resource sharing to increase access, reduce time to graduation and reduce unit cost while maintaining and enhancing quality. Instructional talent across the eight institutions is leveraged in the delivery of programs in foreign languages, science, technology, engineering and mathematics. The 4-VA Management Board can expand this partnership to additional institutions as appropriate to meet the goals of the 4-VA initiative. It is expected that funding will be pooled by the management board as required to support continuing efforts of the 4-VA priorities and projects.

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J. Out of this appropriation, $190,000 the first year and $190,000 the second year from the general fund is designated for a program to expand health care services to rural and medically underserved areas through the use of physicians, nurse practitioners, other providers, and telemedicine.

K. Out of this appropriation, $175,000 the first year and $175,000 the second year is designated to support the efforts of the Weldon Cooper Center to produce population estimates at least every other year in between census years.

L. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the management agreement between the University of Virginia and the Commonwealth, as set forth in Chapters 933 and 943, of the 2006 Acts of Assembly.

M. 1. Out of this appropriation, $2,661,340 the first year and $2,661,340 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-1 A1 completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical Sciences (40);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. The University of Virginia is expected to maintain increases in:

a. Data Science and Technology awards of 20 annually over the base year.

b. Science and Engineering awards of 30 annually over the base year.

c. Healthcare awards of 20 annually over the base year.

d. Education awards of 10 annually over the base year.

e. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees annually.

N. Out of this appropriation, $150,000 the first year and $150,000 the second year from the general fund is designated to the Weldon Cooper Center for Public Service to increase its demographic projection capacity.

187.	Higher Education Student Financial Assistance (10800)		$197,252,896	$196,940,896
	Scholarships (10810)	$106,186,577	$105,874,577	
	Fellowships (10820)	$91,066,319	$91,066,319	
	Fund Sources: General	$18,940,074	$18,628,074	
	Higher Education Operating	$178,312,822	$178,312,822	

Authority: Title 23.1, Chapter 22, Code of Virginia.

A. Out of this appropriation, $250,000 the first year and $250,000 the second year from the

ITEM 187.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

general fund, shall be provided to support public-private sector partnerships in order to maximize the number of newly licensed nurses and increase the supply of nursing faculty.

B. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the revenue collected to meet student financial aid needs, under the terms of the management agreement between the university and the Commonwealth as set forth in Chapters 933 and 943 of the 2006 Acts of Assembly.

C. Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.

188.	Financial Assistance For Educational and General Services (11000)				$636,277,634	$635,777,634
	Sponsored Programs (11004)	$636,277,634	$635,777,634			
	Fund Sources: General	$29,990,501	$29,490,501			
	Higher Education Operating	$580,534,205	$580,534,205			
	Debt Service	$25,752,928	$25,752,928			

Authority: Title 23.1, Chapter22, Code of Virginia.

A. Out of this appropriation, $1,744,245 the first year and $1,744,245 the second year from the general fund and $14,350,000 the first year and $14,350,000 the second year from nongeneral funds are designated to build research capacity in the areas of bioengineering and biosciences.

B.1. Out of this appropriation, $22,500,000 the first year and $22,500,000 the second year from the general fund is designated for the support of cancer research. From this allocation, $2,500,000 the first year and $2,500,000 the second year from the general fund is designated for the support of pediatric cancer research.

2. The University of Virginia shall submit an annual report to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on its use of state funds in cancer research.

C. Out of this appropriation, $4,112,500 the first year and $4,112,500 the second year from the general fund is designated for support of the Focused Ultrasound Center to support core programs and research activities. The funding provided in this paragraph supports the activities and research at the University of Virginia as designated by the Focused Ultrasound Foundation, including coordinated activities with Virginia Tech.

D. Out of this appropriation, $950,000 the first year and $950,000 the second year from the general fund is designated to support the creation of the UVA Economic Development Accelerator.

E. The Higher Education Operating fund source listed in this Item is considered to be a sum sufficient appropriation, which is an estimate of funding required by the university to cover sponsored program operations.

F. Out of this appropriation, $500,000 the first year from the general fund is provided to coordinate the planning and development of the Commonwealth Artificial Intelligence Institute. The coordination of the plan shall involve Virginia universities and public-private stakeholders. To avoid duplication of effort involving state funding, the plan shall take into consideration existing research and research infrastructure, and public and private partnerships, such as the Spark Institute of the Southeastern Universities Research Association Doing Business for Jefferson Science Associates, LLC, the Commonwealth Cyber Initiative, and the Monarch Sphere Partnership. The plan shall be submitted for review to the Virginia Innovative Partnership Authority and the chairs of the Senate Finance and Appropriations Committee and the House Appropriations Committee by July 1, 2027.

ITEM 188.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
189.	Higher Education Auxiliary Enterprises (80900)				
	a sum sufficient, estimated at			$200,382,717	$200,382,717
	Food Services (80910)	$5,370,300	$5,370,300		
	Residential Services (80930)	$24,617,836	$24,617,836		
	Parking And Transportation Systems And Services (80940)	$12,559,388	$12,559,388		
	Telecommunications Systems And Services (80950)	$15,564,808	$15,564,808		
	Student Health Services (80960)	$9,988,673	$9,988,673		
	Student Unions And Recreational Facilities (80970)	$7,764,975	$7,764,975		
	Recreational And Intramural Programs (80980)	$9,719,717	$9,719,717		
	Other Enterprise Functions (80990)	$61,248,758	$61,248,758		
	Intercollegiate Athletics (80995)	$53,548,262	$53,548,262		
	Fund Sources: Higher Education Operating	$184,137,170	$184,137,170		
	Debt Service	$16,245,547	$16,245,547		
	Authority: Title 23.1, Chapter 22, Code of Virginia.				
	Total for University of Virginia			**$2,518,916,938**	**$2,518,104,938**
	General Fund Positions	1,758.78	1,758.78		
	Nongeneral Fund Positions	9,619.32	9,619.32		
	Position Level	11,378.10	11,378.10		
	Fund Sources: General	$268,298,129	$267,486,129		
	Higher Education Operating	$2,208,620,334	$2,208,620,334		
	Debt Service	$41,998,475	$41,998,475		
	University of Virginia Medical Center (209)				
190.	State Health Services (43000)			$3,861,799,874	$4,115,828,350
	Inpatient Medical Services (43007)	$1,656,666,628	$1,767,537,177		
	Outpatient Medical Services (43011)	$1,016,132,563	$1,087,988,907		
	Administrative Services (43018)	$1,189,000,683	$1,260,302,266		
	Fund Sources: Higher Education Operating	$3,844,153,409	$4,098,181,885		
	Debt Service	$17,646,465	$17,646,465		

Authority: §§ 23.1, Chapter 22, Article 3 , Code of Virginia and Chapter 38, Acts of Assembly of 1978.

A. The appropriation to the University of Virginia Medical Center provides for the care, treatment, health related services and education activities associated with Virginia patients, including indigent and medically indigent patients. Inasmuch as the University of Virginia Medical Center is a state teaching hospital, this appropriation is to be used to jointly support the education of health students through patient care provided by this appropriation.

B. By July 1 of each year, the Director, Department of Medical Assistance Services shall approve a common criteria and methodology for determining free care attributable to the appropriations in this Item. The Medical Center will report to the Department of Medical Assistance Services expenditures for indigent, medically indigent, and other patients. The Auditor of Public Accounts and the State Comptroller shall monitor the implementation of these procedures. The Medical Center shall report by October 31 annually to the Department of Medical Assistance Services, the Comptroller and the Auditor of Public Accounts on expenditures related to this Item. Reporting shall be by means of the indigent care cost report and shall follow criteria approved by the Director, Department of Medical Assistance Services.

C. Funding for Family Practice is included in the University of Virginia's Educational and General appropriation. Support for other residencies is included in the hospital appropriation.

D. It is the intent of the General Assembly that the University of Virginia Medical Center – Hospital maintain its efforts to staff residencies and fellow positions to produce sufficient

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generalist physicians in medically underserved regions of the state.

E. The Higher Education Operating fund source listed in this Item is considered to be a sum sufficient appropriation, which is an estimate of funding required by the university to cover medical center operations.

F. Notwithstanding anything contrary to law, the University of Virginia has authority to determine compensation paid to Medical Center employees in accordance with policies established by the Board of Visitors.

G. In order to provide the state share for Medicaid supplemental payments to Medicaid provider private hospitals in which the University of Virginia Medical Center has a non-majority interest, the University of Virginia shall transfer to the Department of Medical Assistance Services public funds that comply with 42 C.F.R. § 433.51.

191. The June 30, 2026 and June 30, 2027 unexpended balances of the University of Virginia Medical Center are hereby reappropriated; their use is subject to approval of allotments by the Department of Planning and Budget.

192. A full accrual system of accounting shall be effected by the institution, subject to the authority of the State Comptroller, as stated in § 2.2-803, Code of Virginia, with the provision that appropriations for operating expenses may not be used for capital projects.

Total for University of Virginia Medical Center			**$3,861,799,874**	**$4,115,828,350**
Nongeneral Fund Positions	9,798.22	10,033.22		
Position Level	9,798.22	10,033.22		
Fund Sources: Higher Education Operating	$3,844,153,409	$4,098,181,885		
Debt Service	$17,646,465	$17,646,465		

University of Virginia's College at Wise (246)

193. Educational and General Programs (10000)			$50,278,842	$50,278,842
Higher Education Instruction (100101)	$27,362,503	$27,362,503		
Higher Education Public Services (100103)	$766,506	$766,506		
Higher Education Academic (100104)	$6,068,761	$6,068,761		
Higher Education Student Services (100105)	$3,773,012	$3,773,012		
Higher Education Institutional Support (100106)	$6,821,834	$6,821,834		
Operation and Maintenance Of Plant (100107)	$5,486,226	$5,486,226		
Fund Sources: General	$32,775,477	$32,775,477		
Higher Education Operating	$17,503,365	$17,503,365		

Authority: Title 23.1, Chapter 22, Article 2, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. The software engineering curriculum being established to insure success of recent economic development projects in Southwest Virginia, shall be considered on its merits by the State Council of Higher Education for Virginia and shall not be dependent on funding by the Commonwealth.

C. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general

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fees for in-state, undergraduate students to the extent possible.				
D. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the management agreement between the University of Virginia and the Commonwealth, as set forth in Chapters 933 and 943, of the 2006 Acts of Assembly.				
E. Notwithstanding § 23.1-203(3) of the Code of Virginia, the escalation of the University of Virginia's College at Wise (the College) to offer master's level degree programs is approved. Any new master's degree program proposed by the College shall be reviewed and approved or disapproved by the State Council of Higher Education for Virginia consistent with the Council's duties per § 23.1-203(5) of the Code of Virginia.				
194. Higher Education Student Financial Assistance (10800)			$6,480,175	$6,339,175
Scholarships (10810)	$6,480,175	$6,339,175		
Fund Sources: General	$6,430,175	$6,289,175		
Higher Education Operating	$50,000	$50,000		
Authority: Title 23.1. Chapter 22, Article 2, Code of Virginia.				
Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.				
195. Financial Assistance For Educational and General Services (11000) a sum sufficient, estimated at			$12,345,227	$12,345,227
Sponsored Programs (11004)	$12,345,227	$12,345,227		
Fund Sources: Higher Education Operating	$12,345,227	$12,345,227		
Authority: Title 23.1 Chapter 22, Article 2, Code of Virginia.				
196. Higher Education Auxiliary Enterprises (80900) a sum sufficient, estimated at			$14,186,932	$14,186,932
Food Services (80910)	$294,528	$294,528		
Bookstores And Other Stores (80920)	$268,500	$268,500		
Residential Services (80930)	$5,089,319	$5,089,319		
Parking And Transportation Systems And Services (80940)	$165,211	$165,211		
Student Health Services (80960)	$211,363	$211,363		
Student Unions And Recreational Facilities (80970)	$1,654,660	$1,654,660		
Recreational And Intramural Programs (80980)	$123,400	$123,400		
Other Enterprise Functions (80990)	$2,901,794	$2,901,794		
Intercollegiate Athletics (80995)	$3,478,157	$3,478,157		
Fund Sources: Higher Education Operating	$11,196,932	$11,196,932		
Debt Service	$2,990,000	$2,990,000		
Authority: Title 23.1, Chapter 22, Article 2, Code of Virginia.				
Total for University of Virginia's College at Wise			**$83,291,176**	**$83,150,176**
General Fund Positions	223.46	223.46		
Nongeneral Fund Positions	211.24	211.24		
Position Level	434.70	434.70		
Fund Sources: General	$39,205,652	$39,064,652		
Higher Education Operating	$41,095,524	$41,095,524		

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	Debt Service	$2,990,000	$2,990,000		
	Grand Total for University of Virginia			**$6,464,007,988**	**$6,717,083,464**
	General Fund Positions	1,982.24	1,982.24		
	Nongeneral Fund Positions	19,628.78	19,863.78		
	Position Level	21,611.02	21,846.02		
	Fund Sources: General	$307,503,781	$306,550,781		
	Higher Education Operating	$6,093,869,267	$6,347,897,743		
	Debt Service	$62,634,940	$62,634,940		

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197.	Educational and General Programs (10000)			$809,696,439	$809,696,439
	Higher Education Instruction (100101)	$514,095,270	$514,095,270		
	Higher Education Research (100102)	$17,545,254	$17,545,254		
	Higher Education Public Services (100103)	$10,145,363	$10,145,363		
	Higher Education Academic (100104)	$117,384,223	$117,384,223		
	Higher Education Student Services (100105)	$27,490,014	$27,490,014		
	Higher Education Institutional Support (100106)	$64,469,813	$64,469,813		
	Operation and Maintenance Of Plant (100107)	$58,566,502	$58,566,502		
	Fund Sources: General	$324,273,719	$324,273,719		
	Higher Education Operating	$485,422,720	$485,422,720		

Authority: Title 23.1, Chapter 23, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B.1. Out of this appropriation, $4,336,607 the first year and $4,336,607 the second year from the general fund is provided for the operation of the Family Practice Residency Program and Family Practice medical student programs. This appropriation for Family Practice programs, whether ultimately implemented by contract, agreement or other means, is considered to be a grant.

2. The university shall report by July 1 annually to the Department of Planning and Budget an operating plan for the Family Practice Residency Program.

3. The university, in cooperation with the University of Virginia, shall establish elective Family Practice Medicine experiences in Southwest Virginia for both students and residents.

4. In the event the Governor imposes across-the-board general fund reductions, pursuant to his executive authority in § 4-1.02 of this act, the general fund appropriation for the Family Practice programs shall be exempt from any reductions, provided the general fund appropriation for the family practice program is excluded from the total general fund appropriation for Virginia Commonwealth University for purposes of determining the University's portion of the statewide general fund reduction requirement.

C. Out of this appropriation, an amount estimated at $332,140 the first year and $332,140 the second year from the general fund and $168,533 the first year and $168,533 the second year from nongeneral funds are designated for the educational telecommunications project to provide graduate engineering education. For supplemental budget requests, the participating institutions and centers jointly shall submit a report in support of such requests to the State Council of Higher Education for Virginia for review and recommendation to the Governor and General Assembly.

D.1. Out of this appropriation, not less than $536,685 the first year and not less than $536,685 the second year from the general fund is designated for the Virginia Center on Aging. This includes $319,750 the first year and $319,750 the second year for the

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Alzheimer's and Related Diseases Research Award Fund.

2. Out of this appropriation, $253,244 the first year and $253,244 the second year from the general fund and $356,250 the first year and $356,250 the second year from nongeneral funds are designated for the operation of the Virginia Geriatric Education Center and the Geriatric Academic Career Awards Program, both to be administered by the Virginia Center on Aging.

3. Funding designated in paragraphs D.1. and D.2. of this item are intended as a pass-through payment to support the Center on Aging and dementia-related research by investigators throughout the Commonwealth. These funds shall be exempt from supplantation assessment or other budget management plans at Virginia Commonwealth University. All other funding support for the center shall be maintained by the university at least at the level provided in fiscal year 2019.

4. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is designated for the operation of the Virginia Memory Project for the purposes established in § 23.1-2311.1, Code of Virginia.

E. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is designated for support of the Council on Economic Education.

F. Out of this appropriation, $192,753 the first year and $192,753 the second year from the general fund is designated for support of the Education Policy Institute.

G.1. Notwithstanding any other provisions of law, Virginia Commonwealth University is authorized to remit tuition and fees for merit scholarships for students of high academic achievement subject to the following limitations and restrictions:

2. The number of such scholarships annually awarded to undergraduate Virginia students shall not exceed 20 percent of the fall headcount enrollment of Virginia students in undergraduate studies in the institution from the preceding academic year. The total value of such merit scholarships annually awarded shall not exceed in any year the amount arrived at by multiplying the applicable figure for undergraduate tuition and required fees by 20 percent of the headcount enrollment of Virginia students in undergraduate studies in the institution for the fall semester from the preceding academic year.

3. The number of such scholarships annually awarded to undergraduate non-Virginia students shall not exceed 20 percent of the fall headcount enrollment of non-Virginia students in undergraduate studies in the institution from the preceding academic year. The total value of such merit scholarships annually awarded shall not exceed in any year the amount arrived at by multiplying the applicable figure for undergraduate tuition and required fees by 20 percent of the fall headcount enrollment of non-Virginia students in undergraduate studies in the institution during the preceding academic year.

4. A scholarship awarded under this program shall entitle the holder to receive an annual remission of an amount not to exceed the cost of tuition and required fees to be paid by the student.

H. Out of this appropriation, $252,595 the first year and $252,595 the second year from the general fund is provided for the Medical College of Virginia Palliative Care Partnership.

I. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

J. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund is designated for the Virginia Commonwealth University School of Pharmacy to support the Center for Compounding Practice and Research. The allocation will serve to support any costs associated with creating the Center including facility-related expenses as well as the purchase of the compounding equipment necessary for this state of the art teaching

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and research facility and will be leveraged as a matching gift with private funds. The Center will train Pharm.D. students to meet technical compounding demands, provide continuing education to registered pharmacists and conduct ongoing research on compounded medications.

K. Out of this appropriation, $255,000 the first year and $255,000 the second year from the general fund is designated to support a substance abuse fellowship program and a sickle cell opioid management program at the Virginia Commonwealth University School of Medicine.

L. Out of this appropriation, $235,000 the first year and $235,000 the second year from the general fund is designated to support a partnership between Virginia Commonwealth University and the Virginia Repertory Theatre at the historic November Theatre (formally known as the Empire Theatre).

M. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the management agreement between Virginia Commonwealth University and the Commonwealth, as set forth in Chapters 594 and 616, of the 2008 Acts of Assembly.

N. 1. Out of this appropriation, $4,273,380 the first year and $4,273,380 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-1 A1 completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical Sciences (40);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. Virginia Commonwealth University is expected to maintain increases in:

a. Data Science and Technology awards of 20 annually over the base year.

b. Science and Engineering awards of 30 annually over the base year.

c. Healthcare awards of 40 annually over the base year.

d. Education awards of 20 annually over the base year.

e. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees annually.

O. The 4-VA, a public-private partnership among George Mason University, James Madison University, the University of Virginia, Virginia Tech, Old Dominion University, Virginia Military Institute, Virginia Commonwealth University, the College of William and Mary, and CISCO Systems, Inc., utilizes emerging technologies to promote collaboration and resource sharing to increase access, reduce time to graduation and reduce unit cost while maintaining and enhancing quality. Instructional talent across the eight institutions is leveraged in the delivery of programs in foreign languages, science, technology, engineering and mathematics. The 4-VA Management Board can expand this

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partnership to additional institutions as appropriate to meet the goals of the 4-VA initiative. It is expected that funding will be pooled by the management board as required to support continuing efforts of the 4-VA priorities and projects.

P. Out of this appropriation, $3,000,000 the first year and $3,000,000 the second year from the general fund is designated to fund research and programming activities at the Research Institute for Social Equity within the L. Douglas Wilder School of Government and Public Affairs at Virginia Commonwealth University. The University shall conduct social equity research and analysis, work collaboratively with Virginia Union University, expand the Minority Political Leadership Institute, expand social equity training and development, and increase its racial equity and social justice tools and resources.

Q. As a condition of this appropriation, $475,000 each year from the general fund is designated to support a program between Rappahannock Community College and Virginia Commonwealth University Health System to create a certified sonographer education and training program in order to address significant workforce shortages across the Commonwealth. Funding shall support capital, equipment, and staffing needs to create two training labs in the Rappahannock Community College service region.

198.	Higher Education Student Financial Assistance (10800)			$142,085,495	$139,970,495
	Scholarships (10810)	$137,181,811	$135,066,811		
	Fellowships (10820)	$4,903,684	$4,903,684		
	Fund Sources: General	$64,236,906	$62,121,906		
	Higher Education Operating	$77,848,589	$77,848,589		

Authority: Title 23.1, Chapter 23, Code of Virginia.

A. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the revenue collected to meet student financial aid needs, under the terms of the management agreement between the university and the Commonwealth as set forth in Chapters 933 and 943 of the 2006 Acts of Assembly.

B. Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.

199.	Financial Assistance For Educational and General Services (11000)			$471,740,036	$471,740,036
	Eminent Scholars (11001)	$3,063,732	$3,063,732		
	Sponsored Programs (11004)	$468,676,304	$468,676,304		
	Fund Sources: General	$27,762,500	$27,762,500		
	Higher Education Operating	$433,871,256	$433,871,256		
	Debt Service	$10,106,280	$10,106,280		

Authority: Title 23.1, Chapter 23, Code of Virginia.

A. Out of this appropriation, $1,162,500 the first year and $1,162,500 the second year from the general fund and $6,600,000 the first year and $6,600,000 the second year from nongeneral funds are designated to build research capacity in the areas of biomedical engineering and regenerative medicine.

B. Out of this appropriation, $22,500,000 the first year and $22,500,000 the second year from the general fund is designated for the support of cancer research. Virginia Commonwealth University shall submit an annual report to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on its use of state funds in cancer research.

C. Out of this appropriation, $350,000 the first year and $350,000 the second year from the

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	general fund is designated to support the Parkinson's and Movement Disorders Center.				
	D. The Higher Education Operating fund source listed in this Item is considered to be a sum sufficient appropriation, which is an estimate of funding required by the university to cover sponsored program operations.				
200.	State Health Services (43000)			$69,152,534	$69,152,534
	State Health Services Technical Support And Administration (43012)	$69,152,534	$69,152,534		
	Fund Sources: Higher Education Operating	$69,152,534	$69,152,534		
	Authority: Discretionary Inclusion.				
	This appropriation includes funding to support 238 instructional and administrative faculty positions and for administrative and classified positions which provide services, through internal service agreements, to the Virginia Commonwealth University Health System Authority.				
201.	Higher Education Auxiliary Enterprises (80900) a sum sufficient, estimated at			$206,486,003	$206,486,003
	Food Services (80910)	$36,876,770	$36,876,770		
	Bookstores And Other Stores (80920)	$5,338,412	$5,338,412		
	Residential Services (80930)	$47,909,516	$47,909,516		
	Parking And Transportation Systems And Services (80940)	$23,632,676	$23,632,676		
	Telecommunications Systems And Services (80950)	$5,676,016	$5,676,016		
	Student Health Services (80960)	$6,684,597	$6,684,597		
	Student Unions And Recreational Facilities (80970)	$13,053,961	$13,053,961		
	Recreational And Intramural Programs (80980)	$10,328,003	$10,328,003		
	Other Enterprise Functions (80990)	$39,522,220	$39,522,220		
	Intercollegiate Athletics (80995)	$17,463,832	$17,463,832		
	Fund Sources: Higher Education Operating	$183,157,046	$183,157,046		
	Debt Service	$23,328,957	$23,328,957		
	Authority: Title 23.1, Chapter 23, Code of Virginia.				
202.	Administrative and Support Services (19900)			$52,597,562	$52,597,562
	Operation of Higher Education Centers (19931)	$52,597,562	$52,597,562		
	Fund Sources: Higher Education Operating	$52,597,562	$52,597,562		
	Authority: Title 23.1, Chapter 23, Code of Virginia.				
	A.1. The appropriation in this item is designated to support the university's branch campus in Qatar.				
	2. Notwithstanding § 2.2-1802 of the Code of Virginia, Virginia Commonwealth University is authorized to maintain a local bank account in Qatar and non-U.S. countries to facilitate business operations the VCU Qatar Campus. These accounts are exempt from the Securities for Public Deposits Act, Title 2.2, Chapter 44 of the Code of Virginia.				
	3. Procurements and expenditures from the local bank account(s) are not subject to the Virginia Public Procurement Act and the Commonwealth Accounting Policies and Procedures (CAPP) Manual. Virginia Commonwealth University will institute procurement policies based on competitive procurement principles, except as otherwise stated within these policies. Expenditures from the local bank account will be recorded in Cardinal Financials by Agency Transaction Vouchers, as appropriated herewith with revenue recognized as equal to the expenditures.				
	4. Notwithstanding § 2.2-1149 of the Code of Virginia, Virginia Commonwealth University is authorized to approve operating, income and capital leases in Qatar under				

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policies and procedures developed by the University.				
5. Virginia Commonwealth University is authorized to establish and hire staff (non-faculty) positions in Qatar under policies and procedures developed by the University. These employees, who are employed solely to support the Qatar Campus are not considered employees of the Commonwealth of Virginia and are not subject to the Virginia Personnel Act. Employees hired as University and Academic Professionals are considered employees of the Commonwealth of Virginia and are subject to the university's policies, Management Agreement, and applicable law.				
6. The Board of Visitors of Virginia Commonwealth University is authorized to establish policies for the Qatar Campus.				
Total for Virginia Commonwealth University			**$1,751,758,069**	**$1,749,643,069**
General Fund Positions	1,507.80	1,507.80		
Nongeneral Fund Positions	3,792.29	3,792.29		
Position Level	5,300.09	5,300.09		
Fund Sources: General	$416,273,125	$414,158,125		
Higher Education Operating	$1,302,049,707	$1,302,049,707		
Debt Service	$33,435,237	$33,435,237		
§ 1-64. VIRGINIA COMMUNITY COLLEGE SYSTEM (260)				
203. Educational and General Programs (10000)			$1,158,784,707	$1,138,784,707
Higher Education Instruction (100101)	$521,314,878	$501,314,878		
Higher Education Public Services (100103)	$5,136,224	$5,136,224		
Higher Education Academic (100104)	$113,217,115	$113,217,115		
Higher Education Student Services (100105)	$125,379,282	$125,379,282		
Higher Education Institutional Support (100106)	$283,949,187	$283,949,187		
Operation and Maintenance Of Plant (100107)	$109,788,021	$109,788,021		
Fund Sources: General	$630,957,617	$610,957,617		
Higher Education Operating	$527,827,090	$527,827,090		
Authority: Title 23.1, Chapter 29, Code of Virginia.				
A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).				
B. It is the objective of the Commonwealth that a standard of 70 percent full-time faculty be established for the Virginia Community College System. Consistent with higher education funding guidelines, it is expected that the Virginia Community College System will utilize the funds provided for base operating support to achieve this objective. In addition, the first priority for new funding provided to the community college system shall be for operating support at individual community colleges. Thirty days prior to the beginning of each fiscal year, the Virginia Community College System shall report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the allocation of all new general funds and nongeneral funds in this item and any cost recovery plans between the individual community colleges and the system office.				
C. It is the intent of the General Assembly that funds available to the Virginia Community College System be reallocated to accommodate changes in enrollment and other cost factors at each of the community colleges.				
D. Tuition and fee revenues from out-of-state students taking distance education courses through the Virginia Community College System 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 State Board for Community Colleges.				
E. Out of this appropriation, amounts for the following special programs are designated: at J.				

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Sargeant Reynolds Community College, the Program for the Deaf, $64,547 and four positions the first year and $64,547 and four positions the second year from the general fund and the Program for the Intellectually Disabled, $91,004 and four positions the first year and $91,004 and four positions the second year from the general fund; and, at New River Community College, the Program for the Deaf, $78,328 and four positions the first year and $78,328 and four positions the second year from the general fund, and the Program for the Intellectually Disabled, $69,682 and 4.5 positions the first year and $69,682 and 4.5 positions the second year from the general fund; and, at Danville Community College, the Program for the Deaf, $26,001 and one position the first year and $26,001 and one position the second year from the general fund.

F. Out of this appropriation, $39,001 the first year and $39,001 the second year from the general fund is designated to support the Southwest Virginia Telecommunications Network.

G. Out of this appropriation, $261,370 and four positions the first year and $261,370 and four positions the second year from the general fund is provided to support Virginia Western Community College's participation in the Roanoke Higher Education Center and the Botetourt County Education and Training Center at Greenfield.

H. Out of this appropriation, $130,005 the first year and $130,005 the second year from the general fund is designated to support the Southwestern Virginia Advanced Manufacturing Technology Center at Wytheville Community College.

I.1. Out of this appropriation, $345,000 the first year and $345,000 the second year from the general fund is provided for the annual lease or rental costs of space in the Botetourt County Education and Training Center at Greenfield.

2. The general fund amounts provided for in this paragraph for workforce training, retraining, programming, and community education facilities at the Botetourt County Education and Training Center shall be matched by local or private sources in a ratio of two-thirds state funds to at least one-third local or private funds, as approved by the State Board for Community Colleges.

J. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

K. Out of this appropriation, $191,884 the first year and $191,884 the second year from the general fund shall be provided to Northern Virginia Community College to support public-private sector partnerships in order to maximize the number of newly licensed nurses and increase the supply of nursing faculty.

L. Out of this appropriation, $489,000 the first year and $489,000 the second year from the general fund is designated for Northern Virginia Community College to implement the SySTEMic Solutions initiative which will enable expansion of dual enrollment courses with a STEM focus in all Northern Virginia school districts; opportunities to earn industry-aligned certifications; professional development opportunities for STEM teachers; part-time employment and internship opportunities for students in STEM programs; hands-on SOL-based science lessons at the elementary level with industry input and support; and collaborative robotics programs between the community college and K-12 schools. It is expected that an equal amount of private funds will be generated as a match for the state support.

M. Out of this appropriation, $19,560 the first year and $19,560 the second year from the general fund shall be provided to Southside Virginia Community College. Out of this amount, $9,780 each year from the general fund shall be provided to the Estes Community Center in Chase City, $9,780 each year from the general fund shall be provided to the Lake Country Advanced Knowledge Center in South Hill.

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N. Out of this appropriation, $115,130 the first year and $115,130 the second year from the general fund is provided for the Mecklenburg County Job Retraining Center.

O. Out of this appropriation, $255,000 the first year and $255,000 the second year from the general fund and $163,000 the first year and $163,000 the second year from nongeneral funds is designated for the operation of the Amherst Center of Central Virginia Community College. Central Virginia Community College shall report annually to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the number of students enrolled, the programs provided with number of students served and the number of degrees and certificates awarded by program.

P. Out of this appropriation, $200,000 the first year and $200,000 the second year from the general fund is designated for Laurel Ridge Community College. Of this amount $100,000 the first year and $100,000 the second year is designated to support the career and technical education programs at the Middletown Campus and $100,000 the first year and $100,000 the second year is designated for workforce training programs at the Fauquier Campus. The programs will be designed in collaboration with regional employers and high schools.

Q. Out of this appropriation, $1,100,000 and seven positions the first year and $1,100,000 and seven positions the second year from the general fund is designated for veterans resource centers at Northern Virginia Community College, Tidewater Community College, Virginia Peninsula Community College, Germanna Community College, J. Sargeant Reynolds Community College, Brightpoint Community College, and Virginia Western Community College.

R. Out of this appropriation, $250,000 and nine positions the first year and $250,000 and nine positions the second year from the general fund is designated to support the Rural Horseshoe Initiative.

S. Out of this appropriation, $480,000 and two positions the first year and $480,000 and two positions the second year from the general fund are designated for the Virginia Community College System, in partnership with the State Council of Higher Education for Virginia, to develop and maintain a mandated online repository for all transfer agreements, course equivalency tools, Passport Credit Program Guidelines and other informational resources related to transferring from a public two-year institution to a public four-year institution. The repository shall also include a Dual Enrollment Guide, Exam Equivalency Guide, Degree Searcher, and other transfer tools and components that support student transfer.

T. Out of this appropriation, $1,413,689 the first year and $1,413,689 the second year from the general fund is designated for costs of three associate degree programs in Occupational Therapy Assistant, Physical Therapy Assistant, and Surgical Technology that have transferred to Virginia Western Community College as a result of the merger of Radford University and the Jefferson College of Health Sciences authorized in Chapter 60 of the 2019 Acts of Assembly.

U. Out of this appropriation, $4,000,000 the first year and $4,000,000 the second year from the general fund is designated for advising, marketing, outreach and public awareness efforts for the G3 program in Item 204.

V. Out of this appropriation, $1,050,000 the first year and $1,050,000 the second year from the general fund is designated for health science and technology education at Virginia Western, New River, Central Virginia and Mountain Gateway Community Colleges.

W. Out of this appropriation, $296,314 the first year and $296,314 the second year from the general fund is designated for Southside Virginia Community College to implement the Solar Hands-On Instructional Network of Excellence (SHINE) workforce program.

X. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund is designated for the Virginia Community College System (VCCS) to support a state-funded grant program to support the Great Expectations Program in the following areas: the hiring of college coaches or mentors, housing stipends, childcare, and transportation needs. VCCS shall report to the Commission on Youth the outcomes of the grant program by November 30 of each year. The Great Expectations Program serves young adults who have experienced foster care.

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Y. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the general fund is designated for enhancements to the cyber-security infrastructure.

Z. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund is designated for Virginia Peninsula Community College to support its collaboration with the Coastal Virginia Science, Technology, Engineering, and Mathematics Hub.

AA. Out of this appropriation, $3,111,000 and two positions the first year and $3,111,000 and two positions the second year from the general fund is designated for Danville Community College to support an aviation maintenance technology program. Danville Community College shall develop a comprehensive work plan which includes an implementation plan, projected expenditures, performance benchmarks and partnership responsibilities. Danville Community College shall initiate the program and accreditation approval through federal and state entities and complete partnership agreements with Danville Regional Airport, Averett University, other higher education partners, participating K-12 school divisions, businesses and any public bodies necessary for program.

BB. Out of this appropriation $7,750,000 the first year and $7,750,000 the second year from the general fund is provided for support of workforce programs in regions with high labor demand and low supply. Funds may be used for startup costs related to new program development and shall include an employer match to ensure alignment to workforce needs. Funds also may be used to support new program development for career and technical dual enrollment courses.

CC. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund is designated for Northern Virginia Community College to provide technical assistance for automotive and building maintenance training programs coordinated by the Prince William County Department of Facilities and Fleet Management, to address workforce shortages.

DD. Out of this appropriation, $350,000 the first year and $350,000 the second year from the general fund is provided to the Virginia Community College System to support mixed-delivery programs and classroom equipment and materials at Virginia Peninsula Community College. Of this amount, $100,000 the first year and $100,000 the second year is provided to support early childhood instructional delivery, equipment, and program operating costs. Virginia Peninsula Community College is authorized to enter into a partnership agreement with a third-party provider to facilitate in-practice early childhood educational training.

EE. From any educational and general program balances reappropriated in the first year, the Virginia Community College System shall transfer an amount up to $4,150,000 to the State Council of Higher Education for Virginia for deposit to the New Economy Workforce Credential Grant Fund, less any amounts transferred in fiscal year 2026 for this purpose. Any amounts transferred shall be deposited to the New Economy Workforce Credential Grant Fund to support the appropriation in the first year pursuant to Item 131 G.

FF. Out of this appropriation $20,000,000 the first year from the general fund is designated for the expansion of career technical education programs and workforce development across the Virginia Community College System (VCCS). The funding is expected to serve an additional 900 students in Nursing, Dental Hygiene, Radiography/Sonography, EMT/Paramedics, Medical Laboratory Technician, Respiratory Therapy, Licensed Practical Nursing, Medical Assisting, Surgical Technology, Patient Care Technology, Behavioral Health Technology, MRI Technician, and Physical Therapy. In addition, the funding will allow for the expansion of capacity to serve an addition 1,000 students in workforce development programs for heavy equipment operators, diesel technicians, industrial maintenance, marine pipefitting, welding, marine electrical, power line workers, diesel repair, HVAC, fiber technicians, and commercial driving licenses.

204.	Higher Education Student Financial Assistance (10800)			
	a sum sufficient, estimated at.....		$169,936,971	$167,100,971

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Scholarships (10810)	$169,936,971	$167,100,971		
Fund Sources: General	$131,489,665	$128,653,665		
Higher Education Operating	$38,447,306	$38,447,306		

Authority: Title 23.1, Chapter 29, Code of Virginia.

A. Out of this appropriation, $150,000 the first year and $150,000 the second year from the general fund is designated for Tidewater Community College to support an apprenticeship program for Virginia's shipyard workers. All general fund amounts appropriated for this apprenticeship program shall be used to provide scholarships to shipyard workers enrolled in the program. The conditions for receiving a scholarship shall be those conditions described in § 23.1-2912, Code of Virginia.

B. Funding in this Item shall be allocated for the Virginia Guaranteed Assistance Program, the Commonwealth Award and need-based student financial assistance for industry-based certifications or related programs that do not qualify for other sources of student financial assistance.

C. Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.

D.1. Out of this appropriation, $34,500,000 the first year and $34,500,000 the second year from the general fund is designated for the Get Skilled, Get a Job, Give Back Program (G3 Program) pursuant to § 23.1-2911.2.

The programs covered under the G3 Program by Classification of Instructional Program (CIP) Codes are as follows:

CIP Code	Description
11.0101	Computer and Information Sciences, General
11.0103	Information Technology
11.0201	Computer Programming/ Programmer, General
11.0701	Computer Science
11.0801	Web Page, Digital/Multimedia and Information Resources Design
11.0901	Computer Systems Networking and Telecommunications
11.1001	Network and System Administration/ Administrator
11.1003	Computer and Information Systems Security/Information Assurance
12.0500	Cooking and Related Culinary Arts, General
13.0101	Education, General
13.1013	Education/Teaching of Individuals with Autism
13.1501	Teacher Assistant/Aide
13.1202	Elementary Education and Teaching
13.1205	Secondary Education and Teaching
14.0101	Engineering, General

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	15.0000	Engineering and Engineering-Related Fields			
	15.0101	Architectural Engineering Technology/Technician			
	15.0201	Civil Engineering Technology/Technician			
	15.0303	Electrical, Electronic and Communications Engineering Technology/Technician			
	15.0305	Telecommunications Technology/Technician			
	15.0599	Environmental Control Technologies/Technicians, Other			
	15.0612	Industrial Technology/Technician			
	15.0613	Manufacturing Engineering Technology/Technician			
	15.0699	Industrial Production Technologies/Technicians, Other			
	15.0899	Mechanical Engineering Related Technologies/Technicians, Other			
	15.0901	Mining Technology/Technician			
	15.1301	Drafting and Design Technology/Technician, General			
	15.1302	CAD/CADD Drafting and/or Design Technology/Technician			
	15.1303	Architectural Drafting and Architectural CAD/CADD			
	15.1401	Nuclear Engineering Technology/Technician			
	15.9999	Engineering Technologies and Engineering-Related Fields, Other			
	19.0707	Family and Community Services			
	19.0709	Child Care Provider/Assistant			
	30.0101	Biological and Physical Sciences			
	41.0101	Biology Technician/Biotechnology Laboratory Technician			
	43.0102	Corrections			
	43.0103	Criminal Justice/Law Enforcement Administration			
	43.0104	Criminal Justice/Safety Studies			
	43.0106	Forensic Science and Technology			

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		First Year FY2027	Second Year FY2028	First Year FY2027	Second Year FY2028
	43.0107	Criminal Justice/Police Science			
	43.0203	Fire Science/Fire-fighting			
	43.0303	Critical Infrastructure Protection			
	43.0406	Homeland Security, Other			
	43.9999	Homeland Security, Law Enforcement, Firefighting and Related Protective Services, Other			
	46.0000	Construction Trades			
	46.0302	Electrician			
	47.0000	Mechanic and Repair Technologies / Technicians			
	47.0101	Electrical/Electronics Equipment Installation and Repair, General			
	47.0105	Industrial Electronics Technology/Technician			
	47.0201	Heating, Air Conditioning, Ventilation and Refrigeration Maintenance Technology/Technician			
	47.0603	Autobody/Collision and Repair Technology/Technician			
	47.0604	Automobile/Automotive Mechanics Technology/Technician			
	47.0605	Diesel Mechanics Technology/Technician			
	47.0607	Airframe Mechanics and Aircraft Maintenance Technology/Technician			
	48.0000	Precision Production			
	48.0501	Machine Tool Technology/Machinist			
	48.0508	Welding Technology/Welder			
	48.0599	Precision Metal Working, Other			
	48.0701	Woodworking, General			
	51.0601	Dental Assisting/Assistant			
	51.0602	Dental Hygiene/Hygienist			
	51.0603	Dental Laboratory Technology/Technician			
	51.0707	Health Information/Medical Records Technology/Technician			
	51.0708	Medical Transcription/ Transcriptionist			
	51.0713	Medical Insurance Coding Specialist/Coder			
	51.0799	Health and Medical Administrative Services, Other			
	51.0801	Medical/Clinical Assistant			
	51.0803	Occupational Therapist Assistant			

ITEM 204.			Item Details($)		Appropriations($)	
			First Year FY2027	Second Year FY2028	First Year FY2027	Second Year FY2028
	51.0805	Pharmacy Technician/Assistant				
	51.0806	Physical Therapy Technician/Assistant				
	51.0808	Veterinary/Animal Health Technology/Technician and Veterinary Assistant				
	51.0904	Emergency Medical Technology/Technician (EMT Paramedic)				
	51.0907	Medical Radiologic Technology/Science - Radiation Therapist				
	51.0908	Respiratory Care Therapy/Therapist				
	51.0909	Surgical Technology/Technologist				
	51.0910	Diagnostic Medical Sonography/Sonographer and Ultrasound Technician				
	51.0911	Radiologic Technology/Science - Radiographer				
	51.0912	Physician Assistant				
	51.0999	Allied Health Diagnostic, Intervention, and Treatment Professions, Other				
	51.1004	Clinical/Medical Laboratory Technician				
	51.1005	Clinical Laboratory Science/Medical Technology/Technologist				
	51.1009	Phlebotomy Technician/Phlebotomist				
	51.1105	Pre-Nursing Studies				
	51.1501	Substance Abuse/Addiction Counseling				
	51.1504	Community Health Services/Liaison/Counseling				
	51.1508	Mental Health Counseling/Counselor				
	51.1599	Mental and Social Health Services and Allied Professions, Other				
	51.1801	Opticianry/Ophthalmic Dispensing Optician				
	51.2706	Medical Informatics				
	51.3101	Dietetics/Dietitian				
	51.3501	Massage Therapy/Therapeutic Massage				
	51.3801	Registered Nursing/Registered Nurse				
	51.3899	Registered Nursing, Nursing Administration, Nursing Research and Clinical Nursing, Other				

ITEM 204.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	51.3901	Licensed Practical/Vocational Nurse Training			
	51.3902	Nursing Assistant/Aide and Patient Care Assistant/Aide			
	52.0901	Hospitality Administration / Management, General			

2. a. By December 1 of each year, the Office of Education and Labor Market Alignment within the Virginia Economic Development Partnership Authority System shall evaluate the skills and training including those provided through high school career and technical education, credentials, certifications, apprenticeships, internships, and other degree and non-degree programs needed for Virginians to fill jobs available in certified regional council areas.

b. Based on this evaluation, the Office of Education and Labor Market Alignment within the Virginia Economic Development Partnership Authority System shall make recommendations to the Governor and General Assembly what programs should be offered in each region that qualify for financial assistance under the G3 Program.

c. All additions and changes to the eligible high-demand fields for which programs may be offered pursuant to this item shall be approved by the General Assembly prior to implementation.

3. In order to be eligible for financial assistance under this program at a qualified public institution, an applicant shall:

a. Receive a total household income less than or equal to four hundred percent of the Federal Poverty Level;

b. Be enrolled or accepted for enrollment as a full-time or part-time student at an approved institution in an approved program specific to a high-demand field, as specified in paragraph D.1., and shall be enrolled in a minimum of six credit hours per semester, or in an eligible non-credit program;

c. Have submitted complete applications for federal and state student financial aid programs for which they may be eligible.

4. In order to remain eligible for financial assistance under this program at an approved institution, a participating student shall:

a. Meet standards for Satisfactory Academic Progress and maintain the required grade point average established by federal Higher Education Act of 1965 Title IV requirements;

b. Demonstrate reasonable progress to complete their specific program of study to earn an associate degree in no more than three years;

c. Not exceed 150 percent of required credits of certificate or degree.

5. a. Payments out of this appropriation shall provide (i) grants up to the amount necessary to pay for the last-dollar cost of the enrolled institution's tuition, mandatory fees, and textbook stipend for eligible students after all other qualified federal and state financial aid, and (ii) a Student Support Incentive Grant up to $2,250 per year for eligible students who are enrolled full-time and receive full Federal Pell Grants.

b. Each Student Support Incentive Grant shall be distributed to the eligible students in two equal payments, with the first disbursement after the census date for the enrollment period is reached, and the final disbursement at the end of the term of which the students qualified. Students who withdraw or stop attending during the term shall not receive additional payments and shall be subject to repayment of the funds already received. An eligible student may receive up to $900 per semester and up to $450 per Summer Term.

6. a. Funds for marketing and public awareness efforts to increase participation in the program are contained in Item 203 of this act.

b. The governing boards of Virginia's public associate degree-granting institutions shall ensure that program participation does not exceed budget appropriation.

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	7. a. No later than September 1 of each year, each Virginia public associate degree-granting institution shall submit to the State Council of Higher Education for Virginia and the Virginia Community College System a report with data from the previous fiscal year on program participation and completion, including data on what high-demand fields are supported by students at each institution. b. The Council and System shall work collaboratively to compile the data provided by each public associate degree-granting institution and report such data, in aggregate and by institution annually, to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Senate Education and Health Committee, and the House Education Committee. The report must include student enrollment, retention rates between terms and academic years, wage data including median wages prior to enrollment and one year after completion of a credential or degree, wage rates of students who have not enrolled in over a year and did not complete a credential, and a comparison of demand of jobs and completion rates. The report must disaggregate the information above by program of study, college, and student income level at start of program.				
205.	Financial Assistance For Educational and General Services (11000)			$60,736,044	$60,736,044
	Sponsored Programs (11004)	$60,736,044	$60,736,044		
	Fund Sources: Higher Education Operating	$60,736,044	$60,736,044		
	Authority: Title 23.1, Chapter 29, Code of Virginia. The Higher Education Operating fund source listed in this Item is considered to be a sum sufficient appropriation, which is an estimate of funding required by the university to cover sponsored program operations.				
206.	Economic Development Services (53400)			$94,027,341	$94,027,341
	Management of Workforce Development Program Services (53427)	$94,027,341	$94,027,341		
	Fund Sources: General	$11,876,314	$11,876,314		
	Higher Education Operating	$82,151,027	$82,151,027		
	Authority: Title 23.1, Chapter 29, Code of Virginia. A. Out of this appropriation, $125,000 the first year and $125,000 the second year from the general fund is provided to continue planning for the advanced integrated manufacturing technology program at Virginia Peninsula Community College. B.1. Out of this appropriation, $666,162 the first year and $666,162 the second year from the general fund is designated for the A.L. Philpott Manufacturing Extension Partnership, a political subdivision of the Commonwealth per § 23.1-3101, Code of Virginia, doing business as Genedge Alliance, with Patrick and Henry Community College currently acting as fiscal agent. 2. Out of this appropriation, $1,086,350 the first year and $1,086,350 the second year from the general fund is designated for the A.L. Philpott Manufacturing Extension Partnership, with Patrick and Henry Community College currently acting as fiscal agent, for an ongoing match for a grant from the U.S. Department of Commerce to develop a manufacturer assistance program covering all of Virginia. C. It is the intent of the General Assembly that noncredit business and industry work-related training courses and programs offered by community colleges be funded at a ratio of 30 percent from the general fund and 70 percent from nongeneral funds. Out of this appropriation, $664,647 in the first year and $664,647 in the second year from the general fund is designated for this purpose. These funds may be combined with funds of $249,243 the first year and $249,243 the second year already included in the Virginia Community College System budget for the "Virginia Works" program. The funds will be allocated by formula to all colleges based on the number of individuals served by non-credit activities. D.1. As recommended by House Joint Resolution No. 622 (1997), the Joint Subcommittee				

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to Study Noncredit Education for Workforce Training in the Commonwealth, the Virginia Community College System is directed to establish one or more Institutes of Excellence responsible for development of statewide training programs to meet current, high demand workforce needs of the Commonwealth. Out of this appropriation, at least $664,647 the first year and $664,647 the second year from the general fund is available to support the Institutes of Excellence.

2. Under the guidance of the Virginia Board of Workforce Development, authorized in Title 2.2, Chapter 24, Article 24, Code of Virginia, the Virginia Community College System shall submit to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees by November 4 of each year a report detailing the financing, activities, accomplishments and plans for the Institutes of Excellence and the four workforce development centers, and outcomes of the appropriations for 23 workforce coordinators and for non-credit training. The report shall include, but not be limited to:

a. performance measures to be used to evaluate the effectiveness of the workforce coordinators at all 23 colleges;

b. detailed information on number of students trained, employers served and courses offered; the types of certifications awarded; and the participation by local governments and the public or private sector, and other data relevant to the activities of the four regional workforce development centers;

c. the number of students trained, employers served and courses offered through noncredit instruction, and the amounts of local government, public or private sector funding used to match this appropriation; and

d. the amount or percentage of private and public funding contributed for the institutes' programming and operating needs; the number of private and public partnerships involved in the institutes' programming; the number of faculty and colleges affected by the institutes' programming; and performance measures to be used to evaluate the sharing or broadcasting of information and new/improved/updated curricula to other Virginia Community College campuses.

E. Out of this appropriation, $1,196,820 and 23 positions the first year and $1,196,820 and 23 positions the second year from the general fund is provided for staff who will be responsible for coordinating workforce training in the campus service area. The staff will work with local business and industry to determine training needs, coordinate with local economic development personnel, the local workforce training council, and other providers. It is the General Assembly's intent that the Virginia Community College System maximize these positions by encouraging funding matches at the local level.

F. Out of this appropriation, $470,880 and four positions the first year and $470,880 and four positions the second year from the general fund is provided for four workforce training centers: the Peninsula Workforce Development Center (Virginia Peninsula Community College), $78,480 and one position the first year and $78,480 and one position the second year; the Regional Center for Applied Technology Training (Danville Community College), $156,960 and one position the first year and $156,960 and one position the second year; a Workforce Development Center at Paul D. Camp Community College, $156,960 and one position the first year and $156,960 and one position the second year; and the Central Virginia Manufacturing Technology Training Center in the Lynchburg area, $78,480 and one position the first year and $78,480 and one position the second year. Each center shall provide a 25 percent match prior to the release of state funding.

G. Out of this appropriation, $250,000 the first year and $250,000 the second year from the general fund is designated to continue the pre-hire immersion training program.

H. Out of this appropriation, $460,000 the first year and $460,000 the second year from the general fund is designated to support the veteran's credit for prior learning application.

I. Out of this appropriation, $104,950 the first year and $104,950 the second year from the general fund is designated to support career and technical education at Laurel Ridge Community College's Luray-Page County Center with a focus on healthcare and medical programs.

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J. Out of this appropriation, $310,000 the first year and $310,000 the second year from the general fund is designated to support a program between Virginia Western Community College, Botetourt County Public Schools, and local industry partners to meet the demand for mechatronic technicians. The program goal is to prepare 100 Mechatronic Engineering Technicians over five years using established career pathways with Botetourt County Public Schools and Virginia Western Community College and a sustainable faculty preparation program.

K. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is designated to support a program between Virginia Western Community College, Roanoke City Public Schools and local industry partners to create a Career Technical dual track program to allow high school students the opportunity to complete high school with both a diploma and a workforce credential / certificate.

L. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund is designated towards supporting a construction pre-hire immersion training program at two community colleges.

M. The Higher Education Operating fund source listed in this Item is considered to be a sum sufficient appropriation, which is an estimate of funding required by the university to cover workforce development program operations.

207.	Higher Education Auxiliary Enterprises (80900) a sum sufficient, estimated at			$33,821,317	$33,821,317
	Food Services (80910)	$1,238,576	$1,238,576		
	Bookstores And Other Stores (80920)	$4,447,297	$4,447,297		
	Parking And Transportation Systems And Services (80940)	$8,487,416	$8,487,416		
	Student Unions And Recreational Facilities (80970)	$19,648,028	$19,648,028		
	Fund Sources: Higher Education Operating	$17,710,554	$17,710,554		
	Debt Service	$16,110,763	$16,110,763		

Authority: Title 23.1, Chapter 29, Code of Virginia.

208. The appropriations in this section are for the following community colleges:

College I.D.	Community College	College I.D.	Community College
61	System Office	80	Northern Virginia
70	Shared Services Center	85	Patrick and Henry
91	Blue Ridge	77	Paul D. Camp
92	Central Virginia	82	Piedmont
87	Mountain Gateway	78	Rappahannock
79	Danville	76	Southside Virginia
84	Eastern Shore	94	Southwest Virginia
97	Germanna	93	Virginia Peninsula
83	J. Sargeant Reynolds	95	Tidewater
90	Brightpoint	96	Virginia Highlands
98	Laurel Ridge	86	Virginia Western
99	Mountain Empire	88	Wytheville
75	New River		

Total for Virginia Community College System			**$1,517,306,380**	**$1,494,470,380**
General Fund Positions	5,635.57	5,635.57		
Nongeneral Fund Positions	5,258.58	5,258.58		
Position Level	10,894.15	10,894.15		
Fund Sources: General	$774,323,596	$751,487,596		
Higher Education Operating	$726,872,021	$726,872,021		

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	Debt Service	$16,110,763	$16,110,763		

§ 1-65. VIRGINIA MILITARY INSTITUTE (211)

209.	Educational and General Programs (10000)			$63,014,340	$63,014,340
	Higher Education Instruction (100101)	$31,174,147	$31,174,147		
	Higher Education Public Services (100103)	$108,346	$108,346		
	Higher Education Academic (100104)	$2,764,800	$2,764,800		
	Higher Education Student Services (100105)	$4,667,870	$4,667,870		
	Higher Education Institutional Support (100106)	$12,532,054	$12,532,054		
	Operation and Maintenance Of Plant (100107)	$11,767,123	$11,767,123		
	Fund Sources: General	$26,392,833	$26,392,833		
	Higher Education Operating	$36,221,507	$36,221,507		
	Debt Service	$400,000	$400,000		

Authority: Title 23.1, Chapter 25, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals as described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

C. Resources determined by the State Council of Higher Education for Virginia to be uniquely military shall be excluded from the base adequacy funding guidelines.

D. 1. Out of this appropriation, $395,740 the first year and $395,740 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-1 A1 completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical Sciences (40);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. Virginia Military Institute is expected to maintain increases in:

a. Data Science and Technology awards of 5 annually over the base year.

b. Science and Engineering awards of 5 annually over the base year.

c. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairs of the House

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	Appropriations and Senate Finance and Appropriations Committees annually.				
	E. The 4-VA, a public-private partnership among George Mason University, James Madison University, the University of Virginia, Virginia Tech, Old Dominion University, Virginia Military Institute, Virginia Commonwealth University, the College of William and Mary, and CISCO Systems, Inc., utilizes emerging technologies to promote collaboration and resource sharing to increase access, reduce time to graduation and reduce unit cost while maintaining and enhancing quality. Instructional talent across the eight institutions is leveraged in the delivery of programs in foreign languages, science, technology, engineering and mathematics. The 4-VA Management Board can expand this partnership to additional institutions as appropriate to meet the goals of the 4-VA initiative. It is expected that funding will be pooled by the management board as required to support continuing efforts of the 4-VA priorities and projects.				
	F. Out of this appropriation, $3,120,387 the first year and $3,120,387 the second year from the general fund is designated to address the One Corps initiatives related to Title IX Coordination, the Commandant Staff, the Legal Affairs Office, Academic and Student Programs, Compliance and Reporting and Commemorations and Memorials as well as targeted staff salary compression issues.				
210.	Higher Education Student Financial Assistance (10800)			$6,295,388	$6,230,388
	Scholarships (10810)	$6,295,388	$6,230,388		
	Fund Sources: General	$1,695,388	$1,630,388		
	Higher Education Operating	$4,600,000	$4,600,000		
	Authority: Title 23.1, Chapter 25, § 23.1-2506, Code of Virginia.				
	A. Out of the amounts for Scholarships and Loans, the institute shall provide for State Cadetships and for discretionary student aid.				
	B. Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.				
211.	Financial Assistance For Educational and General Services (11000) a sum sufficient, estimated at			$894,898	$894,898
	Eminent Scholars (11001)	$200,000	$200,000		
	Sponsored Programs (11004)	$694,898	$694,898		
	Fund Sources: Higher Education Operating	$894,898	$894,898		
	Authority: Title 23.1, Chapter 25, Code of Virginia.				
212.	Unique Military Activities (11300)			$10,764,162	$10,764,162
	Fund Sources: General	$5,859,671	$5,859,671		
	Higher Education Operating	$4,904,491	$4,904,491		
	Authority: Discretionary Inclusion.				
	A.1. Personnel associated with performance of activities designated by the State Council of Higher Education for Virginia to be uniquely military shall be excluded from the calculation of employment guidelines.				
	2. It is the intent of the General Assembly that nonresident cadets receive the same general fund support in the Unique Military program as resident cadets.				
213.	Higher Education Auxiliary Enterprises (80900) a sum sufficient, estimated at			$30,418,510	$30,418,510
	Food Services (80910)	$7,497,369	$7,497,369		

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	Bookstores And Other Stores (80920)	$1,174,021	$1,174,021		
	Residential Services (80930)	$2,080,471	$2,080,471		
	Student Health Services (80960)	$232,440	$232,440		
	Student Unions And Recreational Facilities (80970)	$1,838,039	$1,838,039		
	Recreational And Intramural Programs (80980)	$955,874	$955,874		
	Other Enterprise Functions (80990)	$11,245,395	$11,245,395		
	Intercollegiate Athletics (80995)	$5,394,901	$5,394,901		
	Fund Sources: Higher Education Operating	$27,920,510	$27,920,510		
	Debt Service	$2,498,000	$2,498,000		
	Authority: Title 23.1, Chapter 25, Code of Virginia.				
	Total for Virginia Military Institute			**$111,387,298**	**$111,322,298**
	General Fund Positions	203.71	203.71		
	Nongeneral Fund Positions	292.06	292.06		
	Position Level	495.77	495.77		
	Fund Sources: General	$33,947,892	$33,882,892		
	Higher Education Operating	$74,541,406	$74,541,406		
	Debt Service	$2,898,000	$2,898,000		

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214.	Educational and General Programs (10000)			$1,143,052,520	$1,143,052,520
	Higher Education Instruction (100101)	$708,073,564	$708,073,564		
	Higher Education Research (100102)	$28,809,501	$28,809,501		
	Higher Education Public Services (100103)	$27,956,705	$27,956,705		
	Higher Education Academic (100104)	$119,712,694	$119,712,694		
	Higher Education Student Services (100105)	$32,896,558	$32,896,558		
	Higher Education Institutional Support (100106)	$117,034,517	$117,034,517		
	Operation and Maintenance Of Plant (100107)	$108,568,981	$108,568,981		
	Fund Sources: General	$293,152,596	$293,152,596		
	Higher Education Operating	$849,899,924	$849,899,924		

Authority: Title 23.1, Chapter 26, Code of Virginia.

A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).

B. Out of this appropriation shall be expended an amount estimated at $869,882 the first year and $869,882 the second year from the general fund and $436,357 the first year and $436,357 the second year from nongeneral funds are designated for the educational telecommunications project to provide graduate engineering education. For supplemental budget requests, the participating institutions and centers jointly shall submit a report in support of such requests to the State Council of Higher Education for Virginia for review and recommendation to the Governor and General Assembly.

C. Out of this appropriation, $301,219 the first year and $301,219 the second year from the general fund is designated to support the Marion duPont Scott Equine Center of the Virginia-Maryland Regional College of Veterinary Medicine.

D. Out of this appropriation, $225,588 the first year and $225,588 the second year from the general fund is designated to support tobacco research for medicinal purposes and field tests at sites in Blackstone and Abingdon.

E. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact

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of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

F. Out of this appropriation, $288,000 the first year and $288,000 the second year from the general fund is designated to develop a STEM Industry Internship program in partnership with the Virginia Space Grant Consortium, Virginia Regional Technology Councils and industry. The program will provide 75 undergraduate students across the Commonwealth an opportunity to centrally apply for real world work experience and provide Virginia's industries with access to qualified interns. Virginia Tech will partner with the Virginia Space Grant Consortium and work with Virginia's Regional Technology Councils who will serve as the program's conduit to industry, advertising the program and linking with interested industry partners.

G. The 4-VA, a public-private partnership among George Mason University, James Madison University, the University of Virginia, Virginia Tech, Old Dominion University, Virginia Military Institute, Virginia Commonwealth University, the College of William and Mary, and CISCO Systems, Inc., utilizes emerging technologies to promote collaboration and resource sharing to increase access, reduce time to graduation and reduce unit cost while maintaining and enhancing quality. Instructional talent across the eight institutions is leveraged in the delivery of programs in foreign languages, science, technology, engineering and mathematics. The 4-VA Management Board can expand this partnership to additional institutions as appropriate to meet the goals of the 4-VA initiative. It is expected that funding will be pooled by the management board as required to support continuing efforts of the 4-VA priorities and projects.

H. Out of this appropriation, $2,000,000 the first year and $2,000,000 the second year from the general fund is designated to support a cyber range platform to be used for cyber security training by students in Virginia's public high schools, community colleges, and four-year institutions. Virginia Tech shall form a consortium among participating institutions, and shall serve as the coordinating entity for use of the platform. The consortium should initially include all Virginia public institutions with a certification of academic excellence from the federal government.

I. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the management agreement between Virginia Polytechnic Institute and State University and the Commonwealth, as set forth in Chapters 933 and 943, of the 2006 Acts of Assembly.

J. 1. Out of this appropriation, $5,215,880 the first year and $5,215,880 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-1 A1 completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical Sciences (40);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. Virginia Tech is expected to maintain increases in:

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a. Data Science and Technology awards of 60 annually over the base year.

b. Science and Engineering awards of 100 annually over the base year.

c. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees annually.

K. The 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 and managed care directed payments to primary teaching hospitals affiliated with Virginia Tech Carilion School of Medicine. 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 Virginia Tech Carilion School of Medicine that are in excess of fair market value or that alleviate pre-existing financial burdens of the school. The Virginia Tech Carilion School of Medicine is authorized to use general fund dollars to accomplish this transfer. As part of interagency agreements, the department shall require the public entities to attest to compliance with applicable CMS criteria.

L. Out of this appropriation, $6,500,000 the first year and $6,500,000 the second year from the general fund is designated to support enrollment growth at the Virginia Tech Carilion School of Medicine (VTCSOM) to include the expansion of faculty and support staff, development of accelerated pathways to completion, and ability to provide for lower tuition for in-state students.

M. Out of this appropriation, $550,000 the first year and $550,000 the second year from the general fund is designated to increase the number of slots from 50 to 60 for Virginia students applying for admission for the Class of 2031 based on a recommendation from House Joint 43 (2024 General Assembly) to address the large animal veterinarians shortage.

215.	Higher Education Student Financial Assistance (10800)			$64,934,615	$63,597,615
	Scholarships (10810)	$57,689,790	$56,352,790		
	Fellowships (10820)	$7,244,825	$7,244,825		
	Fund Sources: General	$39,637,476	$38,300,476		
	Higher Education Operating	$25,297,139	$25,297,139		

Authority: Soil Scientist Scholarships: Title 23.1, Chapter 26, and § 23.1-615, Code of Virginia.,

A. Out of the amount for Scholarships, the following sums shall be made available from the general fund for:

1. Soil Scientist Scholarships, $11,000 the first year and $11,000 the second year.

2. Scholarships, internships, and graduate assistantships administered by the Multicultural Academic Opportunities Program at the university, $86,500 the first year and $86,500 the second year. Eligible students must have financial need and participate in an academic support program.

B. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the revenue collected to meet student financial aid needs, under the terms of the management agreement between the university and the Commonwealth as set forth in Chapters 933 and 943 of the 2006 Acts of Assembly.

C. Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.

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216.	Financial Assistance For Educational and General Services (11000)			$494,528,874	$494,528,874
	Sponsored Programs (11004)	$494,528,874	$494,528,874		
	Fund Sources: General	$10,388,544	$10,388,544		
	Higher Education Operating	$484,140,330	$484,140,330		

Authority: Title 23.1, Chapter 26, Code of Virginia.

A. Out of this appropriation, $2,388,544 the first year and $2,388,544 the second year from the general fund and $15,000,000 the first year and $15,000,000 the second year from nongeneral funds are designated to build research capacity in the areas of bioengineering, biomaterials and nanotechnology.

B. Virginia Polytechnic Institute and State University is authorized to establish a self-supporting "instructional enterprise" fund to account for the revenues and expenditures of the Institute for Distance and Distributed Learning (IDDL) classes offered to students at locations outside the Commonwealth of Virginia. Consistent with the self-supporting concept of an "enterprise fund," student tuition and fee revenues for IDDL students at locations outside Virginia shall exceed all direct and indirect costs of providing instruction to those students. The Board of Visitors shall set tuition and fee rates to meet this requirement and shall set other policies regarding the IDDL as may be appropriate. Revenue and expenditures of the fund shall be accounted for in such a manner as to be auditable by the Auditor of Public Accounts. As a part of this "instructional enterprise" fund Virginia Tech is authorized to establish a program in which Internet-based (on-line) courses, certificate, and entire degree programs, primarily at the graduate level, are offered to students in Virginia who are not enrolled for classes on the Blacksburg campus or one of the extended campus locations. Tuition generated by Virginia students taking these on-line courses and tuition from IDDL students at locations outside Virginia shall be retained in the fund to support the entire IDDL program and shall not be used by the state to offset other Educational and General costs. Revenues in excess of expenditures shall be retained in the fund to support the entire IDDL program. Full-time equivalent students generated through these programs shall be accounted for separately. Additionally, revenues which remain unexpended on the last day of the previous biennium and the last day of the first year of the current biennium shall be reappropriated and allotted for expenditure in the respective succeeding fiscal year.

C. 1. Out of this appropriation, $4,000,000 the first year and $4,000,000 the second year from the general fund is designated to support and enhance brain disorder research.

2. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the general fund is designated for the Fralin Biomedical Research Institute to research the efficacy of making electroencephalogram combined transcranial magnetic stimulation available for veterans, first responders, and law-enforcement officers.

D. The Higher Education Operating fund source listed in this Item is considered to be a sum sufficient appropriation, which is an estimate of funding required by the university to cover sponsored program operations.

E. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the general fund is designated for support of the Focused Ultrasound Research Program to support core programs and research activities. The funding in this paragraph supports the activities and research at Virginia Tech as designated by the Focused Ultrasound Foundation, including coordinated activities with the University of Virginia.

F. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund is designated to support the necessary staffing, equipment, and related services for the Potomac Aquifer Recharge Monitoring Laboratory established in § 62.1-274, Code of Virginia.

217.	Unique Military Activities (11300)			$3,649,074	$3,649,074
	Fund Sources: General	$3,649,074	$3,649,074		

Authority: Discretionary Inclusion.

ITEM 217.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	A.1. Personnel associated with performance of activities designated by the State Council of Higher Education for Virginia to be uniquely military shall be excluded from the calculation of employment guidelines.				
	2. It is the intent of the General Assembly that nonresident cadets receive the same general fund support in the Unique Military program as resident cadets.				
218.	Higher Education Auxiliary Enterprises (80900)				
	a sum sufficient, estimated at			$365,211,882	$365,211,882
	Food Services (80910)	$72,164,637	$72,164,637		
	Residential Services (80930)	$63,223,212	$63,223,212		
	Parking And Transportation Systems And Services (80940)	$16,730,997	$16,730,997		
	Telecommunications Systems And Services (80950)	$24,633,028	$24,633,028		
	Student Health Services (80960)	$13,922,026	$13,922,026		
	Student Unions And Recreational Facilities (80970)	$22,958,250	$22,958,250		
	Recreational And Intramural Programs (80980)	$10,495,077	$10,495,077		
	Other Enterprise Functions (80990)	$75,570,797	$75,570,797		
	Intercollegiate Athletics (80995)	$65,513,858	$65,513,858		
	Fund Sources: Higher Education Operating	$365,211,882	$365,211,882		
	Authority: Title 23.1, Chapter 26, Code of Virginia.				
	Total for Virginia Polytechnic Institute and State University			**$2,071,376,965**	**$2,070,039,965**
	General Fund Positions	1,890.53	1,890.53		
	Nongeneral Fund Positions	4,933.45	4,933.45		
	Position Level	6,823.98	6,823.98		
	Fund Sources: General	$346,827,690	$345,490,690		
	Higher Education Operating	$1,724,549,275	$1,724,549,275		
	Virginia Cooperative Extension and Agricultural Experiment Station (229)				
219.	Educational and General Programs (10000)			$116,861,722	$116,861,722
	Higher Education Research (100102)	$51,354,672	$51,354,672		
	Higher Education Public Services (100103)	$60,759,131	$60,759,131		
	Higher Education Academic (100104)	$876,745	$876,745		
	Operation and Maintenance Of Plant (100107)	$3,871,174	$3,871,174		
	Fund Sources: General	$96,603,603	$96,603,603		
	Higher Education Operating	$20,258,119	$20,258,119		
	Authority: Title 23.1,Chapter 26, Article 2 , Code of Virginia.				
	A. Appropriations for this agency shall include operating expenses for research and investigations, and the several regional and county agricultural experiment stations under its control, in accordance with law.				
	B.1. It is the intent of the General Assembly that the Cooperative Extension Service gives highest priority to programs and services which comprised the original mission of the Extension Service, especially agricultural programs at the local level. The university shall ensure that the service utilizes information technology to the extent possible in the delivery of programs.				
	2. The budget of this agency shall include and separately account for local payments. Virginia Polytechnic Institute and State University, in conjunction with Virginia State University, shall report, by fund source, actual expenditures for each program area and total actual expenditures for the agency, annually, by September 1, to the Department of Planning and Budget and the House Appropriations and Senate Finance Committees. The report shall include all expenditures from local support funds.				

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C. The Virginia Cooperative Extension and Agricultural Experiment Station shall not charge a fee for testing the soil on property used for commercial farming.				
D. It is the intent of the General Assembly that the general fund share for the Virginia Cooperative Extension and Agriculture Experiment Station shall be 95 percent.				
E. The appropriation for the fund source Higher Education Operating in this Item shall be considered a sum sufficient appropriation, which is an estimate of the amount of revenues to be collected for the educational and general program under the terms of the management agreement between Virginia Polytechnic Institute and State University and the Commonwealth, as set forth in Chapters 933 and 943, of the 2006 Acts of Assembly.				
Total for Virginia Cooperative Extension and Agricultural Experiment Station			**$116,861,722**	**$116,861,722**
General Fund Positions	731.24	731.24		
Nongeneral Fund Positions	388.27	388.27		
Position Level	1,119.51	1,119.51		
Fund Sources: General	$96,603,603	$96,603,603		
Higher Education Operating	$20,258,119	$20,258,119		
Grand Total for Virginia Polytechnic Institute and State University			**$2,188,238,687**	**$2,186,901,687**
General Fund Positions	2,621.77	2,621.77		
Nongeneral Fund Positions	5,321.72	5,321.72		
Position Level	7,943.49	7,943.49		
Fund Sources: General	$443,431,293	$442,094,293		
Higher Education Operating	$1,744,807,394	$1,744,807,394		
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220. Educational and General Programs (10000)			$144,113,605	$142,113,605
Higher Education Instruction (100101)	$94,471,348	$92,471,348		
Higher Education Research (100102)	$2,329,861	$2,329,861		
Higher Education Public Services (100103)	$120,462	$120,462		
Higher Education Academic (100104)	$8,468,215	$8,468,215		
Higher Education Student Services (100105)	$9,868,347	$9,868,347		
Higher Education Institutional Support (100106)	$19,727,176	$19,727,176		
Operation and Maintenance Of Plant (100107)	$9,128,196	$9,128,196		
Fund Sources: General	$95,100,426	$93,100,426		
Higher Education Operating	$49,013,179	$49,013,179		
Authority: Title 23.1, Chapter 27, Code of Virginia.				
A. This Item includes general and nongeneral fund appropriations to support institutional initiatives that help meet statewide goals described in the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Chapters 933 and 945, 2005 Acts of Assembly).				
B.1. Out of this appropriation, $3,790,639 the first year and $3,790,639 the second year from the general fund is designated for continued enhancement of the existing Bachelor of Science academic programs in Computer Science, Manufacturing Engineering, Computer Engineering, Mass Communications and Criminal Justice, and the doctoral program in Education.				
2. Out of this appropriation, $37,500 the first year and $37,500 the second year from the general fund is provided to serve in lieu of endowment income for the Eminent Scholars Program.				
3. Any unexpended balances in paragraphs B.1. and B.2. in this Item at the close of business on June 30 each year shall not revert to the surplus of the general fund but shall				

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be carried forward on the books of the State Comptroller and reappropriated in the succeeding year. Virginia State University may expend any prior year end balances to support its educational and general activities or its auxiliary enterprise activities.

C. This appropriation includes $200,000 the first year and $200,000 the second year from the general fund to increase the number of faculty with terminal degrees to at least 85 percent of the total teaching faculty.

D. Out of this appropriation, Virginia State University is authorized to use up to $600,000 the first year and $600,000 the second year from the general fund to address extremely critical deferred maintenance deficiencies in its facilities, including residence halls and dining facilities.

E. As Virginia's public colleges and universities approach full funding of the base adequacy guidelines and as the General Assembly strives to fully fund the general fund share of the base adequacy guidelines, these funds are provided with the intent that, in exercising their authority to set tuition and fees, the Board of Visitors shall take into consideration the impact of escalating college costs for Virginia students and families. In accordance with the cost-sharing goals set forth in § 4-2.01 b. of this act, the Board of Visitors is encouraged to limit increases on tuition and mandatory educational and general fees for in-state, undergraduate students to the extent possible.

F. Out of this appropriation, $1,300,000 the first year and $1,300,000 the second year from the general fund is designated to support the Manufacturing Engineering and Logistics Technology program.

G. 1. Out of this appropriation, $480,710 the first year and $480,710 the second year from the general fund is designated to address increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education.

2. Degree production shall be measured for Bachelors, Masters, Doctorates and First Professional awards as follows:

a. Data Science and Technology awards shall be based on completion data contained in the State Council of Higher Education for Virginia, C-16 completion report;

b. Science and Engineering awards shall be based on completion data contained in the State Council of Higher Education for Virginia (SCHEV), C-1 A1 completion report for the following programs Biological and Biomedical Science (26), Engineering (14) less those already counted in paragraph 2 a., Engineering Technologies (15), and Physical Sciences (40);

c. Healthcare awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Health Professions and Related Programs (51); and

d. Education awards shall be based on completion data contained in the SCHEV C-1 A1 completion report for the Education Programs (13).

3. Virginia State University is expected to maintain increases in:

a. Data Science and Technology awards of 5 annually over the base year.

b. Science and Engineering awards of 5 annually over the base year.

c. Education awards of 5 annually over the base year.

d. The 2016-17 year will serve as the base year for these purposes.

4. SCHEV shall report on the progress toward these goals to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees annually.

H. Out of this appropriation, an amount estimated at $299,286 the first year and $299,286 the second year from the general fund and $224,464 the first year and $224,464 the second year from nongeneral funds are designated for the educational telecommunications project to provide graduate engineering education. For supplemental budget requests, the participating institutions and centers jointly shall submit a report in support of such requests to the State Council of Higher Education for Virginia for review and recommendation to the Governor

ITEM 220.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
and General Assembly.				
I. Out of this appropriation, $12,500,000 the first year and $12,500,000 the second year from the general fund is designated for Virginia State University, in partnership with Norfolk State University, to collaborate with Virginia Union University and Hampton University and various localities throughout the Commonwealth to (a) create Minority Small Business Launch and Innovation Centers that support entrepreneurship customized to minority community needs, (b) improve health outcomes of vulnerable and marginalized populations in their surrounding localities through research, education, workforce development and outreach, (c) expand and upgrade broadband and technology in order to close the digital divide and provide students with additional tech job training, (d) actively engage with local public school districts to provide opportunities and awareness of post-secondary programs and curriculum, (e) initiate a pilot program to provide workforce credentials in the healthcare and trade sectors, and (f) support the creation of an HBCU NoVA Campus by establishing an off-campus instruction site at Northern Virginia Community College in order to provide an opportunity to expand the HBCU presence in Northern Virginia, and access and opportunity to an increasing population of students seeking a four-year degree.				
221. Higher Education Student Financial Assistance (10800)			$34,144,878	$33,516,878
Scholarships (10810)	$33,537,519	$32,909,519		
Fellowships (10820)	$607,359	$607,359		
Fund Sources: General	$27,547,851	$26,919,851		
Higher Education Operating	$6,597,027	$6,597,027		
Authority: Title 23.1, Chapter 27, Code of Virginia.				
A. Up to 15 percent of the funding in this item may be used to support Virginia Guaranteed Assistance Program eligible students for (1) priority funding who are enrolled in Data Science and Technology, Science and Engineering, Healthcare and Education programs and (2) as a grant for students in innovative internship programs provided that the institutions has at least one private sector partner and the grant is matched equally by the partner with non-state funding and / or the institution from private funds.				
B. 1. Out of this appropriation up to $7,222,765 the first year and $7,222,765 the second year from the general fund is provided for an affordability program to offer financial assistance to Virginia students who are Pell grant eligible, meet university admissions requirements, and live within a 45 mile radius of the university. The program is designed to address regional needs relating to access and completion. Funds shall be used to provide last dollar or reduced tuition and fees to students for up to 150 percent of required credits to complete a certificate or degree. Priority shall be placed on students from Matoaca, Petersburg, and Colonial Heights high schools, and remaining funds may be used for room and board if available. It is the intention that the program may include up to 300 students total at any one time. In the first and second year, in the event that financial aid remains available after recruiting new students for fall semester, the remaining financial aid may be used to fund current students who meet the criteria and/or for eligible new students that enroll in the spring semester.				
2. As part of the six-year plan process, the university shall submit an annual report of the program that includes number of students served, average financial need of students, total expenditures, average award per student, retention and completion rates, other student outcomes as defined by the university, and planned outcomes for the upcoming year.				
222. Financial Assistance For Educational and General Services (11000) a sum sufficient, estimated at			$46,638,161	$46,638,161
Sponsored Programs (11004)	$46,638,161	$46,638,161		
Fund Sources: Higher Education Operating	$46,638,161	$46,638,161		
Authority: Title 23.1, Chapter 27, Code of Virginia.				

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223.	Higher Education Auxiliary Enterprises (80900) a sum sufficient, estimated at			$77,715,794	$77,715,794
	Food Services (80910)	$17,489,606	$17,489,606		
	Bookstores And Other Stores (80920)	$1,451,001	$1,451,001		
	Residential Services (80930)	$27,444,870	$27,444,870		
	Parking And Transportation Systems And Services (80940)	$767,467	$767,467		
	Telecommunications Systems And Services (80950)	$115,000	$115,000		
	Student Health Services (80960)	$1,046,036	$1,046,036		
	Student Unions And Recreational Facilities (80970)	$3,278,662	$3,278,662		
	Other Enterprise Functions (80990)	$13,205,300	$13,205,300		
	Intercollegiate Athletics (80995)	$12,917,852	$12,917,852		
	Fund Sources: Higher Education Operating	$67,383,249	$67,383,249		
	Debt Service	$10,332,545	$10,332,545		
	Authority: Title 23.1, Chapter 27, Code of Virginia.				
	Total for Virginia State University			**$302,612,438**	**$299,984,438**
	General Fund Positions	391.47	391.47		
	Nongeneral Fund Positions	489.89	489.89		
	Position Level	881.36	881.36		
	Fund Sources: General	$122,648,277	$120,020,277		
	Higher Education Operating	$169,631,616	$169,631,616		
	Debt Service	$10,332,545	$10,332,545		
	Cooperative Extension and Agricultural Research Services (234)				
224.	Educational and General Programs (10000)			$21,796,772	$21,796,772
	Higher Education Research (100102)	$8,934,031	$8,934,031		
	Higher Education Public Services (100103)	$12,078,202	$12,078,202		
	Higher Education Institutional Support (100106)	$95,163	$95,163		
	Operation and Maintenance Of Plant (100107)	$689,376	$689,376		
	Fund Sources: General	$10,075,853	$10,075,853		
	Higher Education Operating	$11,720,919	$11,720,919		
	Authority: Title 23.1, Chapter 27, § 23.1-2704				
	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. 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.				
	C. 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			**$21,796,772**	**$21,796,772**
	General Fund Positions	58.75	58.75		
	Nongeneral Fund Positions	86.00	86.00		
	Position Level	144.75	144.75		
	Fund Sources: General	$10,075,853	$10,075,853		
	Higher Education Operating	$11,720,919	$11,720,919		

ITEM 224.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Grand Total for Virginia State University			**$324,409,210**	**$321,781,210**
	General Fund Positions	450.22	450.22		
	Nongeneral Fund Positions	575.89	575.89		
	Position Level	1,026.11	1,026.11		
	Fund Sources: General	$132,724,130	$130,096,130		
	Higher Education Operating	$181,352,535	$181,352,535		
	Debt Service	$10,332,545	$10,332,545		

§ 1-68. FRONTIER CULTURE MUSEUM OF VIRGINIA (239)

225.	Museum and Cultural Services (14500)			$4,051,103	$4,051,103
	Collections Management and Curatorial Services (14501)	$83,354	$83,354		
	Education and Extension Services (14503)	$1,475,777	$1,475,777		
	Operational and Support Services (14507)	$2,491,972	$2,491,972		
	Fund Sources: General	$3,217,613	$3,217,613		
	Special	$833,490	$833,490		

Authority: Title 23.1, Chapter 32, Article 2, Code of Virginia.

A. Any revenue generated by the Frontier Culture Museum of Virginia from the development of its properties pursuant to § 23.1-3203, Code of Virginia, may be retained by the museum to support agency operations. Such revenues shall be deposited into a special fund which shall be created on the books of the State Comptroller. Amounts in this fund shall be appropriated consistent with the provisions of this act.

B. The Governor may authorize the conveyance of any interest in property or improvements thereon held by the Commonwealth to the American Frontier Culture Foundation.

	Total for Frontier Culture Museum of Virginia			**$4,051,103**	**$4,051,103**
	General Fund Positions	22.50	22.50		
	Nongeneral Fund Positions	15.00	15.00		
	Position Level	37.50	37.50		
	Fund Sources: General	$3,217,613	$3,217,613		
	Special	$833,490	$833,490		

§ 1-69. GUNSTON HALL (417)

226.	Museum and Cultural Services (14500)			$1,788,907	$1,788,907
	Education and Extension Services (14503)	$369,202	$369,202		
	Operational and Support Services (14507)	$1,419,705	$1,419,705		
	Fund Sources: General	$1,555,364	$1,555,364		
	Special	$233,543	$233,543		

Authority: Title 23.1, Chapter 32, Article 3, Code of Virginia.

Notwithstanding any other provision of law, any revenue generated by Gunston Hall from the development of its properties to support wireless communication infrastructure may be retained by the agency to support agency operations. Such revenues shall be deposited into a special fund. Amounts in this fund shall be appropriated consistent with the provisions of this act.

	Total for Gunston Hall			**$1,788,907**	**$1,788,907**
	General Fund Positions	12.00	12.00		
	Nongeneral Fund Positions	3.00	3.00		
	Position Level	15.00	15.00		

ITEM 226.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Fund Sources: General	$1,555,364	$1,555,364		
	Special	$233,543	$233,543		

§ 1-70. JAMESTOWN-YORKTOWN FOUNDATION (425)

227.	Museum and Cultural Services (14500)			$23,606,456	$23,606,456
	Collections Management and Curatorial Services (14501)	$851,126	$851,126		
	Education and Extension Services (14503)	$9,334,266	$9,334,266		
	Operational and Support Services (14507)	$13,421,064	$13,421,064		
	Fund Sources: General	$13,663,630	$13,663,630		
	Special	$9,942,826	$9,942,826		

Authority: Title 23.1, Chapter 32, Article 4, Code of Virginia.

A. Out of the amounts for Operational and Support Services, the Director is authorized to expend from special funds amounts not to exceed $3,500 the first year and $3,500 the second year for entertainment expenses commonly borne by businesses. Such expenses shall be recorded separately by the agency.

B. With the prior written approval of the Director, Department of Planning and Budget, nongeneral fund revenues which are unexpended by the end of the fiscal year may be paid to the Jamestown-Yorktown Foundation, Inc. for the specific purposes determined by the Board of Trustees in support of Foundation programs.

C. It is the intent of the General Assembly that the Jamestown-Yorktown Foundation be authorized to fill all positions authorized in this act and all part-time (wage) positions funded in this act, notwithstanding § 4-7.01 of this act.

	Total for Jamestown-Yorktown Foundation			**$23,606,456**	**$23,606,456**
	General Fund Positions	113.00	113.00		
	Nongeneral Fund Positions	63.00	63.00		
	Position Level	176.00	176.00		
	Fund Sources: General	$13,663,630	$13,663,630		
	Special	$9,942,826	$9,942,826		

§ 1-71. THE LIBRARY OF VIRGINIA (202)

228.	Archives Management (13700)			$12,898,916	$12,898,916
	Management of Public Records (13701)	$1,314,634	$1,314,634		
	Management of Archival Records (13702)	$2,570,841	$2,570,841		
	Historical and Cultural Publications (13703)	$806,859	$806,859		
	Archival Research Services (13704)	$1,502,115	$1,502,115		
	Conservation-Preservation of Historic Records (13705)	$892,422	$892,422		
	Circuit Court Record Preservation (13706)	$5,812,045	$5,812,045		
	Fund Sources: General	$4,172,832	$4,172,832		
	Special	$8,395,627	$8,395,627		
	Federal Trust	$330,457	$330,457		

Authority: Title 42.1, Chapters 1 and 7, Code of Virginia.

A. The Librarian of Virginia shall report annually to the Secretary of Education on progress in the processing and preserving of circuit court records.

B. The Librarian of Virginia and the State Archivist shall conduct an annual study of The Library of Virginia's archival preservation needs and priorities, and shall report annually by December 1 to the Governor and the Chairs of the Senate Finance and Appropriations and House Appropriations Committees of the General Assembly on The Library of Virginia's progress to date in reducing its archival backlog.

ITEM 228.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
229.	Statewide Library Services (14200)			$7,180,738	$7,180,738
	Cooperative Library Services (14201)	$2,651,222	$2,651,222		
	Consultation to Libraries (14203)	$795,589	$795,589		
	Research Library Services (14206)	$3,733,927	$3,733,927		
	Fund Sources: General	$3,690,980	$3,690,980		
	Special	$289,574	$289,574		
	Federal Trust	$3,200,184	$3,200,184		
	Authority: Title 42.1, Chapters 1 and 3, Code of Virginia.				
	A. It is the intent of the General Assembly to continue to provide electronic resources for public libraries and to provide universal access to all citizens of the Commonwealth. First priority shall be the ability to access the Internet in local public libraries.				
	B. Any balances remaining from the general fund appropriation in Item 226 B. of Chapter 725, 2025 Acts of Assembly for the Print Collections Inventory Control Project that are unspent at the end of the fiscal year shall not revert to the general fund, but shall be carried forward and reappropriated for the same purpose.				
230.	Financial Assistance for Educational, Cultural, Community, and Artistic Affairs (14300)			$28,429,726	$28,429,726
	State Formula Aid for Local Public Libraries (14301)	$28,429,726	$28,429,726		
	Fund Sources: General	$28,429,726	$28,429,726		
	Authority: Title 42.1, Chapter 3, Code of Virginia.				
	A. It is the objective of the Commonwealth that all local public libraries receiving state aid provide access to their patrons to worldwide electronic information on the Internet. It is the intent of the General Assembly that local public libraries receiving state aid invest in the technology necessary to provide or enhance this service.				
	B. Included in this appropriation is $190,070 the first year and $190,070 the second year from the general fund to supplement the state formula aid distribution provided in Title 42.1, Code of Virginia, for Fairfax Public Library System.				
	C. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the general fund of the total amounts for aid to libraries may be used for summer reading materials and programs or for STEAM instructional materials.				
	D. It is the objective of the Commonwealth to fully fund the state formula for state aid to local libraries.				
231.	Administrative and Support Services (19900)			$14,463,164	$14,463,164
	General Management and Direction (19901)	$5,100,353	$5,100,353		
	Information Technology Services (19902)	$4,998,554	$4,998,554		
	Physical Plant Services (19915)	$4,364,257	$4,364,257		
	Fund Sources: General	$12,155,984	$12,155,984		
	Special	$1,264,090	$1,264,090		
	Federal Trust	$1,043,090	$1,043,090		
	Authority: Title 42.1, Chapter 1, Code of Virginia.				
	A. In the event that any budget reduction actions are required, the Director, Department of Planning and Budget, shall exclude from any reduction target calculations the rent plan included in the Library of Virginia budget.				
	B. Out of this appropriation, $1,436,000 the first year and $1,436,000 the second year from the general fund is provided to support the cost of fees incurred from necessary information technology services that are out of scope of the Virginia Information and Technologies Agency.				

ITEM 231.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Total for The Library Of Virginia			**$62,972,544**	**$62,972,544**
	General Fund Positions	143.09	143.09		
	Nongeneral Fund Positions	63.91	63.91		
	Position Level	207.00	207.00		
	Fund Sources: General	$48,449,522	$48,449,522		
	Special	$9,949,291	$9,949,291		
	Federal Trust	$4,573,731	$4,573,731		

§ 1-72. THE SCIENCE MUSEUM OF VIRGINIA (146)

232.	Museum and Cultural Services (14500)			$17,297,822	$17,697,822
	Education and Extension Services (14503)	$6,116,083	$6,116,083		
	Operational and Support Services (14507)	$11,181,739	$11,581,739		
	Fund Sources: General	$8,405,325	$8,805,325		
	Special	$8,222,497	$8,222,497		
	Enterprise	$420,000	$420,000		
	Federal Trust	$250,000	$250,000		

Authority: Title 23.1, Chapter 32, Article 5, Code of Virginia.

A. This appropriation from the general fund shall be in addition to any appropriation from nongeneral funds, notwithstanding any contrary provisions in this act.

B. Out of this appropriation, $351,314 the first year and $351,314 the second year from the general fund is designated for debt service costs for payments under the Master Equipment Lease Program (MELP) for the purchase of new equipment for the Dome.

C. Out of this appropriation, $150,000 the first year and $150,000 the second year is provided to pilot a STEM partnership between the Science Museum of Virginia, the Virginia Air and Space Center, and the Virginia Living Museum for programs that promote achievement for K-12 students in Hampton Roads and across the state, leveraging technology in the vital STEM component of the workforce pipeline.

D. Purchase of items for resale at retail outlets and food services operations open to the public operated by the Science Museum of Virginia shall be exempt from the provisions of the Virginia Public Procurement Act (§ 2.2-4300 et. seq.) of the Code of Virginia. However, such purchase procedures shall provide for competition where practicable.

	Total for The Science Museum of Virginia			**$17,297,822**	**$17,697,822**
	General Fund Positions	72.84	72.84		
	Nongeneral Fund Positions	39.16	39.16		
	Position Level	112.00	112.00		
	Fund Sources: General	$8,405,325	$8,805,325		
	Special	$8,222,497	$8,222,497		
	Enterprise	$420,000	$420,000		
	Federal Trust	$250,000	$250,000		

§ 1-73. VIRGINIA MUSEUM OF NATURAL HISTORY (942)

233.	Museum and Cultural Services (14500)			$4,437,772	$4,437,772
	Collections Management and Curatorial Services (14501)	$304,335	$304,335		
	Education and Extension Services (14503)	$347,174	$347,174		
	Operational and Support Services (14507)	$2,737,554	$2,737,554		
	Scientific Research (14508)	$1,048,709	$1,048,709		
	Fund Sources: General	$3,782,634	$3,782,634		
	Special	$559,542	$559,542		
	Federal Trust	$95,596	$95,596		

ITEM 233.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Authority: Title 10.1, Chapter 20, Code of Virginia.				
	Total for Virginia Museum of Natural History			**$4,437,772**	**$4,437,772**
	General Fund Positions	41.00	41.00		
	Nongeneral Fund Positions	10.50	10.50		
	Position Level	51.50	51.50		
	Fund Sources: General	$3,782,634	$3,782,634		
	Special	$559,542	$559,542		
	Federal Trust	$95,596	$95,596		
	§ 1-74. VIRGINIA COMMISSION FOR THE ARTS (148)				
234.	Financial Assistance for Educational, Cultural, Community, and Artistic Affairs (14300)			$5,430,398	$5,430,398
	Financial Assistance to Cultural Organizations (14302)	$5,025,463	$5,025,463		
	Administration of Grants for Cultural and Artistic Affairs (14307)	$404,935	$404,935		
	Fund Sources: General	$4,590,172	$4,590,172		
	Dedicated Special Revenue	$11,000	$11,000		
	Federal Trust	$829,226	$829,226		
	Authority: Title 23.1, Chapter 32, Article 7, Code of Virginia. A. In the allocation of grants to arts organizations, the Commission shall give preference to the performing arts. B. It is the objective of the Commonwealth to fund the Virginia Commission for the Arts at an amount that equals one dollar for each resident of Virginia. C. Any unexpended balance in this item at the close of business on June 30 each year shall not revert to the general fund, but shall be carried forward and reappropriated.				
235.	Museum and Cultural Services (14500)			$959,547	$959,547
	Operational and Support Services (14507)	$959,547	$959,547		
	Fund Sources: General	$817,627	$817,627		
	Federal Trust	$141,920	$141,920		
	Authority: Title 23.1, Chapter 32, Article 7, Code of Virginia. A. Any unexpended balance in this item at the close of business on June 30 each year shall not revert to the general fund, but shall be carried forward and reappropriated.				
	Total for Virginia Commission for the Arts			**$6,389,945**	**$6,389,945**
	General Fund Positions	6.00	6.00		
	Position Level	6.00	6.00		
	Fund Sources: General	$5,407,799	$5,407,799		
	Dedicated Special Revenue	$11,000	$11,000		
	Federal Trust	$971,146	$971,146		
	§ 1-75. VIRGINIA MUSEUM OF FINE ARTS (238)				
236.	Museum and Cultural Services (14500)			$50,031,787	$50,060,735
	Collections Management and Curatorial Services (14501)	$9,828,777	$9,828,777		
	Education and Extension Services (14503)	$10,237,000	$10,237,000		
	Operational and Support Services (14507)	$29,966,010	$29,994,958		
	Fund Sources: General	$14,586,921	$14,586,921		

ITEM 236.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Special	$6,452,595	$6,452,595		
	Enterprise	$7,479,910	$7,479,910		
	Dedicated Special Revenue	$21,262,361	$21,291,309		
	Federal Trust	$250,000	$250,000		

Authority: Title 23.1, Chapter 32, Article 6, Code of Virginia.

A. The appropriation in this Item from the general fund shall be in addition to any appropriation from nongeneral funds, notwithstanding any contrary provision of this act.

B. Nongeneral fund revenues included in this Item under Dedicated Special Revenue will be restricted for the uses specified by the donors and shall not be subject to interagency transfers or appropriation reductions.

C. The Comptroller of Virginia shall establish a special revenue account fund detail code for nongeneral funds donated to the Virginia Museum of Fine Arts by private donors and volunteers who sponsor fundraising activities to support the museum's general operations, exhibitions, and programs, and entertainment expenses commonly borne by businesses. Such expenses shall be recorded separately by the museum.

D. Out of this appropriation, $158,513 in the first year and $158,513 in the second year from the general fund is provided to cover the service fee in lieu of taxes levied by the City of Richmond.

E. Purchase of items for resale at retail outlets and food services operations open to the public operated by the Virginia Museum of Fine Arts shall be exempt from the provisions of the Virginia Public Procurement Act (§ 2.2-4300 et. seq.) of the Code of Virginia. However, such purchase procedures shall provide for competition where practicable.

Total for Virginia Museum of Fine Arts			**$50,031,787**	**$50,060,735**
General Fund Positions	141.50	141.50		
Nongeneral Fund Positions	212.00	212.00		
Position Level	353.50	353.50		
Fund Sources: General	$14,586,921	$14,586,921		
Special	$6,452,595	$6,452,595		
Enterprise	$7,479,910	$7,479,910		
Dedicated Special Revenue	$21,262,361	$21,291,309		
Federal Trust	$250,000	$250,000		

§ 1-76. WEST PIEDMONT HIGHER EDUCATION CENTER (938)

237.	Administrative and Support Services (19900)			$4,782,454	$4,782,454
	Operation of Higher Education Centers (19931)	$4,782,454	$4,782,454		
	Fund Sources: General	$3,185,419	$3,185,419		
	Special	$1,597,035	$1,597,035		

Authority: Title 23.1, Chapter 31, Article 4, Code of Virginia.

A. It is the intent of the General Assembly that the West Piedmont Higher Education Center, the Institute for Advanced Learning and Research, and the Southern Virginia Higher Education Center coordinate their activities, both instructional and research, to the maximum extent possible to best meet the needs of the citizens of the region, to ensure effective utilization of resources, and to avoid unnecessary duplication. The three entities shall report annually by October 1 to the Secretary of Education and the State Council of Higher Education and the Department of Planning and Budget on their joint efforts in this regard.

B. The requirements of § 4-5.05 shall not apply to this appropriation.

C. Notwithstanding any other provision of law, West Piedmont Higher Education Center is authorized to retain the income generated by the rental of space at the Building on Baldwin in Martinsville, VA to outside entities.

ITEM 237.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	D. That at the completion of the reconstitution of New College Institute as West Piedmont Higher Education Center (the Center), the board of directors of the Center, in collaboration with representatives of GO Virginia Region 3, the Institute for Advanced Learning and Research, Patrick & Henry Community College, local school boards, and major regional employers, shall develop a sustainability plan, including a comprehensive strategic plan and customer recruitment and expansion strategy, to provide higher education degree and certification programs in accordance with its mission. The board of directors of the Center shall review options to achieve the goals stated in such plan and shall report on such options to the Governor, the Chair of the Senate Committee on Finance and Appropriations, and the Chair of the House Committee on Appropriations no later than August 1, 2027.				
	Total for West Piedmont Higher Education Center			**$4,782,454**	**$4,782,454**
	General Fund Positions	23.00	23.00		
	Nongeneral Fund Positions	6.00	6.00		
	Position Level	29.00	29.00		
	Fund Sources: General	$3,185,419	$3,185,419		
	Special	$1,597,035	$1,597,035		
	§ 1-77. INSTITUTE FOR ADVANCED LEARNING AND RESEARCH (885)				
238.	Economic Development Services (53400)			$8,246,322	$8,246,322
	Regional Research, Technology, Education, and Commercialization Services (53421)	$8,246,322	$8,246,322		
	Fund Sources: General	$8,246,322	$8,246,322		
	Authority: Title 23.1, Chapter 31, Article 3, Code of Virginia.				
	A. It is the intent of the General Assembly that the Institute for Advanced Learning and Research, the New College Institute, and the Southern Virginia Higher Education Center coordinate their activities, both instructional and research, to the maximum extent possible to best meet the needs of the citizens of the region, to ensure effective utilization of resources, and to avoid unnecessary duplication. The three entities shall report annually by October 1 to the Secretary of Education and the State Council of Higher Education on their joint efforts in this regard.				
	B. The requirements of § 4-5.05 shall not apply to this appropriation.				
	C. This Item includes no funds for the agency's use of leased property for engagement activities.				
	Total for Institute for Advanced Learning and Research			**$8,246,322**	**$8,246,322**
	Fund Sources: General	$8,246,322	$8,246,322		
	§ 1-78. ROANOKE HIGHER EDUCATION AUTHORITY (935)				
239.	Administrative and Support Services (19900)			$3,123,651	$3,123,651
	Operation of Higher Education Centers (19931)	$3,123,651	$3,123,651		
	Fund Sources: General	$3,123,651	$3,123,651		
	Authority: Title 23.1, Chapter 31, Article 5, Code of Virginia.				
	A. The requirements of § 4-5.05 shall not apply to this appropriation.				
	Total for Roanoke Higher Education Authority			**$3,123,651**	**$3,123,651**
	Fund Sources: General	$3,123,651	$3,123,651		
	§ 1-79. SOUTHERN VIRGINIA HIGHER EDUCATION CENTER (937)				

ITEM 240.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
240.	Administrative and Support Services (19900)			$7,872,330	$7,872,330
	Operation of Higher Education Centers (19931)	$7,872,330	$7,872,330		
	Fund Sources: General	$6,127,082	$6,127,082		
	Special	$1,745,248	$1,745,248		

Authority: Title 23.1, Chapter 31, Article 6, Code of Virginia.

A. It is the intent of the General Assembly that the Southern Virginia Higher Education Center, the Institute for Advanced Learning and Research, and the New College Institute coordinate their activities, both instructional and research, to the maximum extent possible to best meet the needs of the citizens of the region, to ensure effective utilization of resources, and to avoid unnecessary duplication. The three entities shall report annually by October 1 to the Secretary of Education and the State Council of Higher Education for Virginia on their joint efforts in this regard.

B. Out of this appropriation, $139,633 the first year and $139,633 the second year from the general fund is designated for the educational telecommunications project to provide graduate engineering education. For supplemental budget requests, the participating institutions and centers jointly shall submit a report in support of such requests to the State Council of Higher Education for Virginia for review and recommendation to the Governor and the General Assembly.

C. Out of this appropriation, $266,000 and four positions the first year and $266,000 and four positions the second year from the general fund is designated for operational support of the Southern Virginia Higher Education Center and its efforts to provide STEM programs and specialized workforce training to the citizens of Southside Virginia.

D. Out of this appropriation, $731,250 and eight positions the first year and $731,250 and eight positions the second year from the general fund and $782,100 and 3.5 positions the first year and $782,100 and 3.5 positions the second year from nongeneral funds are designated to maintain workforce advancement programs in the areas of health care, manufacturing, information technology, and STEM that were originally established through short-term grants in order to expand the credentials-to-career pipeline for key industry sectors in Southside Virginia.

E. Out of this appropriation, $394,125 and six positions the first year and $394,125 and six positions the second year from the general fund and $233,375 the first year and $233,375 the second year from nongeneral funds are designated for the staff and operational costs associated with the Career Tech Academy, providing automation and robotics technical training to high school students from the counties of Charlotte, Halifax, and Mecklenburg.

F. The Southern Virginia Higher Education Center is authorized to provide specialized workforce training consistent with grant agreements and memoranda of understanding with employers that existed as of January 1, 2016. The center will seek opportunities to collaborate with local community colleges in meeting the continuing goals of these programs and on new training needs identified by employers. If the local community colleges are unable to meet the training needs identified by employers, then the center is authorized to seek other education providers or to offer specialized workforce training independent of the local community colleges.

G. The requirements of § 4-5.05 shall not apply to this appropriation.

Total for Southern Virginia Higher Education Center.			**$7,872,330**	**$7,872,330**
General Fund Positions	44.30	44.30		
Nongeneral Fund Positions	29.50	29.50		
Position Level	73.80	73.80		
Fund Sources: General	$6,127,082	$6,127,082		
Special	$1,745,248	$1,745,248		

§ 1-80. SOUTHWEST VIRGINIA HIGHER EDUCATION CENTER (948)

241.	Administrative and Support Services (19900)			$5,956,152	$5,956,152

ITEM 241.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	General Management and Direction (19901)	$46,831	$46,831		
	Operation of Higher Education Centers (19931)	$5,909,321	$5,909,321		
	Fund Sources: General	$4,660,883	$4,660,883		
	Special	$1,295,269	$1,295,269		

Authority: Title 23.1, Chapter 31, Article 7, Code of Virginia.

A. The board of trustees of the Southwest Virginia Higher Education Center may establish and administer agreements with out-of-state institutions certified to operate in Virginia pursuant to § 23.1-219 Code of Virginia for such institutions to provide undergraduate-level and graduate-level instructional programs at the Center.

B. Out of the appropriation for this item, $1,500,000 the first year and $1,500,000 the second year from the general fund shall be deposited to the Virginia Rural Information Technology Apprenticeship Grant Fund, as established in § 23.1-3129.1 Code of Virginia, for the purpose of awarding grants on a competitive basis from the Fund to small, rural information technology businesses in qualifying localities to establish apprenticeship programs.

	Total for Southwest Virginia Higher Education Center			**$5,956,152**	**$5,956,152**
	General Fund Positions	30.00	30.00		
	Nongeneral Fund Positions	3.00	3.00		
	Position Level	33.00	33.00		
	Fund Sources: General	$4,660,883	$4,660,883		
	Special	$1,295,269	$1,295,269		

§ 1-81. SOUTHEASTERN UNIVERSITIES RESEARCH ASSOCIATION DOING BUSINESS FOR JEFFERSON SCIENCE ASSOCIATES, LLC (936)

242.	Financial Assistance For Educational and General Services (11000)			$1,547,627	$1,547,627
	Sponsored Programs (11004)	$1,547,627	$1,547,627		
	Fund Sources: General	$1,547,627	$1,547,627		

Authority: Discretionary Inclusion.

A. This appropriation represents the Commonwealth of Virginia's contribution to the Southeastern Universities Research Association Doing Business for Jefferson Science Associates, LLC, for the support of the Thomas Jefferson National Accelerator Facility (Jefferson Lab) located at Newport News, Virginia. This contribution includes funds to support faculty positions and industry-led research that will promote economic development opportunities in the Commonwealth.

B. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund is designated to provide funding to expand a center for nuclear femtography and to support high performance data facility related programs in partnership with the Commonwealth's research universities.

C. This nonstate agency is exempt from the match requirement of § 2.2-1505, Code of Virginia and § 4-5.05 of this act.

	Total for Southeastern Universities Research Association Doing Business for Jefferson Science Associates, LLC			**$1,547,627**	**$1,547,627**
	Fund Sources: General	$1,547,627	$1,547,627		

§ 1-82. MAINTAIN AFFORDABLE ACCESS (984)

243.	Educational and General Programs (10000)			$20,000,000	$50,000,000

ITEM 243.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
Educational and General Programs Subprogram (10010)	$20,000,000	$50,000,000		
Fund Sources: General	$20,000,000	$50,000,000		

Authority: Discretionary Inclusion

A. Out of this appropriation, $50,000,000 the second year from the general fund is designated to support undergraduate need-based financial aid. For the purposes of budget execution and base budget development, these appropriated funds shall be transferred to the individual institutions. Allocations from this item are as follows:

Institution	FY 2028
Christopher Newport University	$1,100,000
College of William and Mary	$553,333
George Mason University	$6,613,333
James Madison University	$3,226,667
Longwood University	$1,170,000
Norfolk State University	$2,456,667
Old Dominion University	$7,116,667
Radford University	$2,030,000
University of Mary Washington	$780,000
University of Virginia	$1,040,000
University of Virginia - College at Wise	$470,000
Virginia Commonwealth University	$7,050,000
Virginia Military Institute	$216,667
Virginia State University	$2,090,333
Virginia Polytechnic and State University	$4,456,667
Richard Bland College	$173,333
Virginia Community College System	$9,456,333
Total	$50,000,000

B. Out of this appropriation, $20,000,000 the first year from the general fund is designated to support public higher education institutions with efforts to align operations with enrollment projections. The State Council of Higher Education for Virginia shall solicit proposals from institutions for one-time funding to support consolidation and restructuring efforts. The Secretary of Finance, the Secretary of Education, the Director of the Department of Planning and Budget, the Executive Director of the Council, the Staff Director of the House Committee on Appropriations, and the Staff Director of the Senate Committee on Finance and Appropriations, or their designees, shall review each proposal and determine the allocation of this funding.

Total for Maintain Affordable Access			**$20,000,000**	**$50,000,000**
Fund Sources: General	$20,000,000	$50,000,000		

§ 1-83. VIRGINIA COLLEGE BUILDING AUTHORITY (941)

244. Authority: Chapter 597, Acts of Assembly of 1986.

A.1. The purpose of this Item is to provide an ongoing program for the acquisition and replacement of instructional and research equipment at state-supported institutions of higher education in accordance with the intent and purpose of Chapter 597, Acts of Assembly of 1986.

2. The Governor shall annually present to the General Assembly through the Commonwealth's budget process, the estimated payments and the corresponding total value of equipment to be acquired.

B.1. The State Council of Higher Education for Virginia shall establish and maintain

ITEM 244.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

procedures through which institutions of higher education apply for allocations made available under the program, and shall develop guidelines and recommendations for the apportionment of such equipment to each state-supported institution of higher education.

2. The Authority shall finance equipment for educational institutions in accordance with § 23.1-1207, Code of Virginia, and according to terms and conditions approved through the Commonwealth's budget and appropriation process. Bonds or notes issued by the Virginia College Building Authority to finance equipment may be sold and issued at the same time with other obligations of the Authority as separate issues or as a combined issue. Each institution shall make available such additional detail on specific equipment to be purchased as may be requested by the Governor or the General Assembly. If emergency acquisitions are necessary when the General Assembly is not in session, the Governor may approve such acquisitions. The Governor shall report his approval of such acquisitions to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.

3. Amounts for debt service payments for allocations provided by this Item shall be provided pursuant to Item 267 of this act.

C.1. Transfer of the appropriation in Item 267 of this act to the Virginia College Building Authority shall be subject to the approval of the Secretary of Finance. An allocation of $192,800,000 made in the 2024-2026 biennium brings the total amount of equipment acquired through the program to approximately $2,192,764,424.

2. Allocations of $97,650,000 the first year and $97,650,000 the second year will be made to support the purchase of additional equipment to enhance instructional and research activity at Virginia's public colleges and universities. Allocations are as follows:

Institution	Prior Allocations	FY 2027 Allocation	FY 2028 Allocation	FY 2027 Research Allocation	FY 2028 Research Allocation
George Mason University	$128,012,617	$3,947,024	$3,947,024	$474,407	$474,407
Old Dominion University	$141,706,753	$5,016,192	$5,016,192	$329,078	$329,078
University of Virginia	$416,265,860	$10,458,476	$10,458,476	$12,689,341	$12,689,341
Virginia Commonwealth University	$262,676,713	$6,853,430	$6,853,430	$4,995,552	$4,995,552
Virginia Polytechnic Institute and State University	$402,339,596	$10,331,639	$10,331,639	$9,240,458	$9,240,458
College of William and Mary	$72,863,824	$2,300,493	$2,300,493	$595,857	$595,857
Christopher Newport University	$20,914,069	$754,464	$754,464	$0	$0
University of Virginia's College at Wise	$8,148,219	$250,681	$250,681	$0	$0
James Madison University	$66,208,079	$2,309,646	$2,309,646	$0	$0
Longwood University	$20,834,433	$743,433	$743,433	$0	$0
University of Mary Washington	$21,904,890	$655,746	$655,746	$0	$0
Norfolk State University	$58,833,655	$2,350,108	$2,350,108	$0	$0
Radford University	$48,048,612	$1,744,993	$1,744,993	$0	$0

ITEM 244.			Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
Virginia Military Institute	$24,343,186	$886,084	$886,084		$0	$0
Virginia State University	$36,884,021	$1,342,189	$1,342,189		$0	$0
Richard Bland College	$4,897,454	$160,149	$160,149		$0	$0
Virginia Community College System	$420,067,465	$17,596,542	$17,596,542		$0	$0
Virginia Institute of Marine Science	$13,408,772	$362,100	$362,100		$175,307	$175,307
Virginia Cooperative Extension and Agricultural Experiment Station	$4,000,000	$0	$0		$0	$0
Southwest Virginia Higher Education Center	$2,104,273	$80,111	$80,111		$0	$0
Roanoke Higher Education Authority	$1,770,577	$77,623	$77,623		$0	$0
Institute for Advanced Learning and Research	$8,210,032	$274,172	$274,172		$0	$0
Southern Virginia Higher Education Center	$1,890,896	$95,790	$95,790		$0	$0
New College Institute	$686,138	$34,486	$34,486		$0	$0
Eastern Virginia Medical School	$5,744,290	$524,429	$524,429		$0	$0
TOTAL	**$2,192,764,424**	**$69,150,000**	**$69,150,000**		**$28,500,000**	**$28,500,000**

D. Out of the allocations for the Virginia Community College System, $5,000,000 the first year and $5,000,000 the second year is designated to support the equipment needs of Workforce Development activities, including those related to the New Economy Industry Credential Assistance Training Grant Program.

E. The allocations for Eastern Virginia Medical School may be utilized by Old Dominion University to ensure the continued operations of the schools and divisions existing as Eastern Virginia Medical School prior to the effective date of Chapters 756 and 778, 2023 Acts of Assembly.

F. Out of this allocation, $13,500,000 the first year and $13,500,000 the second year is designated to support the equipment needs of institutions involved in the Bioscience Research initiative. Of these amounts, $7,500,000 the first year and $7,500,000 the second year is allocated to the University of Virginia for the Manning Institute for Biotechnology, $4,000,000 the first year and $4,000,000 the second year is allocated to Virginia Tech for the Patient Research Center and $2,000,000 the first year and $2,000,000 the second year is allocated to Virginia Commonwealth University for the Medicines for All Institute.

Total for Virginia College Building Authority			**$0**	**$0**
TOTAL FOR OFFICE OF EDUCATION			**$32,449,790,721**	**$32,585,065,208**
General Fund Positions	20,097.67	20,112.36		
Nongeneral Fund Positions	48,823.57	49,058.57		
Position Level	68,921.24	69,170.93		
Fund Sources: General	$14,994,212,000	$15,211,983,025		
Special	$56,891,837	$56,891,837		

ITEM 244.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
Higher Education Operating	$13,566,364,833	$13,845,108,860		
Commonwealth Transportation	$1,811,072	$1,811,072		
Enterprise	$7,899,910	$7,899,910		
Trust and Agency	$1,440,639,568	$1,165,639,570		
Debt Service	$309,921,665	$309,912,040		
Dedicated Special Revenue	$247,123,361	$156,552,309		
Federal Trust	$1,824,926,475	$1,829,266,585		

ITEM 245.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	OFFICE OF FINANCE				
	§ 1-84. SECRETARY OF FINANCE (190)				
245.	Administrative and Support Services (79900)			$866,140	$866,140
	General Management and Direction (79901)	$866,140	$866,140		
	Fund Sources: General	$866,140	$866,140		
	Authority: Title 2.2, Chapter 2, Article 5; § 2.2-201, Code of Virginia.				
	A. The Secretary of Finance, in consultation with other affected secretaries, is hereby authorized to order the State Comptroller to transfer to the general fund a reasonable sum, as determined by the State Comptroller, from annual charges of internal service funds and enterprise funds that exceed the cost of providing services or that represent over-recoveries from the general fund.				
	B. The Secretary of Finance shall engage internal or third-party assistance to perform a risk assessment of executive branch agency internal controls for administering and disbursing federal pandemic relief funds, economic stimulus, or loan funds. Upon engaging internal or third-party assistance, the Secretary of Finance shall consult with the Auditor of Public Accounts and executive branch agencies conducting similar risk assessments or audits regarding the scope of work performed by the Auditor of Public Accounts and such executive branch agencies over federal funds. The Secretary of Finance shall provide oversight over any resulting contracts and compile the findings and provide a report to the Governor, the Chair of the House Appropriations Committee and the Chair of the Senate Finance and Appropriations Committee by November 1 of each year.				
	Total for Secretary of Finance			**$866,140**	**$866,140**
	General Fund Positions	4.00	4.00		
	Position Level	4.00	4.00		
	Fund Sources: General	$866,140	$866,140		
	§ 1-85. DEPARTMENT OF ACCOUNTS (151)				
246.	Financial Systems Development and Management (72400)			$4,852,133	$4,020,440
	Financial Systems Development (72401)	$1,302,256	$470,563		
	Financial Systems Maintenance (72402)	$913,996	$913,996		
	Computer Services (72404)	$2,635,881	$2,635,881		
	Fund Sources: General	$4,852,133	$4,020,440		
	Authority: Title 2.2, Chapter 8, Code of Virginia.				
247.	Accounting Services (73700)			$12,798,703	$12,532,203
	General Accounting (73701)	$5,592,388	$5,592,388		
	Disbursements Review (73702)	$1,118,558	$1,118,558		
	Payroll Operations (73703)	$1,776,035	$1,776,035		
	Financial Reporting (73704)	$4,311,722	$4,045,222		
	Fund Sources: General	$11,699,193	$11,432,693		
	Special	$1,099,510	$1,099,510		
	Authority: Title 2.2, Chapter 8, and § 2.2-1822, Code of Virginia.				
	A.1. There is hereby created on the books of the State Comptroller the Commonwealth Charge Card Rebate Fund. Rebates earned in any fiscal year on the Commonwealth's statewide charge card program shall be deposited to the Commonwealth Charge Card Rebate Fund. The cost of administration of the program as well as rebates due to political subdivisions and payments due to the federal government are hereby appropriated from the fund. All remaining rebate revenue in the fund shall be deposited to the general fund by June				

ITEM 247.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

30 of each year.

2. The Department of Accounts is authorized to include the administrative costs estimated at $80,000 per year for executing entries in the Commonwealth's accounting system for Level III institutions as defined in Chapter 675, 2009 Acts of Assembly, in the program costs appropriated from the fund.

B. Notwithstanding the provisions of §§ 17.1-286 and 58.1-3176, Code of Virginia, the State Comptroller shall not make payments to the Circuit Court clerks on amounts directly deposited into the State Treasury by General District Courts, Juvenile and Domestic Relations General District Courts, Combined District Courts, and the Magistrates System. The State Comptroller shall continue to make payments, in accordance with §§ 17.1-286 and 58.1-3176, Code of Virginia, to the respective clerks on those amounts directly deposited into the state treasury by the Circuit Courts.

C.1. There is hereby created in the state treasury a special nonreverting fund that shall be known as the Federal Repayment Reserve Fund. The Fund shall be established on the books of the Comptroller and shall consist of such moneys as the State Comptroller determines will be required to repay the federal government its share of any rebates, Internal Service Fund profits, transfers to the general fund or amounts arising from other sources. 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 the fiscal year shall not revert to the general fund but shall remain in the Fund. The Comptroller shall hold all moneys in this Fund until such payment is required by the federal government.

2. On an ongoing basis, agencies shall coordinate with the State Comptroller to identify amounts due to be returned to the federal government. The State Comptroller shall transfer those amounts to the Fund on or before June 30 of each year.

D. The Department of Accounts is authorized to charge employees a mandatory fee of up to 15 cents for each payroll deduction administered under the Supplemental Insurance and Annuities program. Reimbursement by the employing agency is prohibited.

248.	Service Center Administration (82600)			$5,047,993	$5,297,173
	Payroll Service Bureau (82601)	$5,047,993	$5,297,173		
	Fund Sources: Internal Service	$5,047,993	$5,297,173		

Authority: Title 2.2, Chapter 8, Code of Virginia.

A. The appropriation for the Payroll Service Bureau is sum sufficient and amounts shown are estimates from an internal service fund which shall be paid solely from revenues derived from charges for services.

B.1. The Department of Accounts shall operate the payroll service center to support the salaried and wage employees of all agencies identified by the Department of Planning and Budget. The agencies so identified shall cooperate with the Department of Accounts in transferring such records and functions as may be required. The payroll service center shall provide services to employees to include, but not be limited to, payroll, benefit enrollment and leave accounting. The Department of Accounts shall be responsible for all accounting reconciliations for these services; however, each employing agency shall remain fully responsible for certifying the accuracy of each payroll paid to its employees. This certification shall be in such form as the Comptroller directs.

2.a. The Department of Accounts shall recover the cost of services provided by the payroll service center through interagency transactions as determined by the State Comptroller.

b. The Department of Accounts is authorized to charge the following rates to agencies participating in the payroll service center based on the type and number of W-2 forms processed in the Cardinal Human Capital Management (HCM) system.

Criteria	FY 2027	FY 2028
Wage employees	$149.94	$169.28
Salaried employees	$176.43	$199.15

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	Non-Virginia employees		$617.41		$697.03

C.1. The Department of Accounts shall operate a fiscal service center to support the operations of all agencies identified by the Department of Planning and Budget. The agencies so identified shall cooperate with the Department of Accounts in transferring such records and functions as may be required. The service center shall provide services to agencies to include accounts payable processing, travel voucher processing, related reconciliations, and such other fiscal services as may be appropriate.

2. The Department of Accounts shall recover the cost of services provided by the fiscal service center through interagency transactions as determined by the State Comptroller.

D. Nothing in this section shall prohibit additional agencies from using the services of the centers; however, such additions shall be subject to approval by the affected cabinet secretary and the Secretary of Finance.

249.	Information Systems Management and Direction (71100)			$51,840,901	$54,902,741
	Financial Oversight for Performance Budgeting System (71107)	$3,471,103	$3,601,642		
	Financial Oversight for Cardinal System (71108)	$48,369,798	$51,301,099		
	Fund Sources: Internal Service	$51,840,901	$54,902,741		

Authority: Title 2.2 Chapter 8, Code of Virginia

A. The appropriation for Financial Oversight for Performance Budgeting System and Financial Oversight for Cardinal System is sum sufficient and amounts shown are estimates from internal service funds for the Commonwealth's enterprise applications which shall be paid solely from revenues derived from charges for services. All users of the Commonwealth's enterprise applications shall be assessed a surcharge based on licenses, transactions, or other meaningful methodology as determined by the Secretary of Finance and the owner of the enterprise application, which shall be deposited in the fund. Additionally, the State Comptroller shall recover the cost of services provided for the administration of the fund through interagency transactions as determined by the State Comptroller.

1. Out of this appropriation, the Performance Budgeting System is appropriated $3,471,103 the first year and $3,601,642 the second year from internal service fund revenues.

2. Out of this appropriation, the Cardinal Financial System is appropriated $23,596,498 the first year and $25,410,299 the second year from internal service fund revenues.

3. Out of this appropriation, the Cardinal Human Capital Management (HCM) system is appropriated $24,773,300 the first year and $25,890,800 the second year from internal service fund revenues.

4. The State Comptroller shall submit revised projections of revenues and expenditures for the internal service funds for the Commonwealth's enterprise applications and estimates of any anticipated changes to fee schedules in accordance with § 4-5.03 of this act.

5. In the event that expenses of the enterprise applications become due before costs have been fully recovered in the department's internal service fund, a treasury loan shall be provided to the department to finance these costs. This treasury loan shall be repaid from the proceeds collected in the funds.

B. 1. In order to capitalize on the efficiencies and benefits of the successfully implemented Commonwealth Enterprise Resource Planning system, Cardinal, a Cardinal Governance Committee (CGC) shall be established to evaluate and recommend expansion options for the Cardinal Financials and Human Capital Management (HCM) applications. The CGC shall analyze expansion opportunities in both the financial and human resources arenas that will most benefit Commonwealth state agencies in meeting their agency missions and core objectives. Additionally, this evaluation will analyze opportunities that could possibly allow for the decommissioning of agency-based systems in favor of the Commonwealth's enterprise system to improve efficiency and cost effectiveness. Once these opportunities are evaluated and finalized, the CGC shall present recommendations to the Commonwealth's Secretary of

ITEM 249.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Finance and Secretary of Administration for review. Upon their approval of any such recommendations, the Cardinal Program will have the authority to proceed with these projects, subject to available funding. 2. In order to support and maintain the Cardinal project initiative, a working capital advance (WCA) of up to $12,000,000 is provided to the Cardinal program as start-up funding in anticipation of final approved funding. No funds shall be drawn and expended from this WCA without the prior approval of the Secretary of Finance. 3. Pursuant to a recommendation of the Cardinal Governance Committee, a working capital advance (WCA) of up to $15,600,000 is provided to the Cardinal program to expand the current Cardinal Financials System functionality by implementing the capital assets and lease accounting modules that will replace the Fixed Asset Accounting and Control System (FAACS) and Lease Accounting System (LAS Plus). No funds shall be drawn and expended from this WCA without the approval of the Secretary of Finance. C. A working capital advance (WCA) of up to $8,500,000 is provided to the Cardinal program to expand the current Cardinal Human Capital Management (HCM) System. The funding may be used to develop business requirements, implement a new module, and to make technical adjustments to current Cardinal HCM functionality. No funds shall be drawn or expended from this WCA without the approval of the Secretary of Finance and upon submission of a report to the Cardinal Governance Committee that details the planned system expansions and affiliated costs.				
250.	Administrative and Support Services (79900).....			$2,506,531	$2,506,531
	General Management and Direction (79901).....	$2,506,531	$2,506,531		
	Fund Sources: General.....	$2,506,531	$2,506,531		
	Authority: Title 2.2, Chapter 8, Code of Virginia. As a condition of the appropriation in this Item, the department shall provide to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees the expenditure and revenue reports necessary for timely legislative oversight of state finances. The necessary reports include monthly and year-end versions and shall be provided in an interactive electronic format agreed upon by the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, or their designees, and the Comptroller. Delivery of these reports shall occur by way of electronic mail or other methods to ensure their receipt within 48 hours of their initial run after the close of the business month.				
251.	In the event of default by a unit, as defined in § 15.2-2602, Code of Virginia, on payment of principal of or interest on any of its general obligation bonded indebtedness when due, the State Comptroller, in accordance with § 15.2-2659, Code of Virginia, is hereby authorized to make such payment to the bondholder, or paying agent for the bondholder, and to recover such payment and associated costs of publication and mailing from any funds appropriated and payable by the Commonwealth to the unit for any and all purposes.				
252.	In the event of default by any employer participating in the health insurance program authorized by § 2.2-1204, Code of Virginia, in the remittance of premiums or other fees and costs of the program, the State Comptroller is hereby authorized to pay such premiums and costs and to recover such payments from any funds appropriated and payable by the Commonwealth to the employer for any purpose. The State Comptroller shall make such payments upon receipt of notice from the Director, Department of Human Resource Management, that such payments are due and unpaid from the employer.				
253.	The State Comptroller shall make calculations of payments and transfers related to interest earned on federal funds, interest receivable on state funds advanced on behalf of federal programs, and direct cost reimbursements due from the federal government pursuant to Item 266 of this act.				
	Total for Department of Accounts.....			**$77,046,261**	**$79,259,088**

ITEM 253.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
General Fund Positions	127.00	127.00		
Nongeneral Fund Positions	57.00	57.00		
Position Level	184.00	184.00		
Fund Sources: General	$19,057,857	$17,959,664		
Special	$1,099,510	$1,099,510		
Internal Service	$56,888,894	$60,199,914		

Department of Accounts Transfer Payments (162)

254.	Financial Assistance to Localities - General (72800) a sum sufficient, estimated at			$495,380,000	$495,380,000
	Distribution of Rolling Stock Taxes (72806)	$6,530,000	$6,530,000		
	Distribution of Recordation Taxes (72808)	$20,000,000	$20,000,000		
	Financial Assistance to Localities - Rental Vehicle Tax (72810)	$50,000,000	$50,000,000		
	Distribution of Sales Tax Revenues from Certain Public Facilities (72811)	$2,000,000	$2,000,000		
	Distribution of Tennessee Valley Authority Payments in Lieu of Taxes (72812)	$1,250,000	$1,250,000		
	Distribution of the Virginia Communications Sales and Use Tax (72816)	$350,000,000	$350,000,000		
	Distribution of Payments to Localities for Enhanced Emergency Communications Services (72817)	$37,000,000	$37,000,000		
	Distribution of Sales Tax Revenues from Certain Tourism Projects (72819)	$600,000	$600,000		
	Distribution of Historic Triangle Sales Tax Collections (72820)	$28,000,000	$28,000,000		
	Fund Sources: General	$30,380,000	$30,380,000		
	Trust and Agency	$50,000,000	$50,000,000		
	Dedicated Special Revenue	$415,000,000	$415,000,000		

Authority: §§ 15.2-5914, 58.1-608.3, 58.1-662, 58.1-816, 58.1-1736, 58.1-1741, 58.1-2658.1, and 58.1-3406, Code of Virginia.

A.1. In order to carry out the provisions of § 58.1-645 et seq., Code of Virginia, there is hereby appropriated a sum sufficient amount of nongeneral fund revenues estimated at $350,000,000 in the first year and $350,000,000 in the second year equal to the revenues collected pursuant to § 58.1-645 et seq., Code of Virginia, from the Virginia Communications Sales and Use Tax. 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 Item 273 of this act. For the purposes of the State 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 to the Department of Taxation for the costs of administering the Virginia Communications Sales and Use Tax Fund.

B. In order to carry out the provisions of § 58.1-1734 et seq., Code of Virginia, there is hereby appropriated a sum sufficient amount of nongeneral fund revenues estimated at $50,000,000 in the first year and $50,000,000 in the second year equal to the revenues collected pursuant to A. 2. of § 58.1-1736 Code of Virginia, from the Virginia Motor Vehicle Rental Tax.

C. In order to carry out the provisions of § 56-484:17 et seq., Code of Virginia, there is hereby appropriated a sum sufficient amount of nongeneral fund revenues estimated at $37,000,000 in the first year and $37,000,000 in the second year equal to the revenues collected pursuant to § 56-484.17:1, Code of Virginia, from the Virginia Wireless Tax.

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	D. In order to carry out the provisions of § 58.1-603.2, there is hereby appropriated a sum sufficient amount of nongeneral fund revenues estimated at $28,000,000 the first year and $28,000,000 the second year equal to the revenues collected pursuant to § 58.1-603.2, Code of Virginia, from the additional state sales and use tax in the Historic Triangle.				
	E.1. Out of this appropriation, amounts estimated at $20,000,000 the first year and $20,000,000 the second year from the general fund shall be deposited into the Hampton Roads Regional Transit Fund, as provided in § 33.2-2600.1, Code of Virginia, from revenues collected pursuant to § 58.1-816 B., Code of Virginia.				
	2. Notwithstanding the provisions of § 58.1-816, Code of Virginia, the appropriation in this Item for the distribution of recordation taxes is not subject to the sum sufficient provisions of this Item.				
255.	Revenue Stabilization Fund (73500)			$0	$0
	Authority: Title 2.2, Chapter 18, Article 4, Code of Virginia.				
	On or before November 1 of each year, the Auditor of Public Accounts shall report to the General Assembly the certified tax revenues collected in the most recently ended fiscal year. The auditor shall, at the same time, provide his report on the 15 percent limitation and the amount that could be paid into the fund in order to satisfy the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia.				
256.	Personnel Management Services (70400)			$31,359,934	$31,359,934
	Employee Flexible Benefits Services (70420)	$31,359,934	$31,359,934		
	Fund Sources: Trust and Agency	$31,359,934	$31,359,934		
	Authority: Title 2.2, Chapter 8, Code of Virginia.				
257.	Financial Assistance for Health Research (40700)			$1,846,135	$1,846,135
	Health Research Grant Administration Services (40701)	$1,846,135	$1,846,135		
	Fund Sources: Dedicated Special Revenue	$1,846,135	$1,846,135		
	Authority: Title 2.2, Chapter 8, Code of Virginia.				
	A. The Department of Accounts is authorized to disburse, as fiscal agent for the Commonwealth Health Research Board, funds received from the Virginia Retirement System pursuant to § 32.1-162.28, Code of Virginia.				
	B. On or before August 1, 2026, the Director, Department of Planning and Budget, shall transfer balances from fund 09006 in Agency 162 to fund 09006 in Agency 236. Transferred amounts shall be utilized to support the Florence Neal Cooper Smith Sickle Cell Research Endowed Chair.				
258.	Personal Property Tax Relief Program (74600)			$950,000,000	$950,000,000
	Reimbursements to Localities for Personal Property Tax Relief (74601)	$950,000,000	$950,000,000		
	Fund Sources: General	$950,000,000	$950,000,000		
	Authority: Discretionary Inclusion.				
	A.1. Out of this appropriation, $950,000,000 the first year and $950,000,000 the second year from the general fund is provided to be used to implement a program which provides equitable tax relief from the personal property tax on vehicles.				
	2. The amounts appropriated in this Item provide for a local reimbursement level of 70 percent in tax years 2004 and 2005. The local reimbursement level for tax year 2006 is set at $950,000,000 pursuant Chapter 1, 2004 Acts of Assembly, Special Session I. Payments to localities with calendar year 2006 car tax payment due dates prior to July 1, 2006, shall not be reimbursed until after July 1, 2006, except as otherwise provided in paragraph D of this Item.				

ITEM 258.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
B. Notwithstanding the provisions of subsection B of § 58.1-3524, Code of Virginia, as amended by Chapter 1, 2004 Acts of Assembly, Special Session I, the determination of each county's, city's and town's share of the total funds available for reimbursement for personal property tax relief pursuant to that subsection shall be pro rata based upon the actual payments to such county, city or town pursuant to Title 58.1, Chapter 35.1, Code of Virginia, for tax year 2004 as compared to the actual payments to all counties, cities and towns pursuant to that chapter for tax year 2004, made with respect to reimbursement requests submitted on or before December 31, 2005, as certified in writing by the Auditor of Public Accounts not later than March 1, 2006. Notwithstanding the provisions of the second enactment of Chapter 1, 2004 Acts of Assembly, Special Session I, this paragraph shall become effective upon the effective date of this act.				
C. The requirements of subsection C 2 of § 58.1-3524 and subsection E of § 58.1-3912, Code of Virginia, as amended by Chapter 1, 2004 Acts of Assembly, Special Session I, with respect to the establishment of tax rates for qualifying vehicles and the format of tax bills shall be deemed to have been satisfied if the locality provides by ordinance or resolution, or as part of its annual budget adopted pursuant to Title 15.2, Chapter 25, Code of Virginia, or the provisions of a local government charter or Title 15.2, Chapter 4, 5, 6, 7 or 8, Code of Virginia, if applicable, specific criteria for the allocation of the Commonwealth's payments to such locality for tangible personal property tax relief among the owners of qualifying vehicles, and such locality's tax bills provide a general description of the criteria upon which relief has been allocated and set out, for each qualifying vehicle that is the subject of such bill, the specific dollar amount of relief so allocated.				
D. The Secretary of Finance may authorize advance payment, from funds appropriated in this Item, of sums otherwise due a town on and after July 1, 2006, for personal property tax relief under the provisions of Chapter 1, 2004 Acts of Assembly, Special Session I, if the Secretary finds that such town (1) had a due date for tangible personal property taxes on qualified vehicles for tax year 2006 falling between January 1 and June 30, 2006, (2) had a due date for tangible personal property taxes on qualified vehicles for tax year 2004 falling between January 1 and June 30, 2004, (3) received reimbursements pursuant to the provisions of Title 58.1, Chapter 35.1, Code of Virginia, between January 1 and June 30, 2004, (4) utilizes the cash method of accounting, and (5) would suffer fiscal hardship in the absence of such advance payment.				
E. It is the intention of the General Assembly that reimbursements to counties, cities and towns that had a billing date for tax year 2004 tangible personal property taxes with respect to qualifying vehicles falling between January 1 and June 30, 2004, and received personal property tax relief reimbursement with respect to tax year 2004 from the Commonwealth between January 1 and June 30, 2004, pursuant to the provisions of Title 58.1, Chapter 35.1, Code of Virginia, as it existed prior to the amendments effected by Chapter 1, 2004 Acts of Assembly, Special Session I, be made by the Commonwealth with respect to sums attributable to such spring billing dates not later than August 15 of each fiscal year.				
Total for Department of Accounts Transfer Payments			**$1,478,586,069**	**$1,478,586,069**
Nongeneral Fund Positions	1.00	1.00		
Position Level	1.00	1.00		
Fund Sources: General	$980,380,000	$980,380,000		
Trust and Agency	$81,359,934	$81,359,934		
Dedicated Special Revenue	$416,846,135	$416,846,135		
Grand Total for Department of Accounts			**$1,555,632,330**	**$1,557,845,157**
General Fund Positions	127.00	127.00		
Nongeneral Fund Positions	58.00	58.00		
Position Level	185.00	185.00		
Fund Sources: General	$999,437,857	$998,339,664		
Special	$1,099,510	$1,099,510		
Internal Service	$56,888,894	$60,199,914		
Trust and Agency	$81,359,934	$81,359,934		

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	Dedicated Special Revenue	$416,846,135	$416,846,135		

§ 1-86. DEPARTMENT OF PLANNING AND BUDGET (122)

259.	Planning, Budgeting, and Evaluation Services (71500)			$10,027,389	$10,027,389
	Budget Development and Budget Execution Services (71502)	$7,263,474	$7,263,474		
	Forecasting and Regulatory Review Services (71505)	$1,411,922	$1,411,922		
	Program Evaluation Services (71506)	$941,434	$941,434		
	Administrative Services (71598)	$410,559	$410,559		
	Fund Sources: General	$10,027,389	$10,027,389		

Authority: Title 2.2, Chapter 15, Code of Virginia.

A. The Department of Planning and Budget shall be responsible for continued development and coordination of an integrated, systematic policy analysis, planning, budgeting, performance measurement and evaluation process within state government.

B. The Department of Planning and Budget shall be responsible for the continued development and coordination of a review process for strategic plans and performance measures of the state agencies. The review process shall assess on a periodic basis the structure and content of the plans and performance measures, and the processes used to develop and implement the plans and measures with the goal of improving the efficiency and effectiveness of state government operations.

C.1. Notwithstanding § 2.2-1508, Code of Virginia, or any other provisions of law, on or before December 20, the Department of Planning and Budget shall deliver to the presiding officer of each house of the General Assembly a copy of the budget document containing the explanation of the Governor's budget recommendations. This copy may be in electronic format.

2. The Department of Planning and Budget shall include in the budget document the amount of projected spending and projected net tax-supported state debt for each year of the biennium on a per capita basis. For this purpose, "spending" is defined as total appropriations from all funds for the cited fiscal years as shown in the Budget Bill. The most current population estimates from the Weldon Cooper Center for Public Services shall be used to make the calculations.

D. Notwithstanding any contrary provision of law, any school division may request the Department of Planning and Budget to assist in the coordination of a school efficiency review for the division. Such assistance shall be at the discretion of the Director of the Department of Planning and Budget. Each participating school division shall pay 100 percent of the cost of the review.

E. The Department of Planning and Budget shall provide a time and date stamp on all fiscal impact statements on bills to be considered by the General Assembly and posted on the Legislative Information System. If a fiscal impact statement is revised the new version shall clearly indicate as such. Each fiscal impact statement shall include a descriptive total of the general fund and nongeneral fund amounts of all paragraphs contained in the fiscal impact statement which describe how the costs were calculated. This descriptive total may be included in a final paragraph or table labeled with the discrete cost items by fund source and totaled.

F. The Department of Planning and Budget (DPB) shall offer a budget monitoring and training program for all state agencies of the Commonwealth. DPB shall offer training on agency budget monitoring for state agency fiscal and budget staff, which shall include expenditure tracking compared to appropriations and recognition of early signs of a potential budget shortfall. The training shall be offered annually and may be conducted virtually.

Total for Department of Planning and Budget		**$10,027,389**	**$10,027,389**

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	General Fund Positions	59.00	59.00		
	Position Level	59.00	59.00		
	Fund Sources: General	$10,027,389	$10,027,389		

§ 1-87. DEPARTMENT OF TAXATION (161)

260.	Planning, Budgeting, and Evaluation Services (71500)			$6,351,067	$6,351,067
	Tax Policy Research and Analysis (71507)	$3,974,992	$3,974,992		
	Appeals and Rulings (71508)	$2,376,075	$2,376,075		
	Fund Sources: General	$6,351,067	$6,351,067		

Authority: §§ 2.2-1503, 15.2-2502, 58.1-202, 58.1-207, 58.1-210, 58.1-213, 58.1-816, and 58.1-3406, and Title 10.1, Chapter 14, Code of Virginia.

A. The Department of Taxation shall continue the staffing and responsibility for the revenue forecasting of the Commonwealth Transportation Funds, including the Department of Motor Vehicles Special Fund, as provided in § 2.2-1503, Code of Virginia. The Department of Motor Vehicles shall provide the Department of Taxation with direct access to all data records and systems required to perform this function.

B. Notwithstanding the provisions of § 58.1-202.2, Code of Virginia, no report on public-private partnership contracts shall be required in years following the final report upon the completion of contract or when no such contract is active.

C. The Department of Taxation shall report no later than September 1 on an annual basis, to the Chairmen of the House Appropriations, House Finance and Senate Finance and Appropriation Committees, on the amount of state sales and use tax revenues authorized to be remitted for the preceding fiscal year under the provisions of § 58.1-608.3, § 58.1-3851.1, and § 58.1-3851.2, of the Code of Virginia, as amended by the 2015 General Assembly.

D. The Department of Taxation shall conduct a work group to review the cost of mandatory property tax exemptions for disabled veterans and their spouses. The workgroup shall consist of local government representatives and any other stakeholders deemed necessary by the Secretary of Finance and the Secretary of Veterans and Defense Affairs. The workgroup shall: (i) review and collect data on the cost of the exemption and implications to localities; (ii) detail changes to the exemption and the impact of those changes to localities; (iii) evaluate legislation previously introduced by the General Assembly on these exemptions; and, (iv) provide any recommendations to the General Assembly on these mandatory property tax exemptions. The Department shall submit a report with any findings and recommendations by November 15, 2026 to the Chairs of House Finance, House Appropriations, and Senate Finance and Appropriations Committees.

261.	Revenue Administration Services (73200)			$75,586,564	$75,586,564
	Tax Return Processing (73214)	$12,648,235	$12,648,235		
	Customer Services (73217)	$12,540,523	$12,540,523		
	Compliance Audit (73218)	$27,776,638	$27,776,638		
	Compliance Collections (73219)	$18,639,737	$18,639,737		
	Legal and Technical Services (73222)	$3,981,431	$3,981,431		
	Fund Sources: General	$62,307,198	$62,307,198		
	Special	$12,457,687	$12,457,687		
	Dedicated Special Revenue	$821,679	$821,679		

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

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 systems and data interfaces, and retain experts to perform analysis of receivables and

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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 253 and 273 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 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

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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 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.

d. 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.

e. 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. 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.

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.

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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 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

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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. Notwithstanding any other provision of law, Form R-1 Business Registration Form shall be filed using an electronic medium prescribed by the Tax Commissioner beginning July 1, 2024.

4. 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. 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. 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.

Y. 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 § 58.1-1748, Code of Virginia.

Z. 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 3-5.17(D) of this Act.

AA.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.

BB. Notwithstanding any other provision of law, beginning July 1, 2017, fees collected by the Department of Taxation for the cigarette exemption certificate application authorized by Code

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of Virginia § 58.1-623.2 shall be used to offset the Department's direct costs of administration related to the cigarette exemption certificate. Any amount collected from such fees in excess of the Department's direct costs as of June 30 in even-numbered years, beginning with the fiscal year ending June 30, 2026, shall be deposited to the general fund.

CC. Notwithstanding any other provision of the Code of Virginia or this act to the contrary, the Department of Taxation shall not be required to comply with the provisions of Virginia Code § 59.1-293.12 requiring unannounced investigations every 24 months to verify that a retail dealer is not selling retail tobacco products to persons under 21 years of age.

DD. Notwithstanding any provision of law to the contrary, the Department of Taxation shall be exempt from paying any fee for remote access to land records. If any clerk contracts with an outside vendor to provide remote access to land records to subscribers, such contract shall contain a provision exempting the Department of Taxation from paying any access or subscription fee.

262.	Tax Value Assistance to Localities (73400)			$2,848,749	$2,848,749
	Training for Local Assessors (73401)	$546,432	$546,432		
	Valuation and Assessment Assistance for Localities (73410)	$2,302,317	$2,302,317		
	Fund Sources: General	$1,006,868	$1,006,868		
	Special	$1,841,881	$1,841,881		

Authority: Title 58.1, Chapters 32, 34, 35, 36, and 39 and §§ 58.1-202, subdivisions 6, 10, and 11, 58.1-206; §§ 58.1-2655, 58.1-3239, 58.1-3278, and 58.1-3374, Code of Virginia.

A. The department is hereby authorized to recover from participating localities, as special funds, the direct costs associated with assessor/property tax and local valuation and assessments training classes. In accordance with § 58.1-206, Code of Virginia, the assessing officers and board members attending shall continue to be reimbursed for the actual expenses incurred by their attendance at the programs.

B. In the expenditure of funds out of its appropriations for determination of true values of locally taxable real estate for use by the Board of Education in state school fund distributions, the Department of Taxation shall use a sufficiently representative sampling of parcels, in accordance with the classification system as established in § 58.1-208, Code of Virginia, to reflect actual true values; further, the department shall, upon request of any local school board, review its initial determination and promptly inform the Board of Education of corrections in such determination.

C. Notwithstanding any other provision of law, the requirement that the Department of Taxation print and distribute local tax forms, instructions, and property tax books shall be satisfied by the posting of such documents on the department's web site.

263.	Administrative and Support Services (79900)			$62,747,117	$62,527,117
	General Management and Direction (79901)	$29,403,836	$29,403,836		
	Information Technology Services (79902)	$33,343,281	$33,123,281		
	Fund Sources: General	$62,593,663	$62,373,663		
	Special	$153,454	$153,454		

Authority: §§ 58.1-200, 58.1-202, and 58.1-213, Code of Virginia.

A. To defray the costs of administration for voluntary contributions made on individual income tax returns for taxable years beginning on or after January 1, 2003, the Department of Taxation may retain up to five percent of the contributions made to each organization, not to exceed a total of $50,000 from all organizations in any taxable year.

B. Notwithstanding the provisions of §§ 2.2-507 and 2.2-510, when the Tax Commissioner determines that an issue may have a major impact on tax policies, revenues or expenditures, he may request that the Attorney General appoint special counsel to render such assistance or representation as needed. The compensation for such special

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	counsel shall be paid out of the funds appropriated for the administration of the Department of Taxation. C. The Department of Taxation is required to provide, at the beginning of an audit, detailed information on the audit process and tax policies that are being examined. Furthermore, the Department shall compile and make available on their website a list of common issues which are identified in a large number of audits. D.1. There is hereby established in the state treasury a special nonreverting fund known as the Project Lighthouse Fund. Any moneys remaining in the Fund, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purpose of providing for costs associated with the replacement of the Department of Taxation's (TAX) Integrated Revenue Management System (IRMS). 2. A workgroup consisting of the Secretary of Finance or his designee, staff from the House Appropriations and Senate Finance and Appropriations Committees, the Director of the Department of Planning and Budget, and the Chief Information Officer of the Commonwealth, shall provide periodic oversight of the implementation of the IRMS modernization project. The workgroup shall submit an annual executive summary of the interim activity of the project implementation to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1 of each year until implementation of a new system is complete. 3. The Department of Taxation shall report to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1 of each year until implementation of the new system is complete. Such report shall include an executive summary of the interim activity of the project implementation, including information regarding the current status of project, the funding expended in the prior fiscal year, project milestones achieved in the prior fiscal year, and any potential concerns that may impact the project's timeline and success.				
	Total for Department of Taxation			**$147,533,497**	**$147,313,497**
	General Fund Positions	937.00	937.00		
	Nongeneral Fund Positions	56.00	56.00		
	Position Level	993.00	993.00		
	Fund Sources: General	$132,258,796	$132,038,796		
	Special	$14,453,022	$14,453,022		
	Dedicated Special Revenue	$821,679	$821,679		
	§ 1-88. DEPARTMENT OF THE TREASURY (152)				
264.	Investment, Trust, and Insurance Services (72500)			$67,240,089	$65,927,279
	Debt Management (72501)	$1,470,549	$1,470,549		
	Insurance Services (72502)	$60,385,811	$59,073,001		
	Banking and Investment Services (72503)	$5,383,729	$5,383,729		
	Fund Sources: General	$5,504,999	$4,192,189		
	Special	$133,386	$133,386		
	Commonwealth Transportation	$195,518	$195,518		
	Trust and Agency	$61,356,186	$61,356,186		
	Dedicated Special Revenue	$50,000	$50,000		
	Authority: Title 2.2, Chapter 18, Code of Virginia. A. The Department of the Treasury shall take into account the claims experience of each agency and institution when setting premiums for the general liability program. B. Coverage provided by the VARISK plan for constitutional officers shall be extended to any action filed against a constitutional officer or appointee of a constitutional officer before the Equal Employment Opportunity Commission or the Virginia State Bar. C. Notwithstanding the provisions of § 33.2-1919 and § 33.2-1927, Code of Virginia, the				

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Northern Virginia Transportation Commission and the Potomac Rappahannock Transportation Commission are authorized to obtain liability policies for the Commissions' joint project, the Virginia Railway Express, consisting of liability insurance and a program of self-insurance maintained by the Commissions and administered by the Department of the Treasury's Division of Risk Management or by an independent third party selected by the Commissions, which liability policies shall be deemed to meet the requirements of § 8.01-195.3, Code of Virginia. In addition, the Director of the Department of Rail and Public Transportation is authorized to work with the Northern Virginia Transportation Commission and the Potomac Rappahannock Transportation Commission to obtain the foregoing liability policies for the Commissions. In obtaining liability policies, the Director of the Department of Rail and Public Transportation shall advise the Commissions regarding compliance with all applicable public procurement and administrative guidelines.

D. The Virginia Public School Authority shall transfer to the Department of the Treasury each year an amount necessary to recover the direct and indirect costs incurred by the department in the administration of the Virginia Public School Authority programs.

E. Notwithstanding § 2.2-1836, Code of Virginia the Department of the Treasury, Division of Risk Management is authorized to continue Cyber coverage for state agencies under the Property Plan.

F. Out of this appropriation, $1,312,810 the first year from the general fund is provided to make a payment to Mr. Messiah Johnson in accordance with § 8.01-195.11, Code of Virginia, and Chapter 472, 2026 Acts of Assembly. Notwithstanding subsection D. of § 8.01-195.11 of the Code of Virginia, no amounts shall be deducted for transition grants received.

G. All remaining balances owed to Mr. Victor Burnette by the insurer in the annuity originally provided in accordance with Chapter 618, 2010 Acts of Assembly, shall be paid to Mr. Burnette in full no later than June 30, 2027 by the insurer. The payment shall be a single lump-sum payment. Upon payment of the lump sum required by this act, the insurer's obligations to make any further payments under the annuity are terminated, fully satisfied, and discharged, and no additional amounts shall be due to Mr. Burnette under that annuity. The amount paid shall reflect discounting to the date's value as of the date of disbursement.

265.	Revenue Administration Services (73200)			$18,457,046	$18,577,046
	Unclaimed Property Administration (73207)	$8,915,270	$9,035,270		
	Accounting and Trust Services (73213)	$2,333,579	$2,333,579		
	Check Processing and Bank Reconciliation (73216)	$2,681,367	$2,681,367		
	Administrative Services (73220)	$4,526,830	$4,526,830		
	Fund Sources: General	$5,550,196	$5,550,196		
	Special	$482,160	$482,160		
	Trust and Agency	$11,821,584	$11,941,584		
	Dedicated Special Revenue	$603,106	$603,106		

Authority: Title 2.2, Chapter 18 and Title 55.1, Chapter 25, Code of Virginia.

A. Included in this Item is a sum sufficient nongeneral fund appropriation for personal services and other operating expenses to process checks issued by the Department of Social Services. The estimated cost, excluding actual postage costs, is $170,000 the first year and $170,000 the second year.

B. Included in this Item is a sum sufficient nongeneral fund appropriation for administrative expenses to process the Virginia Employment Commission (VEC) and Virginia Retirement System (VRS) checks. The estimated cost for VEC is $1,500 the first year and $1,500 the second year, and for VRS is $15,000 the first year and $15,000 the second year.

C.1. The amounts for Unclaimed Property Administration are for administrative and related support costs of the Uniform Disposition of Unclaimed Property Act, to be paid

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solely from revenues derived pursuant to the act.

2. The amounts also include a sum sufficient nongeneral fund amount estimated at $2,000,000 the first year and $2,000,000 the second year to pay fees for compliance services and securities portfolio custody services for unclaimed property administration.

3. Notwithstanding § 55.1-2525.C of the Uniform Disposition of Unclaimed Property Act, the State Treasurer is not required to publish any item of less than $250.

D. The State Treasurer is authorized to charge institutions of higher education participating in the private college financing program of the Virginia College Building Authority an annual administrative fee of up to 10 basis points of the then outstanding principal amount financed for each project in addition to a share of direct costs of issuance as determined by the State Treasurer. Revenue collected from this administrative fee shall be deposited to a special fund in the Department of the Treasury to compensate the department for direct and indirect staff time and expenses involved with this program.

E.1. The State Treasurer is authorized to charge qualified public depositories holding public deposits, as defined in § 2.2-4401, Code of Virginia, an annual administrative fee of not more than one-half of one basis point of their average public deposit balances over a twelve month period. The State Treasurer shall issue guidelines to effect the implementation of this fee. However, the total fees collected from all qualified depositories shall not exceed $200,000 in any one year.

2. Any regulations or guidelines necessary to implement or change the amount of the fee may be adopted without complying with the Administrative Process Act (§ 2.2-4000 et seq.) provided that input is solicited from qualified public depositories. Such input requires only that notice and an opportunity to submit written comments be given.

F. The State Treasurer shall work with universities and community colleges to develop policies and procedures which minimize the use of paper checks when issuing any reimbursements of student loan balances. These efforts should include reimbursement through debit cards, direct deposits, or other electronic means.

G. The Virginia Public School Authority shall transfer to the Department of the Treasury each year an amount necessary to recover the direct and indirect cost incurred by the department in the accounting and financial reporting of the Virginia Public School Authority programs.

H. The Department of the Treasury shall review the current Virginia Energy Leasing Program (VELP) to determine its effectiveness in promoting and financing energy efficiency improvements in state agencies. The report shall include: (i) a historical review of projects financed through the program including projected and actual energy savings, operational savings, and facility performance improvements associated with financed projects; (ii) project payback periods and cost-effectiveness metrics; (iii) as part of its review, the department shall consider alternative financing arrangements that may further facilitate and encourage state agencies to pursue energy efficiency projects; (iv) any recommendations for improving program efficiency and participation. The report shall be submitted by October 1, 2026, to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

266. 1. There is hereby appropriated to the Department of the Treasury a sum sufficient for the transfer to the federal government, in accordance with the provisions of the federal Cash Management Improvement Act of 1990 and related federal regulations, of the interest owed by the state on federal funds advanced to the state for federal assistance programs, where such funds are held by the state from the time they are deposited in the state's bank account until they are paid out to redeem warrants, checks or payments by other means. This sum sufficient appropriation is funded from the interest earned on federal funds deposited and invested by the state. The actual amount for transfer shall be established by the State Comptroller.

2. When permitted by applicable federal laws or administrative regulations, the State Comptroller shall first offset and reduce the amount to be transferred by any and all amounts of interest payments calculated to be received by the state from the federal government, where such payments are due to the state because the state was required to disburse its own funds for federal program purposes prior to the receipt of federal funds.

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3. Should the interest payments calculated to be made by the federal government to the state exceed the interest calculated to be transferred from the state to the federal government, reduced by the federally approved direct cost reimbursement to the state, the State Comptroller shall then notify the federal government of the net amount of interest due to the state and shall record such net interest, upon its receipt, as interest revenue earned by the general fund.

Total for Department of the Treasury			**$85,697,135**	**$84,504,325**
General Fund Positions	35.20	35.20		
Nongeneral Fund Positions	91.80	91.80		
Position Level	127.00	127.00		
Fund Sources: General	$11,055,195	$9,742,385		
Special	$615,546	$615,546		
Commonwealth Transportation	$195,518	$195,518		
Trust and Agency	$73,177,770	$73,297,770		
Dedicated Special Revenue	$653,106	$653,106		

§ 1-89. TREASURY BOARD (155)

267.	Bond and Loan Retirement and Redemption (74300)		$1,066,544,404	$1,093,705,845
	Debt Service Payments on General Obligation Bonds (74301)	$25,660,143	$14,561,075	
	Debt Service Payments on Public Building Authority Bonds (74303)	$396,238,078	$412,046,853	
	Debt Service Payments on College Building Authority Bonds (74304)	$644,646,183	$667,097,917	
	Fund Sources: General	$1,031,653,635	$1,059,493,560	
	Higher Education Operating	$31,526,576	$31,526,576	
	Dedicated Special Revenue	$645,000	$645,000	
	Federal Trust	$2,719,193	$2,040,709	

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 2027**		**FY 2028**	
	General Fund	**Federal Funds**	**General Fund**	**Federal Funds**
2016B Refunding	$4,516,200	$0	$4,347,700	$0
2019C Refunding	$981,193	$0	$910,125	$0
2024B Refunding	$6,331,500	$0	$0	$0
2025B Refunding	$13,731,250	$0	$9,203,250	$0
Projected debt service & expenses	$100,000	$0	$100,000	$0
Total Service Area	**$25,660,143**	**$0**	**$14,561,075**	**$0**

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

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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 2027		FY 2028	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
2010B	$21,121,235	$1,494,932	$18,540,050	$1,176,018
2013A	$1,354,800	$0	$1,354,800	$0
2014B	$2,013,490	$0	$2,011,281	$0
2015A	$17,297,595	$0	$17,297,145	$0
2015B Refunding	$11,258,575	$0	$11,263,140	$0
2016A	$14,377,100	$0	$14,379,475	$0
2016B Refunding	$31,950,700	$0	$14,564,700	$0
2016C	$11,660,250	$0	$11,656,500	$0
2016D	$903,788	$0	$903,232	$0
2017A Refunding	$18,932,900	$0	$36,322,825	$0
2018A	$11,741,619	$0	$11,745,619	$0
2018B	$1,232,190	$0	$1,233,043	$0
2019A	$13,431,775	$0	$13,434,150	$0
2019B	$10,159,400	$0	$10,155,525	$0
2020A	$15,721,050	$0	$15,718,550	$0
2020B Refunding	$19,755,000	$0	$19,764,375	$0
2020C	$6,620,325	$0	$6,622,551	$0
2021A	$38,485,375	$0	$38,485,000	$0
2021B Refunding	$1,185,464	$0	$1,182,975	$0
2022A	$33,096,050	$0	$33,096,675	$0
2022B	$5,125,770	$0	$0	$0
2024A	$13,854,250	$0	$14,107,000	$0
2024B Refunding	$35,834,625	$645,000	$13,687,750	$645,000
2024C	$6,096,330	$0	$5,847,580	$0
2025A	$20,842,375	$0	$20,848,500	$0
2025B	$6,682,771	$0	$6,679,505	$0
Projected debt service and expenses	$23,363,344	$0	$69,323,889	$0
Total Service Area	**$394,098,146**	**$2,139,932**	**$410,225,835**	**$1,821,018**

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
Fairfax County Adult Detention Center - Security and Mechanical Upgrades	$14,479,670
Loudoun County Adult Detention Center - Expansion and Renovation	$9,975,250
Albemarle-Charlottesville Regional Jail - Renovation	$11,689,250
Total Approved Capital Costs	**$36,144,170**

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

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issue bonds for the foregoing projects pursuant to § 2.2-2261 of the Code of Virginia.

3.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, Code of Virginia, for the following:

Project	Maximum Capital Costs
Chesapeake Correctional Center	$437,603
Chesterfield County Jail - Resubmittal	$340,320
Montgomery County Jail	$221,051
New River Valley Regional Jail	$144,022
New River Valley Regional Jail - Resubmittal	$321,177
Norfolk City Jail	$843,243
Piedmont Regional Jail	$411,855
Pittsylvania County Jail	$15,076,753
Portsmouth City Jail	$26,420,944
Prince William-Manassas Regional ADC	$541,250
Total	**$44,758,218**

b.i. The Commonwealth's share of the total construction cost of the projects listed in the table in paragraph C.3.a. shall not exceed the amount listed for each project.

ii. Projects with a total cost less than $12,000,000, shall have reimbursement of the Commonwealth's portion of the construction costs of these projects be subject to the approval of the Department of Corrections (DOC) of the final expenditures.

iii. Projects with a total cost equal to or exceeding $12,000,000 shall undergo a cost and design review by the Department of General Services (DGS) in accordance with Item 385 of this act. The cost target set by DGS shall include capital project costs as defined in § 53.1-82.2. Upon completion of the cost review, DGS shall inform the Department of Planning and Budget (DPB), Department of Corrections (DOC), and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees of the outcome of its review. Based on the DGS review and allowable costs pursuant to §§ 53.1-80 through 53.1-82.2, DPB shall set a maximum reimbursement of the Commonwealth's portion of the construction costs amount, not to exceed the amount set forth in the above table and communicate such amount to DOC. Such reimbursement shall then be subject to the approval of DOC of the final expenditures. Notwithstanding any other approval provisions in § 53.1-80, Code of Virginia, these projects are hereby authorized for reimbursement in accordance with the provisions of C.3.a. and b. of this item.

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, Code of Virginia.

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 2027	FY 2028
2010B	$25,992,148	$25,275,236
2015A	$241,600	$241,600
2015B Refunding	$30,681,333	$0
2015D	$30,236,485	$22,602,385
2016A	$21,223,400	$21,225,150
2016B Refunding	$1,972,000	$29,527,000
2017B Refunding	$15,126,250	$15,125,250
2017C	$31,465,250	$42,785,750

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2017D	$11,319,000			$0
2017E Refunding	$69,726,750			$93,440,750
2019A	$31,123,600			$31,125,350
2019B	$9,983,250			$9,982,500
2019C Refunding	$29,063,250			$29,067,750
2020A	$20,157,200			$20,158,200
2020B Refunding	$22,101,767			$5,170,601
2021A	$32,914,300			$32,915,050
2022A	$42,804,663			$42,804,413
2023A	$41,846,775			$41,847,275
2023B Refunding	$17,090,500			$17,090,500
2024A	$42,386,050			$42,387,300
Projected 21st Century debt service & expenses	$16,539,613			$38,933,232
Subtotal 21st Century	**$543,995,184**			**$561,705,292**

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 2027	FY 2028
2020A	$12,064,500	$0
2021A	$12,513,500	$12,516,000
2022A	$13,943,750	$13,946,500
2023A	$14,403,500	$14,401,000
2024A	$14,556,000	$14,555,750
Projected debt service & expenses	$33,169,750	$49,973,375
Subtotal Equipment	$100,651,000	$105,392,625
Total Service Area	**$644,646,184**	**$667,097,917**

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 2027	FY 2028
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 University	$5,192,295	$5,192,295
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

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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:

	FY 2027		FY 2028	
Institution	**General Fund**	**Nongeneral Fund**	**General Fund**	**Nongeneral Fund**
College of William & Mary	$3,241,273	$259,307	$3,401,686	$259,307
University of Virginia	$14,735,438	$1,088,024	$15,464,706	$1,088,024
Virginia Polytechnic Institute and State University	$14,556,732	$992,321	$15,277,155	$992,321
Virginia Military Institute	$1,248,445	$88,844	$1,310,232	$88,844
Virginia State University	$1,891,073	$108,886	$1,984,664	$108,886
Norfolk State University	$1,690,889	$108,554	$1,774,572	$108,554
Longwood University	$1,047,458	$54,746	$1,099,297	$54,746
University of Mary Washington	$923,911	$97,063	$969,636	$97,063
James Madison University	$3,254,169	$254,504	$3,415,220	$254,504
Radford University	$2,458,603	$135,235	$2,580,281	$135,235
Old Dominion University	$7,806,441	$374,473	$8,192,787	$374,473
Virginia Commonwealth University	$9,656,120	$401,647	$10,134,008	$401,647
Richard Bland College	$225,641	$2,027	$236,809	$2,027
Christopher Newport University	$1,063,000	$17,899	$1,115,608	$17,899
University of Virginia's College at Wise	$353,196	$19,750	$370,676	$19,750
George Mason University	$5,561,148	$205,665	$5,836,373	$205,665
Virginia Community College System	$24,792,596	$633,657	$26,019,599	$633,657
Virginia Institute of Marine Science	$510,180	$0	$535,429	$0
Roanoke Higher Education Authority	$109,367	$0	$114,779	$0
Southwest Virginia Higher Education Center	$112,872	$0	$118,458	$0
Institute for Advanced Learning and Research	$386,294	$0	$405,412	$0

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Southern Virginia Higher Education Center	$134,963	$0	$141,642		$0
New College Institute	$48,589	$0	$50,994		$0
TOTAL	**$95,808,398**	**$4,842,602**	**$100,550,023**		**$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 443, 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 any other provision of law including but not limited to any provision of this Act, if tax-advantaged 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 thereon shall first be made available to the issuer of such tax-advantaged bonds to be applied toward remediation options available under federal law, to the extent remediation is determined by the issuer to be appropriate, in order to maintain the tax-advantaged status of such bonds.

268. A. There is hereby appropriated to the Treasury Board a sum sufficient from the general fund to pay obligations incurred pursuant to Article X, Sections 9 (a), 9 (c), and 9 (d), of the Constitution of Virginia, as follows:

1. Section 9 (a) To meet emergencies and redeem previous debt obligations.

2. Section 9 (c) Debt for certain revenue-producing capital projects.

3. Section 9 (d) Debt for variable rate obligations secured by general fund appropriations and a payment agreement with the Treasury Board.

4. For payment of the principal of and the interest on obligations, issued in accordance with the cited Sections 9 (c) and 9 (d), in the event pledged revenues are insufficient to meet the obligation of the Commonwealth.

B. There is hereby appropriated to the Treasury Board a sum sufficient to pay debt service expected at the time of issuance to be paid from subsidies under federal programs and for arbitrage rebate amounts and other penalties to the United States Government for bonds issued by the Commonwealth pursuant to Article X, Sections 9 (a), 9 (b), 9 (c), and 9 (d) (obligations secured by General Fund appropriations to Treasury Board) of the Constitution of Virginia.

Total for Treasury Board			**$1,066,544,404**	**$1,093,705,845**
Fund Sources: General	$1,031,653,635	$1,059,493,560		
Higher Education Operating	$31,526,576	$31,526,576		
Dedicated Special Revenue	$645,000	$645,000		
Federal Trust	$2,719,193	$2,040,709		

§ 1-90. BOARD OF ACCOUNTANCY (226)

269. Regulation of Professions and Occupations (56000)			$2,869,495	$2,869,495
Accountant Regulation (56001)	$2,869,495	$2,869,495		
Fund Sources: Dedicated Special Revenue	$2,869,495	$2,869,495		

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Authority: Title 54.1, Chapter 44, Code of Virginia.				
Total for Board of Accountancy			**$2,869,495**	**$2,869,495**
Nongeneral Fund Positions	15.00	15.00		
Position Level	15.00	15.00		
Fund Sources: Dedicated Special Revenue	$2,869,495	$2,869,495		
TOTAL FOR OFFICE OF FINANCE			**$2,869,170,390**	**$2,897,131,848**
General Fund Positions	1,162.20	1,162.20		
Nongeneral Fund Positions	220.80	220.80		
Position Level	1,383.00	1,383.00		
Fund Sources: General	$2,185,299,012	$2,210,507,934		
Special	$16,168,078	$16,168,078		
Higher Education Operating	$31,526,576	$31,526,576		
Commonwealth Transportation	$195,518	$195,518		
Internal Service	$56,888,894	$60,199,914		
Trust and Agency	$154,537,704	$154,657,704		
Dedicated Special Revenue	$421,835,415	$421,835,415		
Federal Trust	$2,719,193	$2,040,709		

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OFFICE OF HEALTH AND HUMAN RESOURCES

§ 1-91. SECRETARY OF HEALTH AND HUMAN RESOURCES (188)

270.	Administrative and Support Services (79900)			$1,060,134	$1,060,134
	General Management and Direction (79901)	$1,060,134	$1,060,134		
	Fund Sources: General	$1,060,134	$1,060,134		

Authority: Title 2.2, Chapter 2; Article 6, and § 2.2-200, Code of Virginia.

A.1. The Secretary of Health and Human Resources, in collaboration with the Office of the Attorney General and the Secretary of Public Safety and Homeland Security, shall present a six-year forecast of the adult offender population presently incarcerated in the Department of Corrections and approaching release who meet the criteria set forth in Chapter 863 and Chapter 914 of the 2006 Acts of Assembly, and who may be eligible for evaluation as sexually violent predators (SVPs) for each fiscal year within the six-year forecasting period. As part of the forecast, the secretary shall report on: (i) the number of Commitment Review Committee (CRC) evaluations to be completed; (ii) the number of eligible inmates recommended by the CRC for civil commitment, conditional release, and full release; (iii) the number of civilly committed residents of the Virginia Center for Behavioral Rehabilitation who are eligible for annual review; and (iv) the number of individuals civilly committed to the Virginia Center for Behavioral Rehabilitation and granted conditional release from civil commitment in a state SVP facility. The secretary shall complete a summary report of current SVP cases and a forecast of SVP eligibility, civil commitments, and SVP conditional releases, including projected bed space requirements, to the Governor and Senate Finance and Appropriations and House Appropriations Committees by November 15 of each year.

2. As part of the forecast process, the Department of Corrections shall administer a STATIC-99 screening to all potential Sexually Violent Predators eligible for civil commitment pursuant to § 37.2-900 et seq., Code of Virginia, within six months of admission to the Department of Corrections. The results of such screenings shall be provided to the commissioner of the Department of Behavioral Health and Developmental Services (DBHDS) on a monthly basis and used for the SVP population forecast process.

3. The Office of the Attorney General shall also provide to the commissioner of DBHDS, on a monthly basis, the status of all SVP cases pending before their office for purposes of forecasting the SVP population.

B.1. The Secretary of Health and Human Resources, in collaboration with the Secretary of Administration and the Secretary of Public Safety and Homeland Security, shall convene an interagency workgroup to oversee the development of a statewide integrated electronic health record (EHR) system. The workgroup shall include the Department of Behavioral Health and Developmental Services (DBHDS), the Virginia Department of Health, the Department of Corrections, the Department of Planning and Budget, staff of the House Appropriations and Senate Finance and Appropriations Committees, and other agencies as deemed appropriate by the respective Secretaries. The purpose of the workgroup shall be to evaluate common business requirements for electronic health records to ensure consistency and interoperability with other partner state and local agencies and public and private health care entities to the extent allowed by federal and state law and regulations. The goal of the workgroup is to develop an integrated EHR which may be shared as appropriate with other partner state and local agencies and public and private health care entities. The workgroup shall evaluate the DBHDS statement of work developed for its EHR system and the DBHDS platform for potential adaption and/or use by state agencies in order to develop an integrated statewide EHR.

2. The workgroup shall also maintain an implementation timeline, cost estimates, and assess other issues that may need to be addressed in order to implement an integrated statewide EHR system. The timeline and cost estimates shall be used by the respective agencies to coordinate implementation. The workgroup shall report on its activities and any recommendations to the Joint Subcommittee on Health and Human Resources Oversight by November 1 of each year.

C. The Secretary of Health and Human Resources and the Secretary of Labor shall coordinate

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	efforts to ensure applicants and individuals enrolled in the Medicaid expansion program pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act who are subject to work requirements pursuant to House Resolution 1 (H.R. 1), Public Law 119-21, 119th Congress (2025-2026), are connected to work opportunities, including job search, job training, education, job placement assistance, employment, and community service opportunities. Coordination shall include agency data sharing to the extent allowed by federal and state laws to identify and provide outreach and assistance to affected individuals. In addition, agencies in the Health and Human Resources and Labor Secretariat shall make efforts to work with community providers to assist in these efforts. The Secretaries of Health and Human Resources and Labor shall provide a progress report on these efforts to the House Appropriations and Senate Finance and Appropriation Committees by December 1, 2026.				
	D.1. The Secretary of Health and Human Resources shall establish a Task Force on the Supplemental Nutrition Assistance Program (SNAP) error rate reduction status and implementation of Community Engagement requirements in the Medicaid program to ensure that the Commonwealth addresses the SNAP error rate in the most prudent manner possible and receives implementation updates for the Medicaid Community Engagement requirements. The Task Force shall include representatives from the Department of Medical Assistance Services, the Department of Social Services, the Department of Planning and Budget, and staff from the House Appropriations and Senate Finance and Appropriations Committees.				
	2. The Task Force shall: (i) assess the most recent SNAP error rate, including payment error trends, quality control results, and the major policy and operational drivers contributing to the error rate; (ii) evaluate the current corrective action plan to reduce and sustain a lower SNAP error rate; (iii) assess the resources and operational capabilities of the Department of Social Services and local departments to effectively lower the error rate; and (iv) make recommendations to improve the SNAP benefits administration processes.				
	3. The Task Force shall also: (i) review the status, federal approvals, and implementation timeline of Medicaid Community Engagement requirements; (ii) provide regular enrollment, exemption, and compliance updates; and (iii) recommend strategies to modernize and streamline the eligibility determination and case management system to improve administrative efficiency.				
	4. The Secretary shall provide an update to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1, 2026, and every 90 days thereafter through the end of fiscal year 2028, on the efforts, progress, and challenges related to decreasing the SNAP error rate and implementing Medicaid Community Engagement Requirements.				
	Total for Secretary of Health and Human Resources			**$1,060,134**	**$1,060,134**
	General Fund Positions	5.00	5.00		
	Position Level	5.00	5.00		
	Fund Sources: General	$1,060,134	$1,060,134		
	Children's Services Act (200)				
271.	Protective Services (45300)			$544,418,056	$578,937,394
	Financial Assistance for Child and Youth Services (45303)	$544,418,056	$578,937,394		
	Fund Sources: General	$475,111,038	$509,630,376		
	Federal Trust	$69,307,018	$69,307,018		
	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 K.				

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B.1.a. Out of this appropriation, $472,106,038 the first year and $506,625,376 the second year from the general fund and $69,297,008 the first year and $69,297,008 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 $33,325,689 the first year and $33,325,689 the second year from the general fund and $59,887,020 the first year and $59,887,020 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 $440,891,688 the first year and $475,411,026 the second year from the general fund and $9,419,998 the first year and $9,419,998 the second year from nongeneral funds.

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.

f. Of the amounts in paragraph B.1.c., the Director, Office of Children's Services, shall allocate up to $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 who otherwise meet one of the criteria pursuant to § 2.2-5211, Code of Virginia.

2. The Department of Social Services shall transfer $9,419,998 the first year and $9,419,998 the second year from the federal Social Services Block Grant to the Office of Children's Services for services to eligible children.

C. The State Executive Council shall maintain local government performance measures to 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 Chairs of the House Appropriations and Senate Finance and Appropriations Committees on utilization rates and average lengths of stays statewide and for each locality.

E. 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.

F. 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

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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.

G.1. 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.

2. 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 Chairs 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.

H.1. The State Executive Council shall require a uniform assessment instrument.

2. 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.

I. 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.

J. 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.

K.1. 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 K.3. in this Item.

2.a. 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.

b. 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. By December 1 of each year, The State Executive Council (SEC) shall provide an update to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the outcomes of this initiative.

c. The local match rate for all non-Medicaid services provided in the public schools after

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June 30, 2011 shall equal the fiscal year 2007 base.

3. 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 K.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 Children's Services Act program. Localities may pool this administrative funding to hire regional coordinators.

4. For purposes of the funding formula in the Children's Services Act, "locality" means city or county.

L. 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.

M. 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.

N. 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.

O. 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.

P. 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.

Q. 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.

R. 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.

S. 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

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	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).				
	T.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 Chairs of the House Appropriations and Senate Finance and Appropriations Committees.				
	U. Notwithstanding any other provision of law, for services provided on or after July 1, 2026, the rate of reimbursement to localities for private day educational services for the per student/per diem tuition rates shall not increase more than 2.5 percent over the per student/per diem tuition rates for such services provided in the previous year. The 2.5 percent increase shall be based on the maximum allowable amount for fiscal year 2026.				
	V. Notwithstanding any other provision of law, for services provided on or after July 1, 2026, the state match for community-based services shall be reduced uniformly to reflect an average state match of 71 percent.				
272.	Administrative and Support Services (49900).....			$3,000,312	$3,000,312
	General Management and Direction (49901).....	$3,000,312	$3,000,312		
	Fund Sources: General.....	$3,000,312	$3,000,312		
	Authority: Title 2.2, Chapter 26, Code of Virginia.				
	A. The Office of Children's Services may enter into a memorandum of understanding with the Department of Social Services for the provision of routine administrative support services.				
	B.1. The Office of Children's Services shall, on its website by October 1 of each year, (i) show the number of students in private day placements by locality; (ii) calculate the ratio of children in private day placements to the number of students in the local education agency (LEA); and (iii) identify the LEAs that exceed the statewide average of private day placements compared to the LEA's enrollment.				
	2. The Office of Comprehensive Services, in coordination with the Virginia Department of Education's Office of Special Education, shall report to the General Assembly by October 1 of each year: (i) recommendations made to each LEA and progress made in improving the LEA's ability to serve students; (ii) an assessment of barriers to students returning to a LEA from a private day placement including instances when the LEA refuses or is unable to provide a less restrictive environment due to a lack of available transition services and recommendations for returning students to public school who are deemed eligible; and (iii) trends in behavioral and emotional diagnoses including students on home-based instruction that may require private day placements.				
	3. The Office shall annually report for private day school placements the total and per pupil local and state costs and the number of students served, disaggregated by school division and primary disability category. The report shall also include local match rates. For the purposes of this report, the number of students and per pupil costs shall be adjusted to reflect length of enrollment in the program. The Office shall collaborate with the Department of Education to ensure that the data from this report is comparable and aligned with the annual report produced for the Students with Intensive Supports Needs Application (SISNA). Such report shall be posted to the Office's website annually no later than December 1, 2026.				

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C. The Office of Children's Services shall collect annually from each local Children's Services Act program the number of program staff by full- and part-time status and the administrative budget broken out by state and local funding to understand local program resources and target technical assistance to the most under-sourced local programs.				
Total for Children's Services Act			**$547,418,368**	**$581,937,706**
General Fund Positions	16.00	16.00		
Position Level	16.00	16.00		
Fund Sources: General	$478,111,350	$512,630,688		
Federal Trust	$69,307,018	$69,307,018		
Grand Total for Secretary of Health and Human Resources			**$548,478,502**	**$582,997,840**
General Fund Positions	21.00	21.00		
Position Level	21.00	21.00		
Fund Sources: General	$479,171,484	$513,690,822		
Federal Trust	$69,307,018	$69,307,018		

§ 1-92. DEPARTMENT FOR THE DEAF AND HARD-OF-HEARING (751)

273.	Social Services Research, Planning, and Coordination (45000)		$3,303,318	$3,303,318
	Technology Services for Deaf and Hard-of-Hearing (45004)	$1,658,796	$1,658,796	
	Consumer, Interpreter, and Community Support Services (45005)	$1,078,878	$1,078,878	
	Administrative Services (45006)	$565,644	$565,644	
	Fund Sources: General	$1,525,574	$1,525,574	
	Special	$1,677,744	$1,677,744	
	Federal Trust	$100,000	$100,000	

Authority: Title 51.5, Chapter 13, Code of Virginia.

A. Up to $123,073 the first year and up to $123,073 the second year from the general fund is provided to the Department for the Deaf and Hard-of-Hearing (DDHH) to contract with the Department for Aging and Rehabilitative Services (DARS) for the provision of shared administrative services. The scope of the services and specific costs shall be outlined in a memorandum of understanding (MOU) between DDHH and DARS subject to the approval of the respective agency heads. Any revision to the MOU shall be reported by DARS to the Director, Department of Planning and Budget within 30 days.

B. Out of this appropriation, an amount estimated at $1,159,347 the first year and $1,159,347 the second year from special funds shall be used to cover the cost of providing telecommunications relay service as defined in § 51.5-115, Code of Virginia.

C.1. Notwithstanding § 58.1-662 of the Code of Virginia, prior to the distribution of monies from the Communications Sales and Use Tax Trust Fund to counties, cities and towns, there shall be distributed monies in the fund to pay for the Technology Assistance Program. This requirement shall not change any other distributions required by law from the Communications Sales and Use Tax Trust Fund.

2. Out of this appropriation, $500,000 the first year and $500,000 the second year from special funds shall be used for the Technology Assistance Program.

D. Out of this appropriation, $40,000 the first year and $40,000 the second year from the general fund shall be used to contract with a provider for the provision of equipment distribution and community services to deaf and hard-of-hearing individuals in the southwest Virginia region.

E. Out of this appropriation, $238,200 the first year and $238,200 the second year from the

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general fund shall be used to support the cost of a deaf mentor program for children.				
Total for Department for the Deaf and Hard-Of-Hearing			**$3,303,318**	**$3,303,318**
General Fund Positions	10.37	10.37		
Nongeneral Fund Positions	3.63	3.63		
Position Level	14.00	14.00		
Fund Sources: General	$1,525,574	$1,525,574		
Special	$1,677,744	$1,677,744		
Federal Trust	$100,000	$100,000		

§ 1-93. DEPARTMENT OF HEALTH (601)

274.	Higher Education Student Financial Assistance (10800)			$20,106,684	$20,106,684
	Scholarships (10810)	$20,106,684	$20,106,684		
	Fund Sources: General	$18,421,000	$18,421,000		
	Dedicated Special Revenue	$85,000	$85,000		
	Federal Trust	$1,600,684	$1,600,684		

Authority: §§ 23.1-614 and 32.1-122.5:1 through 32.1-122.10, Code of Virginia.

A. This appropriation shall only be used for the provision of loans or scholarships in accordance with regulations promulgated by the Board of Health and the Virginia Health Workforce Development Authority, or for the administration, management, and reporting thereof.

B. Any unexpended balance in this Item at the close of business on June 30 each year shall not revert to the general fund, but shall be carried forward and reappropriated.

C.1. Out of this appropriation, $7,350,000 the first year and $7,350,000 the second year from the general fund shall be provided to the Virginia Department of Health for the Virginia Behavioral Health Loan Repayment Program. Eligible practitioners include: psychiatrists, licensed clinical psychologists, licensed clinical social workers, licensed professional counselors, child and adolescent psychiatrists, child and adolescent psychiatry Fellows, psychiatric physician assistants, psychiatric pharmacists, psychiatric registered nurses, and psychiatric nurse practitioners. The program shall include a tiered incentive system as follows: (i) Tier I providers: child and adolescent psychiatrists, child and adolescent psychiatry Fellows, psychiatric nurse practitioners, psychiatric registered nurses, and psychiatrists; (ii) Tier II providers: licensed clinical psychologists, licensed clinical social workers, and licensed professional counselors; and (iii) Tier III providers: mental health service professionals defined in § 54.1-2400.1 of the Code of Virginia who are not set forth in C.1. as Tier I or Tier II providers.

2. For each eligible year of service provided, the practitioner shall receive a year of applicable loan repayment award in return. Loan repayment checks will be submitted at the end of each year of service. Payments will be made directly to the lender. Practitioners must agree to a minimum of two years of practice for the behavioral health provider with the ability for two one-year renewals. The program shall require preference be given to applicants choosing to practice in underserved areas which must be a federally designated mental Health Professional Shortage Area or Medically Underserved Area within the Commonwealth. Practitioners are required to practice at Community Services Boards, behavioral health authorities, state mental health facilities, free clinics, federally qualified health centers, academic medical centers, stand-alone inpatient psychiatric facilities that serve uninsured or medically underserved populations and/or communities, and other similar health safety net organizations in order to be eligible for the program. The award amount is up to 25 percent of student loan debt, not to exceed $50,000 per year for Tier I professionals or $20,000 per year for Tier II professionals. In no instance shall the loan repayment exceed the total student loan debt.

3. No match contribution from practice sites or the community is required. Loan

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repayment awards shall be tax exempt.

4. The program shall have an Advisory Board, composed of representatives from stakeholder organizations and community members as determined by the department. The Advisory Board will meet annually and provide guidance regarding effective outreach and feedback on both programmatic processes and impact. The department shall provide an annual report to the Advisory Board on successes, challenges, and opportunities with the program.

5. The Board of Health shall develop regulations consistent with this language in order for the department to administer the program.

D.1. Out of this appropriation, $9,571,000 the first year and $9,571,000 the second year shall be provided to the Virginia Health Workforce Development Authority for the administration of nursing scholarship and loan programs pursuant to Chapters 25 and 430, 2026 Acts of Assembly. The Authority may move appropriation between scholarship or loan repayment programs as long as the scholarship or loan repayment is in accordance with promulgated regulations.

2. Out of the appropriation in D.1., $3,600,000 the first year and $3,600,000 the second year from the general fund shall be provided for the Nursing Preceptor Incentive Program. The Authority shall collaborate with the advisory board to the Virginia Nursing Workforce Center pursuant to [SB 405; pending legislation; § 32.122.7:2 once amended], and other relevant stakeholders on a nursing student preceptor grant program. The program shall offer up to a $5,000 incentive for any Virginia licensed physician, physician's assistant, licensed practical nurse, registered nurse, or advanced practice registered nurse (APRN) who, in conjunction with a licensed and accredited Virginia public or private not-for-profit school of nursing, provides a clinical education rotation of 250 hours, which is certified as having been completed by the school. The amount of the incentive may be adjusted based on the actual number of hours completed during the clinical education rotation. The program shall seek to reduce the shortage of registered nurse clinical education opportunities especially in high demand fields such as psychiatry and anesthesiology.

3. Out of the appropriation in D.1., $35,000 the first year and $35,000 the second year from the general fund is provided for the Nurse Loan Repayment Program to provide loan repayments for certified nurse aides. The total loan repayment allowed per certified nurse aide is limited to no more than $1,000.

4. Out of the appropriation in D.1., $1,936,000 the first year and $1,936,000 the second year from the general fund shall be used to fund nursing scholarship and loan repayment programs to recruit and retain nurses and nurse faculty, consistent with § 32.1-122.6:01 of the Code of Virginia, the Nursing Preceptor Incentive Program established in Chapter 552, 2021 Acts of Assembly, Special Session I, the Virginia Nurse Practitioner/Nurse Midwife scholarship program, the Nurse Educator Scholarship Program pursuant to 12VAC5-545-10, the Nurse Loan Repayment Program authorized in § 32.1-122.6:04, Code of Virginia, and the Long-Term Facility Nursing Scholarship Program, authorized in § 54.1-3011.2, Code of Virginia.

a. Out of the appropriation in paragraph D.4., $64,000 the first year and $64,000 the second year from the general fund shall be provided to fund the Long-Term Facility Nursing Scholarship, authorized in § 54.1-3011.2, Code of Virginia. The program shall offer a scholarship for any Virginia student accepted for enrollment or enrolled in an approved education program in the Commonwealth of Virginia to become a certified nurse aide, licensed practical nurse, or registered nurse, and who commits to work in a long-term care facility after graduation. For each year of scholarship money received, the participant agrees to engage in the equivalent of one year of full-time nursing practice in a long-term care facility in the Commonwealth.

b. Out of the appropriation in paragraph D.4., $936,000 the first year and $936,000 the second year from the general fund shall be provided for nursing scholarship, loan repayment, and incentive programs based on priorities as identified by the Virginia Health Workforce Authority and the ability of the Authority to expedite funding to recipients.

c. Out of the appropriation in paragraph D.4., $300,000 the first year and $300,000 the second year from the general fund may be provided to create a scholarship to support licensed practical nurses serving as a school nurse or school nurse assistant to become a registered

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nurse, as funds are available. The Authority shall collaborate with the Department of Education in developing the scholarship program in accordance with the recommendations from the 2021 "Report of the Department of Education on School Health Personnel in Virginia Public Schools: Recommendations for Qualifications and Training". The program shall offer a scholarship, not greater than $10,000, for any licensed practical nurse currently serving as a Virginia school nurse to complete the training and education requirements to become a registered nurse in an approved education program in the Commonwealth of Virginia. For each year of the scholarship money received, the student must maintain employment as a school nurse and agree to engage in the equivalent of one year of full-time employment as a school nurse after graduation. Full-time employment during school is not required and does not count towards the required one-year service obligation.

5. Out of the appropriation in D.1., $4,000,000 the first year and $4,000,000 the second year from the general fund shall be provided to the Earn to Learn Nursing Education Acceleration program. The Authority 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.

E. The Virginia Department of Health and the Virginia Health Workforce Development Authority shall each publish and regularly update on their websites information about respective incentive programs in this appropriation so that information is readily available to the public. In addition, the Authority shall notify nursing schools and nursing programs throughout the Commonwealth of the availability of nursing scholarship and loan repayment program funding, including information about the Nursing Preceptor Incentive Program, prior to each academic year in a timely manner to accept applications and process them.

F. The Virginia Health Workforce Development Authority shall expand the Mary Marshall Scholarship Program to include humanitarian parolees as eligible participants. In addition, the Authority shall expand the program to provide scholarships of up to 100 percent of the fees required to obtain a Credential Service Evaluation Profession Report and the English Language Proficiency Report for those individuals who graduated from a nursing education program in a foreign country prior to admission for licensure.

G. The Virginia Health Workforce Development Authority shall submit an annual report, for the prior fiscal year, by October 1 to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees for the programs funded in this item to include: (i) total awards by grant program for the prior fiscal year; (ii) total expenditures by grant program for the prior fiscal year; (iii) any remaining funding not expended by the end of the fiscal year; (iv) total administrative costs attributable specifically to the nursing scholarship and loan repayment programs; (v) total administrative expenditures of the Authority, itemized by personnel, contractual services, information technology, facilities, travel, and other overhead; and (vi) program performance and accountability metrics for each scholarship and loan program.

H. The Virginia Health Workforce Development Authority shall submit its audited annual financial report for the prior fiscal year within 30 days of it being completed to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. In addition, to the annual financial report, the Authority shall include any audit findings and resulting corrective actions and report on the total compensation of the three highest-compensated employees of the Authority for the prior fiscal year. If the audited annual financial report and other required information of the Authority is not submitted by July 1, then no funding in this Item shall be provided to the Authority for that fiscal year until the requirements are met.

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I. Notwithstanding Chapters 25 and 430, 2026 Acts of Assembly, the Authority is authorized to monitor, collect, and track data pertaining to health care delivery, training, and education from Virginia educational institutions and other entities as needed to carry out its public purpose and objectives in areas where such data efforts do not already exist. The Authority is further authorized to request and seek data for program evaluation purposes and may partner with other agencies and institutions to help manage and analyze health workforce data. The Authority shall assist in the coordination of data from various sources, including the Department of Education, to establish and maintain an annual reporting schedule requiring submission of a usable electronic data file in a standard format, which shall be either (i) a comma-separated values file or (ii) an Excel spreadsheet, containing record-level, health workforce data necessary for program evaluation and workforce forecasting. Such data shall include academic enrollment and graduation information, health professional licensure and renewal data, residency and fellowship program data, and health workforce incentive program data. The State Council of Higher Education for Virginia, the Department of Health Professions, the Department of Health, the Virginia Office of Education Economics, the Workforce Data Trust, the George Mason University Center for Health Workforce the Virginia Community College System, and any other state agencies or institutions that maintain data relevant to the health workforce shall be required to submit such information to the Authority on an annual basis. The Authority shall analyze and publish this data to inform statewide health workforce planning, policy development, and program evaluation.

J. The Director, Department of Planning and Budget, shall, on or before August 1, 2026, unallot $5,000,000 from the general fund in this item, which reflects unused balances in the Behavioral Health Loan Repayment Program.

275.	Emergency Medical Services (40200)			$52,135,927	$51,135,927
	Financial Assistance for Non Profit Emergency Medical Services Organizations and Localities (40203)	$34,472,196	$33,472,196		
	State Office of Emergency Medical Services (40204)	$17,663,731	$17,663,731		
	Fund Sources: General	$1,000,000	$0		
	Special	$21,700,594	$21,700,594		
	Dedicated Special Revenue	$29,026,887	$29,026,887		
	Federal Trust	$408,446	$408,446		

Authority: §§ 32.1-111.1 through 32.1-111.16, 32.1-116.1 through 32.1-116.3, and 46.2-694 A 13, Code of Virginia.

A. Distributions made under § 46.2-694 A 13 b (iii), Code of Virginia, shall be made only to nonprofit emergency medical services organizations. The Virginia Department of Health shall develop and implement a plan to ensure timely quarterly distributions of $4.25 for Life funding to the Virginia Association of Volunteer Rescue Squads beginning quarterly in May 2021.

B. Notwithstanding any other provision of law or regulation, funds from the $0.25 of the $4.25 for Life fee shall be provided for the payment of the initial basic level emergency medical services certification examination provided by the National Registry of Emergency Medical Technicians (NREMT). The Board of Health shall determine an allocation methodology upon recommendation by the State EMS Advisory Board to ensure that funds are available for the payment of initial NREMT testing and distributed to those individuals seeking certification as an Emergency Medical Services provider in the Commonwealth of Virginia.

C. Out of this appropriation, $190,000 the first year and $190,000 the second year from the Virginia Rescue Squad Assistance Fund shall be provided for national background checks on persons applying to serve as a certified or non-certified provider in a licensed emergency medical services agency. The Office of Emergency Medical Services may transfer funding to the Office of State Police for national background checks as necessary.

D.1. Out of this appropriation, $1,045,375 the first year and $1,045,375 the second year from the Virginia Rescue Squad Assistance Fund and $2,052,723 the first year and $2,052,723 the second year from the special emergency medical services fund shall be provided to the

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Department of State Police for aviation (med-flight) operations.

2. The Office of Emergency Medical Services shall determine an amount of funding for each hospital, eligible for funding from the Trauma Center Fund, that receives patients through Virginia State Police's (VSP) med-flight operations in the Richmond area in order to support the paramedics or flight nurses provided by Chesterfield County. The Office shall take into account the overall costs of such paramedics or flight nurses, excluding any direct state appropriation, and determine a cost allocation for the hospital based on their share of the total number of VSP med-flight patients transported to the hospital for the prior fiscal year. Effective July 1, 2025, the amount assessed for a hospital shall reduce the amount of the hospital's Trauma Center Fund payment for the fiscal year. The Office shall transfer the assessed amount from the Trauma Center Fund to Chesterfield County as appropriate during the fiscal year.

E. The State Health Commissioner shall review current funding provided to trauma centers to offset uncompensated care losses, report on feasible long-term financing mechanisms, and examine and identify potential funding sources on the federal, state and local level that may be available to Virginia's trauma centers to support the system's capacity to provide quality trauma services to Virginia citizens. As sources are identified, the commissioner shall work with any federal and state agencies and the Trauma System Oversight and Management Committee to assist in securing additional funding for the trauma system.

F. The Virginia Department of Health shall make at least one annual distribution from the Trauma Center Fund, established pursuant to § 18.2-270.01, Code of Virginia, to eligible hospitals based on the available funding at the time of distribution.

G.1. Notwithstanding any other provision of law, the Board of Health shall not modify the geographic or designated service areas of designated regional emergency medical services councils without consulting relevant stakeholders, including existing regional councils, the Director of the Office of Emergency Medical Services, Emergency Medical Services personnel, community leaders, and any other public, private, and volunteer agency relevant to the decision.

2. Prior to making any change to the boundaries of existing regional emergency medical services councils, the Board of Health shall notify the existing councils of the changes it seeks to make.

3. The Board of Health shall report annually by September 1 to the General Assembly on (i) the status of existing regional emergency medical services councils; (ii) any changes it plans on making to regional council boundaries; and (iii) the actions it has taken to gather stakeholder input before implementing any changes.

H.1. Out of this appropriation, $1,000,000 the first year from the general fund shall be provided to the Virginia Department of Health to continue the Northern Virginia Firefighter Occupational Cancer Screening Pilot Program. Funding shall be contingent on the demonstration of an equal amount of matching funds each year provided by a health system-affiliated cancer screening center that has a contractual agreement to conduct the pilot program. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, shall not revert to the general fund but shall be carried forward and reappropriated.

2. The pilot program shall continue to (i) contract with a health system-affiliated cancer screening center located in Planning District 8 to implement the pilot program, (ii) be multi-year, and (iii) screen at least 450 firefighters annually, distributed among firefighters who are serving or have served localities in Planning District 8. The pilot program should continue: (i) the use of an occupational cancer screening and risk assessment for eligible firefighters within a defined age and risk band; (ii) a randomized clinical trial investigating the optimal type of full-body imaging for cancer early-detection for the unique occupational cancer risk of firefighters; and (iii) to develop an independent evaluation of the pilot program, assessing the effectiveness of the screening program and results of the clinical trials and their potential for use by other hospitals and health systems across Virginia, in partnership with the public safety divisions in their localities.

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276.	Medical Examiner and Anatomical Services (40300)			$21,698,369	$21,698,369
	Anatomical Services (40301)	$763,882	$763,882		
	Medical Examiner Services (40302)	$20,934,487	$20,934,487		
	Fund Sources: General	$18,634,935	$18,634,935		
	Special	$1,515,471	$1,515,471		
	Federal Trust	$1,547,963	$1,547,963		

Authority: §§ 32.1-277 through 32.1-304, Code of Virginia.

A. Out of this appropriation, $142,671 the first year and $142,671 the second year from the general fund shall be provided to the Office of the Chief Medical Examiner for any case involving a manner of death consistent with Sudden Unexpected Death in Epilepsy (SUDEP) to: (i) in addition to other information it deems appropriate, disclose its investigation into the cause of death in a full report, which shall include written findings pursuant to § 32.1-283, and (ii) within 30 days of such findings refer the case to a public or private institution, which shall provide to the decedent's next of kin, if known, information regarding the benefits of and process for submitting the deceased's medical information, including information about the deceased's history of epilepsy and seizures, to the North American SUDEP Registry.

B. The Office of the Chief Medical Examiner shall publish resources with information on SUDEP and a SUDEP death investigation form on its website.

277.	Vital Records and Health Statistics (40400)			$14,451,002	$14,451,002
	Health Statistics (40401)	$1,150,603	$1,150,603		
	Vital Records (40402)	$13,300,399	$13,300,399		
	Fund Sources: General	$95,197	$95,197		
	Special	$13,674,239	$13,674,239		
	Federal Trust	$681,566	$681,566		

Authority: §§ 8.01-217, 32.1-249 through 32.1-276, Code of Virginia; and P.L. 93-353, as amended, Federal Code.

A. Effective July 1, 2026, the standard vital records fee shall be $15.00 and the fee for the expedited record search shall be $53.00.

B. Notwithstanding § 32.1-273.D, Code of Virginia, the revenues generated from the sale of vital records in health districts shall be distributed between the districts that issue the records and the Office of Vital Records. The revenues shall be split with 85 percent remaining in the district to support the costs of that district and 15 percent to be transferred to the Office of Vital Records to support ongoing infrastructure costs associated with the collection, retention and issuance of the Commonwealth's vital records.

C. Notwithstanding § 32.1-273.1., Code of Virginia, two dollars of each fee collected by the State Registrar shall be deposited by the Comptroller to the Virginia Vital Statistics Automation Fund.

278.	Communicable Disease Prevention and Control (40500)			$145,431,187	$134,423,597
	Immunization Program (40502)	$8,890,303	$8,890,303		
	Tuberculosis Prevention and Control (40503)	$2,595,132	$2,595,132		
	Sexually Transmitted Disease Prevention and Control (40504)	$6,028,392	$6,028,392		
	Disease Investigation and Control Services (40505)	$29,726,131	$18,718,541		
	HIV/AIDS Prevention and Treatment Services (40506)	$88,302,732	$88,302,732		
	Pharmacy Services (40507)	$9,888,497	$9,888,497		
	Fund Sources: General	$29,244,109	$29,558,103		
	Special	$2,952,940	$2,952,940		
	Dedicated Special Revenue	$5,669,260	$5,669,260		

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Federal Trust	$107,564,878	$96,243,294		

Authority: §§ 32.1-11.1, 32.1-11.2, and 32.1-35 through 32.1-73, Code of Virginia; and P.L. 91-464, as amended, Federal Code.

A. Out of this appropriation, $90,000 the first year and $90,000 the second year from the general fund shall be used to purchase medication and supplies for individuals who have drug-susceptible or drug-resistant tuberculosis but who do not qualify for free or reduced prescription drugs and who do not have adequate income or insurance coverage to purchase the required prescription drugs.

B. The requirement for testing of tuberculosis isolates set out in § 32.1-50 E, Code of Virginia, shall be satisfied by the submission of samples to the Division of Consolidated Laboratory Services, or such other laboratory as may be designated by the Board of Health.

C. Out of this appropriation, $2,000,000 the first year and $2,000,000 the second year from nongeneral funds shall be used to purchase the Tdap (tetanus/diphtheria/pertussis) vaccine for children without insurance.

D. Out of this appropriation, $200,000 the first year and $200,000 the second year from the general fund shall be provided to the State Pharmaceutical Assistance Program (SPAP) for insurance premium payments, coinsurance payments, and other out-of-pocket costs for individuals participating in the Virginia Medication Assistance Program (VA MAP) with incomes meeting the VA MAP's current requirements and who are Medicare prescription drug coverage beneficiaries. These funds may also be used for the purchase of medications, co-insurance payments and other out-of-pocket costs for individuals served by the Virginia Department of Health's HIV Pre-Exposure Prophylaxis (PrEP) and non-occupational Post Exposure Prophylaxis (n-PEP) programs to prevent HIV infection.

E. The State Health Commissioner shall monitor patients who have been removed or diverted from the Virginia Medication Assistance Program (VA MAP) due to budget considerations. At a minimum the Commissioner shall monitor patients to determine if they have been successfully enrolled in a private Pharmacy Assistance Program or other program to receive appropriate anti-retroviral medications. The commissioner shall also monitor the program to assess whether a waiting list has developed for services provided through the VA MAP program. The commissioner shall report findings to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees annually on October 1.

F. The Virginia Department of Health shall report for each month within 30 days after the end of each month, on the number of procedures approved for payment pursuant to § 32.1-92.2, Code of Virginia, and include a description of the nature of the fetal abnormality, to the extent permitted by law, as required for eligibility under § 32.1-92.2, Code of Virginia. The department shall report the information by letter to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.

G. Out of this appropriation, $1,600,011 the first year and $1,600,011 the second year shall be provided to the Virginia Department of Health from available federal funding in the Department of Behavioral Health and Developmental Services, including the State Opioid Response Grant, as available, to purchase and provide opioid reversal drugs to support community rescue efforts for those who deal with vulnerable populations.

H. Out of this appropriation, $1,300,000 the first year and $1,300,000 the second year from the general fund shall be used to purchase opioid reversal drugs.

I. The Virginia Department of Health shall review and update their data collection and reporting protocols for COVID-19 or other infectious disease data to report actual deaths not an extrapolated projection of deaths.

J. The State Health Commissioner shall ensure that residents and employees of any nursing home or assisted living facility receive priority for testing indicating the existence of the COVID-19 virus in the Commonwealth. The Commissioner shall make available public health testing, if necessary, in order to ensure that nursing homes or assisted living facilities have access to testing that can provide the most rapid results in order to prevent

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or contain outbreaks of COVID-19. Such testing shall be provided, as needed, by the Division of Consolidated Laboratory Services or other public health testing agencies of the Commonwealth. Any testing costs through the public health system for employees or residents of nursing homes or assisted living facilities may be billed to responsible third-parties.

K.1. Out of this appropriation, $5,464,145 the first year and $5,464,145 the second year from the Commonwealth Opioid Abatement and Remediation fund shall be provided for the purchase and distribution of opioid reversal agents and test kits and for the development of tracking software.

2. Of the amounts provided in K.1., $1,000,000 the first year and $1,000,000 the second year shall be provided to purchase and distribute eight milligram naloxone nasal spray.

L. Out of this appropriation, $100,000 the first year and $100,000 the second year from the Commonwealth Opioid and Abatement and Remediation fund shall be provided for the purchase and distribution of additional opioid reversal agents for public school divisions by the Virginia Department of Health.

M.1. The Department of Health shall establish a workgroup on childhood immunization schedules and immunizations for public health emergencies. The workgroup shall include representatives from practitioner groups, including pediatricians, family medicine doctors, pharmacists, and other stakeholders to review Virginia's statutes and regulations governing childhood immunizations associated with public health emergencies to ensure evidence-based vaccines are included to protect public health. The Commissioner of the Department of Health shall make recommendations to improve Virginians' access to vaccines approved by the FDA and other organizations that review scientific evidence.

2. The Department of Health shall also collaborate with the Department of Medical Assistance, the Bureau of Insurance, and the Association of Health Plans, and create recommendations to improve the availability and affordability of vaccines with respect to insurance coverage.

3. The Department of Health shall submit a report of recommendations to the Chairs of the House Appropriations Committee, Senate Finance and Appropriations Committee, House Health and Human Services Committee, and Senate Education and Health Committee by November 1, 2026.

N. Out of this appropriation, $105,115 the first year and $105,115 the second year from the Commonwealth Opioid Abatement and Remediation fund shall be provided to fund the fiscal impact of Chapters 667 and 668, 2026 Acts of Assembly which requires the development of a strategic plan for opioid response.

O.1. Out of this appropriation, $5,818,820 the first year and $6,132,814 the second year from the general fund is provided to support core public health services, and maintain epidemiological response capacity and preparedness.

2. Of the amounts in paragraph O.1., $4,642,403 the first year and $4,642,403 the second year from the general fund is provided to support state epidemiology positions, strengthening Virginia's ability to identify, track, and stop HIV/AIDS, measles, and other infectious disease outbreaks.

P.1. Out of this appropriation, $6,600,000 the first year and $6,600,000 the second year from the general fund shall be provided to the Virginia Department of Health for the purposes of funding the Ryan White HIV/AIDS Program Part B for HIV care services to persons living with HIV/AIDS.

2. The department shall submit an annual report to the Chairs of the Senate Finance and Appropriations Committee and the House Appropriations Committee by December 1 detailing the expenditure and use of funds appropriated pursuant to this item.

3. The department shall submit a final report to the Chairs of the Senate Finance and Appropriations Committee and the House Appropriations Committee no later than June 30, 2028, that: (i) identifies the causes of recent revenue shortfalls; (ii) assesses internal controls

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and compliance with applicable federal grant requirements; (iii) evaluates the administration and financial management of the Ryan White HIV/AIDS Program Part B; and (iv) describes actions taken, or planned, to address financial instability associated with declines in rebate revenue.

Q. Notwithstanding § 54.1-3303.1, a pharmacist may administer an influenza vaccine or COVID-19 vaccine approved by the United States Food and Drug Administration to persons three years of age or older in accordance with the manufacturer's directions. A pharmacist may also delegate the administration of the influenza vaccine or COVID-19 vaccine to a pharmacy technician or intern under the supervision of a pharmacist. This authority shall expire June 30, 2027.

279.	Health Research, Planning, and Coordination (40600)			$26,832,510	$26,582,510
	Health Research, Planning and Coordination (40603)	$4,761,256	$4,761,256		
	Regulation of Health Care Facilities (40607)	$19,319,948	$19,069,948		
	Certificate of Public Need (40608)	$1,843,104	$1,843,104		
	Cooperative Agreement Supervision (40609)	$908,202	$908,202		
	Fund Sources: General	$8,773,941	$8,523,941		
	Special	$3,732,302	$3,732,302		
	Dedicated Special Revenue	$627,156	$627,156		
	Federal Trust	$13,699,111	$13,699,111		

Authority: §§ 32.1-102.1 through 32.1-102.11; 32.1-122.01 through 32.1-122.08; and 32.1-123 through 32.1-138.5, Code of Virginia; and P.L. 96-79, as amended, Federal Code; and Title XVIII and Title XIX of the U.S. Social Security Act, Federal Code.

A.1. Supplemental funding for the regional health planning agencies shall be provided from special funds from Certificate of Public Need (40608) application fees in excess of those required to operate the COPN Program, provided the program may retain special fund balances each year equal to three months operational needs in case of revenue shortfalls in the subsequent year.

2. The Department of Health shall revise annual agreements with the regional health planning agencies to require an annual independent financial audit to examine the use of state funds and the reasonableness of those expenditures.

3. Failure of any regional health planning agency to establish or sustain business operations shall cause funds to revert to the Central Office to support health planning and Certificate of Public Need functions.

B. Out of this appropriation, $690,000 the first year and $690,000 the second year from the general fund shall be provided to the Virginia Office of Rural Health, as the state match for the federal Office of Rural Health Policy Grant.

C. Out of this appropriation, $278,000 the first year and $278,000 the second year shall be provided to the department from statewide indirect cost recoveries to match federal funds and support the programs of the Office of Licensure and Certification. Amounts recovered in excess of the special fund appropriation shall be deposited to the general fund.

D. The Virginia Department of Health in collaboration with the Department of Health Professions shall issue risk mitigation guidelines on the prescription of the class of potent pain medicines known as extended-release and long-acting (ER/LA) opioid analgesics to include co-prescription of an opioid antagonist, approved by the U.S. Food and Drug Administration (FDA), for administration by family members or caregivers in a non-medically supervised environment.

E. The Virginia Department of Health shall provide administrative and technical support to the Virginia Partners in Prayer Program through its Office of Health Equity. The cost of this support is estimated to be approximately $20,000 per year and shall be funded within its existing appropriation.

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F. The provisions of § 32.1-102.4 (B), Code of Virginia, shall not apply to nursing homes.

G. Out of this appropriation, $60,000 the first year and $60,000 the second year from the general fund shall be provided to contract with the Virginia Telehealth Network to provide consultation to advisory groups, track implementation and facilitate changes to the Statewide Telehealth Plan.

H. Out of this appropriation, $319,883 the first year and $319,883 the second year from the general fund shall be provided to administer uniform options for intermediate disciplinary actions on hospitals, nursing homes, hospices, home care organizations, managed care health insurance plan licensees, and private review agents.

I. Prior to the Board of Health establishment of or changes to the fees for the issuance, change or renewal of a nursing home license to cover the cost of operating the hospital and nursing home licensure and inspection program, the Commissioner of Health shall convene a stakeholder meeting to examine options for phasing in changes in fees to mitigate the impact on nursing homes, including options which would include state support.

J. Out of this appropriation, $1,042,000 the first year and $1,042,000 the second year from the general fund is provided for eight Medical Facility Inspector positions to address the nursing home complaint backlog.

280.	State Health Services (43000)			$185,702,189	$187,459,707
	Child and Adolescent Health Services (43002)	$14,899,176	$14,899,176		
	Women's and Infant's Health Services (43005)	$13,885,422	$13,785,422		
	Chronic Disease Prevention, Health Promotion, and Oral Heath (43015)	$17,886,646	$19,692,004		
	Injury and Violence Prevention (43016)	$4,980,529	$5,032,689		
	Women, Infants, and Children (WIC) and Community Nutrition Services (43017)	$134,050,416	$134,050,416		
	Fund Sources: General	$14,326,005	$14,283,523		
	Special	$3,301,282	$3,301,282		
	Dedicated Special Revenue	$71,343,095	$71,343,095		
	Federal Trust	$96,731,807	$98,531,807		

Authority: §§ 32.1-11, 32.1-77, 32.1-89, and 32.1-90, Code of Virginia; P.L. 94-566, as amended, Title V of the U.S. Social Security Act and Title X of the U.S. Public Health Service Act, Federal Code; and P.L. 95-627, as amended, Federal Code.

A. Out of this appropriation, $999,804 the first year and $999,804 the second year from special funds is provided to support the newborn screening program and its expansion pursuant to Chapters 717 and 721, Act of Assembly of 2005, and Chapter 531, 2018 Acts of Assembly. Fee revenues sufficient to fund the Department of Health's costs of the program and its expansion shall be transferred from the Division of Consolidated Laboratory Services.

B. The Special Supplemental Nutrition Program for Women, Infants, and Children is exempt from the requirements of the Administrative Process Act (§ 2.2-4000 et seq.).

C. Out of this appropriation, $900,000 the first year and $900,000 the second year from the general fund shall be provided to the department's sickle cell program to address rising pediatric caseloads in the current program. Any remaining funds shall be used to develop transition services for youth who will require adult services to ensure appropriate medical services are available and provided for youth who age out of the current program.

D. Out of this appropriation, $1,320,000 the first year and $1,320,000 the second year from the general fund is provided for a comprehensive adult program for sickle cell disease.

E. It is the intent of the General Assembly that the State Health Commissioner continue providing services through child development clinics and access to children's dental services.

F.1. Out of this appropriation, $124,470 the first year and $124,470 the second year from the general fund and $82,980 the first year and $82,980 the second year from nongeneral funds shall be provided for the Virginia Department of Health to establish and administer a Perinatal Quality Collaborative. The Perinatal Quality Collaborative shall work to improve pregnancy

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outcomes for women and newborns by advancing evidence-based clinical practices and processes through continuous quality improvement with an initial focus on pregnant women with substance use disorder and infants impacted by neonatal abstinence syndrome.

2. Out of this appropriation, $315,000 the first year and $315,000 the second year from the general fund shall be provided to support efforts by the Virginia Neonatal Perinatal Collaborative (VNPC) to decrease maternal mortality and morbidity. Funding shall be used for a coordinator position for community engagement, training and education; the development of a pilot program of the Centers for Disease Control's levels of care assessment tool (LOCATe) in the Richmond metropolitan region and Tidewater region; and development of a Project ECHO tele-education model for education and training. Funding shall also be used to assist the VNPC with expanding capacity to address these issues through the use of software to advance data analytics.

G. Out of this appropriation, $800,000 the first year and $1,400,000 the second year from the general fund is provided as state match for additional federal awards to support evidence-based home visiting services from the federal Maternal Infant Early Childhood Home Visiting program.

H. The Virginia Department of Health shall maintain a list of all agencies and organizations that submit requests for and receive opioid antagonists through its distribution program. At least quarterly, the department shall submit a report to the Chairs of the House Appropriations Subcommittee on Health and Human Resources, House Health and Human Services Committee, Senate Finance and Appropriations Subcommittee on Health and Human Resources, and Senate Subcommittee on Health, and the Chair of the Virginia Opioid Abatement Authority with the following information: (i) name of the agency or organization; (ii) county or town/city service area; (iii) quantity, along with the specific formulation and dosage of opioid antagonist, requested by the agency or organization in its most recent order, and the date the request was made; and (iv) quantity, along with the specific formulation and dosage of opioid antagonist, received by the agency or organization in response to its most recent order, and the date the request was fulfilled.

I. Out of this appropriation, $126,188 the first year and $126,188 the second year from the general fund is provided to support the provisions of House Bill 2088 and Senate Bill 1041, as passed during the 2025 Regular Session of the General Assembly.

J.1. Out of this appropriation, $2,500,000 the first year from the general fund shall be provided to pilot perinatal health hub programs throughout the Commonwealth. The Virginia Department of Health, in collaboration with the Virginia Neonatal Perinatal Collaborative, shall provide one-year grant awards for community-based providers (hubs) to improve perinatal outcomes and to reduce maternal and infant mortality in their communities.

2. The Virginia Department of Health, in collaboration with the Virginia Neonatal Perinatal Collaborative, and in consultation with the Department of Medical Assistance Services, shall establish grant application selection and award criteria. Essential elements shall include: (i) a description of how the funds will be utilized and a description of the services to be provided; (ii) a description of the populations who will be served; (iii) a requirement for collaboration with local and regional stakeholders; (iv) a required physical presence in the region in which a hub will be located; (v) a contractual collaboration with a regional birthing hospital and/or obstetrical clinic for pregnant and postpartum families in the region which the hub is located; (vi) partnerships and/or contracts with Medicaid managed care organizations for the purpose of sharing data and collaboration; (vii) the use of evidence based quality standards as defined by the Virginia Neonatal Perinatal Collaborative and the federal Health Resources Services Administration; (viii) an evaluation of program impacts on populations served; and (ix) a plan for future sustainability.

3. The Virginia Department of Health, in collaboration with the Virginia Neonatal Perinatal Collaborative, shall develop a report that includes, but is not limited to, a listing of participating community providers and award amounts, a description of services provided, a description of populations served, the number of individuals served, and an

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	assessment of health outcomes and program effectiveness. This report shall be provided to the Governor, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees annually on or before June 30. Any unexpended balance at the close of business on June 30, 2027, associated with perinatal hubs shall not revert to the general fund but shall be carried forward and reappropriated.				
281.	Community Health Services (44000)			$341,939,104	$341,939,104
	Local Dental Services (44002)	$4,050,573	$4,050,573		
	Restaurant and Food Safety, Well and Septic Permitting and Other Environmental Health Services (44004)	$47,894,378	$47,894,378		
	Local Family Planning Services (44005)	$36,104,475	$36,104,475		
	Support for Local Management, Business, and Facilities (44009)	$96,548,350	$96,548,350		
	Local Maternal and Child Health Services (44010)	$43,068,267	$43,068,267		
	Local Immunization Services (44013)	$20,544,760	$20,544,760		
	Local Communicable Disease Investigation, Treatment, and Control (44014)	$34,107,343	$34,107,343		
	Local Personal Care Services (44015)	$5,259,193	$5,259,193		
	Local Chronic Disease and Prevention Control (44016)	$12,181,130	$12,181,130		
	Local Nutrition Services (44018)	$32,917,064	$32,917,064		
	Population Health (44019)	$9,263,571	$9,263,571		
	Fund Sources: General	$155,780,696	$155,780,696		
	Special	$131,861,254	$131,861,254		
	Dedicated Special Revenue	$3,898,114	$3,898,114		
	Federal Trust	$50,399,040	$50,399,040		

Authority: §§ 32.1-11 through 32.1-12, 32.1-31, 32.1-163 through 32.1-176, 32.1-198 through 32.1-211, 32.1-246, and 35.1-1 through 35.1-26, Code of Virginia; Title V of the U.S. Social Security Act; and Title X of the U.S. Public Health Service Act.

A.1. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than $425.00, for a construction permit for on-site sewage systems designed for less than 1,000 gallons per day, and alternative discharging systems not supported with certified work from an onsite soil evaluator or a professional engineer working in consultation with an onsite soil evaluator.

2. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than $350.00, for the certification letter for less than 1,000 gallons per day not supported with certified work from an onsite soil evaluator or a professional engineer working in consultation with an onsite soil evaluator.

3. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than $225.00, for a construction permit for an onsite sewage system designed for less than 1,000 gallons per day when the application is supported with certified work from a licensed onsite soil evaluator.

4. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than $320.00, for the certification letter for less than 1,000 gallons per day supported with certified work from an onsite soil evaluator or a professional engineer working in consultation with an onsite soil evaluator.

5. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than $300.00, for a construction permit for a private well.

6. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, the State Health Commissioner shall charge a fee of no more than $1,400.00, for a construction permit or certification letter designed for more than 1,000 gallons per day.

7. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, and starting July 1,

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2019, the State Health Commissioner shall charge a fee of $425.00, for a permit to repair an onsite sewage system or an alternative discharging system designed for less than 1,000 gallons per day not supported with certified work from an onsite soil evaluator or a professional engineer working in consultation with an onsite soil evaluator. This fee shall be waived for persons with income below 200 percent of the federal poverty guidelines as established by the United States Department of Health and Human Services when the application is for a pit privy or for a repair of a failing onsite or alternative discharging sewage system.

8. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, and starting July 1, 2019, the State Health Commissioner shall charge a fee of $225.00, for a permit to repair or voluntarily upgrade an onsite sewage system or alternative discharging system designed for less than 1,000 gallons per day supported with certified work from an onsite soil evaluator or a professional engineer. This fee shall be waived for persons with income below 200 percent of the federal poverty guidelines as established by the United States Department of Health and Human Services when the application is for a pit privy or for a repair of a failing onsite or alternative discharging sewage system.

9. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, and starting July 1, 2019, the State Health Commissioner shall charge a fee of $150.00, to provide written authorizations pursuant to § 32.1-165 not supported with certified work from a qualified professional.

10. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, and starting July 1, 2019, the State Health Commissioner shall charge a fee of $100.00, to provide written authorizations pursuant to § 32.1-165 supported with certified work from a qualified professional.

11. Notwithstanding § 32.1-163 through § 32.1-176, Code of Virginia, and starting July 1, 2019, the State Health Commissioner shall charge a fee of $1,400.00, for a permit to repair or voluntarily upgrade an onsite sewage system designed for more than 1,000 gallons per day.

B. The State Health Commissioner shall appoint two manufacturers to the Advisory Committee on Sewage Handling and Disposal, representing one system installer and the Association of Onsite Soil Engineers.

C. The State Health Commissioner is authorized to develop, in consultation with the regulated entities, a hotel, campground, and summer camp plan and specification review fee, not to exceed $40.00, a restaurant plan and specification review fee, not to exceed $40.00, an annual hotel, campground, and summer camp permit renewal fee, not to exceed $40.00, and an annual restaurant permit renewal fee, not to exceed $40.00 to be collected from all establishments, except K-12 public schools, that are subject to inspection by the Department of Health pursuant to §§ 35.1-13, 35.1-14, 35.1-16, and 35.1-17, Code of Virginia. However, any such establishment that is subject to any health permit fee, application fee, inspection fee, risk assessment fee or similar fee imposed by any locality as of January 1, 2002, shall be subject to this annual permit renewal fee only to the extent that the Department of Health fee and the locally imposed fee, when combined, do not exceed the fee amount listed in this paragraph. This fee structure shall be subject to the approval of the Secretary of Health and Human Resources.

D. Pursuant to the Department of Health's Policy Implementation Manual (#07-01), individuals who participate in a local festival, fair, or other community event where food is sold, shall be exempt from the annual temporary food establishment permit fee of $40.00 provided the event is held only one time each calendar year and the event takes place within the locality where the individual resides.

E. The State Health Commissioner shall work with public and private dental providers to develop options for delivering dental services in underserved areas, including the use of public-private partnerships in the development and staffing of facilities, the use of dental hygiene and dental students to expand services and enhance learning experiences, and the availability of reimbursement mechanisms and other public and private resources to expand services.

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F.1. Out of this appropriation, $3,000,000 the first year and $3,000,000 the second year from the general fund shall be provided for the purpose of maintaining access to long-acting reversible contraceptives (LARC). The Virginia Department of Health shall establish and manage memorandums of understanding with qualified health care providers who will provide access to LARCs to patients whose income is below 250 percent of the federal poverty level, the Title X family planning program income eligibility requirement. Providers shall be reimbursed for the insertion and removal of LARCs at Medicaid rates. As part of the program, the department, in cooperation with the Department of Medical Assistance Services and stakeholders, shall maintain a plan to improve awareness and utilization of the Plan First program and include outreach efforts to refer women who have a diagnosis of substance use disorder and who seek family planning services to the Plan First program or participating providers in the program.

2. The Virginia Department of Health shall report on metrics to measure the effectiveness of the program such as impacts on morbidity, reduction in abortions and unplanned pregnancies, and impacts on maternal health such as an increase in the length of time between births, among others. In addition, the department shall collect data on the number of women served who also sought treatment for substance use disorder. The department shall submit a report to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Secretary of Health and Human Resources, and the Director, Department of Planning and Budget, that describes the program, and metrics used to measure results, actual program expenditures, and projected expenditures by September 1 of each year.

3. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the general fund shall be made available to supplement the funding provided under paragraph F.1. of this Item to maintain access to FDA-approved contraceptives, that are not long-acting reversible contraceptives. The Virginia Department of Health shall establish and manage memoranda of understanding with qualified health care providers who have existing contracts pursuant to paragraph F.1. of this Item or to new ones if funding is available. Providers shall be reimbursed for the cost of the contraceptives, as provided under this paragraph, at Medicaid rates.

4. The appropriation as described under paragraphs F.1. and F.3. of this Item shall be used to maintain access to both LARC and non-LARC contraceptives and the Virginia Department of Health is authorized to use funds in either paragraph to supplement the funds in the other paragraph for the purposes described.

G. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the federal Temporary Assistance for Needy Families block grant shall be provided to the Department of Health for the operation of the Resource Mothers program.

H.1. The Department of Health, in cooperation with the Department of Environmental Quality, shall work with the Middle Peninsula Planning District Commission to initiate a three-year pilot program to analyze an engineered septic unit that houses and treats all sewage effluent in a vertically elevated, self-contained unit suitable for areas with high water tables and flooding in Coastal Virginia. Such vertically elevated septic system, including holding tank and treatment unit, shall have no physical contact with land; shall be vertically elevated on columns, piers, or other structures that provide for the flow of surface water underneath the septic unit; shall be elevated above the storm surge and flood inundation levels; and shall be designed to meet pollution removal standards of the Department of Health and Department of Environmental Quality. The treated sewage discharge from the vertically elevated septic system may include surface, engineered wetland, or other appropriate discharge approaches that comply with regulations for alternative onsite sewage systems (12VAC5-613 et seq.). Such vertically elevated septic system shall be installed in an upland location in the Middle Peninsula outside of any designated Resource Protection Area or floodplain.

2. By December 1 of each year, the Middle Peninsula Planning District Commission shall submit a report to the Governor and General Assembly with the following information: (i) the feasibility of elevating the parts of septic systems vulnerable to rising sea levels; (ii) optimal system design, or range of designs, for vertically elevated septic systems capable of withstanding sea level rise and chronic flooding that meets effluent standards; (iii) recommendations for legal or regulatory changes, if any, to authorize the use of vertically elevated septic systems; (iv) recommendations for amending current septic system permit

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requirements to allow for the use of vertically elevated septic systems; (v) recommendations for financing the installation of vertically elevated septic systems; (vi) the expected date of completion of the pilot program; (vii) installation and projected average annual maintenance costs for a vertically elevated septic system over 10 years; and (viii) any other pertinent information.

I. The Virginia Department of Health shall prepare a request for funding the state share of new or escalated rent increases at local health departments and submit the request for inclusion in the Governor's introduced budget annually.

J. Out of this appropriation, $3,200,000 the first year and $3,200,000 the second year from the general fund shall be provided to support Community Health Worker positions at Virginia's local health districts. The agency shall prioritize supporting Community Health Worker positions at local health districts that serve localities with the highest rates of maternal mortality.

K. Out of this appropriation, $600,000 the first year and $600,000 the second year from the general fund is provided to the Department of Health to provide grants to organizations offering preventative care, including STI testing and cancer screening.

L. Out of this appropriation, $2,159,836 the first year and $2,159,836 the second year from the general fund and $578,702 the first year and $578,702 the second year from nongeneral funds shall be provided for eight community health services positions.

282.	Financial Assistance to Community Human Services Organizations (49200)			$47,781,683	$42,181,683
	Payments to Human Services Organizations (49204)	$47,781,683	$42,181,683		
	Fund Sources: General	$41,979,983	$36,379,983		
	Federal Trust	$5,801,700	$5,801,700		

Authority: § 32.1-2, Code of Virginia.

A.1. Out of this appropriation, $832,946 the first year and $832,946 the second year from the general fund and $2,400,000 the first year and $2,400,000 the second year from the federal Temporary Assistance for Needy Families block grant shall be used to contract with Families Forward. In the event that the Families Forward changes its name; the provisions of this item shall apply to the successor organization provided that the required program purposes outlined in paragraph A.2. through A.4. are still achieved.

2. The purpose of the program is to develop, expand, and operate a network of local public-private partnerships providing comprehensive care coordination, family support and preventive medical and dental services to low-income, at-risk children.

3. The general fund appropriation in this Item for the Families Forward projects shall not be used for administrative costs.

4. Families Forward shall continue to pursue raising funds and in-kind contributions from local communities. It is the intent of the General Assembly that the Families Forward program increases its efforts to raise funds from local communities and other private or public sources with the goal of reducing reliance on general fund appropriations in the future.

5. Of this appropriation, from the amounts in paragraph A.1., $24,679 the first year and $24,679 the second year from the general fund shall be used to contract with CHIP of Roanoke and shall be used as matching funds to support three full-time equivalent public health nurse positions to services in the Roanoke Valley and Allegheny Highlands.

B. Out of this appropriation $53,241 the first year and $53,241 the second year from the general fund shall be used to contract with the Alexandria Neighborhood Health Services, Inc. to promote the health of women in Alexandria, Arlington, Fairfax County, and Falls Church, to prevent illness and injury and provide early treatment for serious health conditions. The contract with Alexandria Neighborhood Health Services Inc. (ANHSI) shall require that ANHSI provide comprehensive women's health care with a focus on

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preventative health services and screenings to low income, uninsured women. Women's health care services shall focus on preventative screenings. Blood pressure screening and body mass index shall be performed at each visit. The organization shall pursue raising funds and in-kind contributions from the local community.

C. Out of this appropriation $5,982 the first year and $5,982 the second year from the general fund shall be used to contract with the Louisa County Resource Council to promote, develop, and encourage activities to deliver community-based services to disadvantaged Louisa County residents. The contract with Louisa County Resource Council shall require that the council provide assistance to income-eligible residents in meeting various needs of the clients including medication assistance, outreach assistance, and medical care referrals by exploring affordable options. The council shall continue to pursue raising funds and in-kind contributions from the local community.

D. Out of this appropriation, $7,837 the first year and $7,837 the second year from the general fund shall be used to contract with the Olde Towne Medical Center. The contract with Olde Towne Medical Center shall require that the center provide cost effective, comprehensive primary and preventive health care (including obstetrical care) and oral health care to the uninsured, Medicaid, and Medicare residents in the City of Williamsburg, James City County, and York County. The population served shall include adults and children.

E.1. Out of this appropriation, $433,750 the first year and $433,750 the second year from the general fund shall be used to contract with the Virginia Community Healthcare Association (VCHA). The contract with VCHA shall require that the association purchase pharmaceuticals and medically necessary pharmacy supplies, and to provide pharmacy services to low-income, uninsured patients of the Community and Migrant Health Centers throughout Virginia. The uninsured patients served with these funds shall have family incomes no greater than 200 percent of the federal poverty level. The amount allocated to each Community and Migrant Health Center shall be determined through an allocation methodology developed by the Virginia Community Healthcare Association. The allocation methodology shall ensure that funds are distributed such that the Community and Migrant Health Centers are able to serve the pharmacy needs of the greatest number of low-income, uninsured persons. The Virginia Community Healthcare Association shall establish accounting and reporting mechanisms to track the disbursement and expenditure of these funds.

2. Out of this appropriation, $175,000 the first year and $175,000 the second year from the general fund shall be used to contract with the Virginia Community Healthcare Association. The contract with VCHA shall require that the association expand access to care provided through community health centers.

3. Out of this appropriation, $4,300,000 the first year and $4,300,000 the second year from the general fund shall be used to contract with the Virginia Community Healthcare Association. The contract with VCHA shall require that the association support community health center operating costs for services provided to uninsured clients. The amount allocated to each Community and Migrant Health Center shall be determined through an allocation methodology developed by the Virginia Community Healthcare Association. The allocation methodology shall ensure that funds are distributed such that the Community and Migrant Health Centers are able to serve the needs of the greatest number of uninsured persons. The Virginia Community Healthcare Association shall establish accounting and reporting mechanisms to track the disbursement and expenditure of these funds.

4. Out of this appropriation, $5,500,000 the first year and $500,000 the second year from the general fund shall be provided to contract with the Virginia Community Healthcare Association (VCHA). The contract with VCHA shall require that the association use additional funding to enable Federally Qualified Health Centers to continue providing comprehensive medical, dental, maternal, and mental health services to the most vulnerable and uninsured Virginians, primarily in rural and urban settings.

F.1. Out of this appropriation, $1,321,400 the first year and $1,321,400 the second year from the general fund shall be used to contract with the Virginia Association of Free and Charitable Clinics (VAFCC). The contract with VAFCC shall require that the organization purchase pharmaceuticals and medically necessary pharmacy supplies, and to provide pharmacy services to low-income, uninsured patients of the Free Clinics throughout Virginia. The

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amount allocated to each Free Clinic shall be determined through an allocation methodology developed by the Virginia Association of Free and Charitable Clinics. The allocation methodology shall ensure that funds are distributed such that the Free Clinics are able to serve the pharmacy needs of the greatest number of low-income, uninsured adults. The Virginia Association of Free and Charitable Clinics shall establish accounting and reporting mechanisms to track the disbursement and expenditure of these funds.

2. Out of this appropriation, $175,000 the first year and $175,000 the second year from the general fund shall be used to contract with the Virginia Association of Free and Charitable Clinics (VAFCC). The contract with VAFCC shall require the organization to expand access to health care services.

3. Out of this appropriation, $7,300,000 the first year and $7,300,000 the second year from the general fund shall be used to contract with the Virginia Association of Free and Charitable Clinics (VAFCC). The contract with VAFCC shall require that the organization support free clinic operating costs for services provided to uninsured clients. The amount allocated to each free clinic shall be determined through an allocation methodology developed by the Virginia Association of Free and Charitable Clinics. The allocation methodology shall ensure that funds are distributed such that the free clinics are able to serve the needs of the greatest number of uninsured persons. The Virginia Association of Free and Charitable Clinics shall establish accounting and reporting mechanisms to track the disbursement and expenditure of these funds.

4. Out of this appropriation, $5,000,000 the first year and $5,000,000 the second year from the general fund shall be used to contract with the Virginia Association of Free and Charitable Clinics (VAFCC) to support the clinics' delivery of medical, dental, vision, speech, hearing, and behavioral health care as well as prescription medications and substance use disorder services.

G. Out of this appropriation, $29,303 the first year and $29,303 the second year from the general fund shall be used to contract with HealthWorks of Herndon. The contract with HealthWorks of Herndon (HWH) shall require that HWH provide treatment and prevention services, including health care services and mental health counseling, to low income and uninsured adults and children residing in the communities of Herndon, Reston, Chantilly, and Centreville in Fairfax County. These services shall include comprehensive primary health care with integrated behavioral health care to adult and children, prescription medications, diagnostic and lab testing, specialty referrals, and preventive screenings. Children's services shall include school physicals and sports physicals. Patients will also have access to oral health care through HealthWorks Dental Program.

H. Out of this appropriation, $164,758 the first year and $164,758 the second year from the general fund shall be used to contract with the Southwest Virginia Graduate Medical Education Consortium. The contract with Southwest Virginia Graduate Medical Education (GMEC) shall require GMEC to create and support medical residency preceptor sites in rural and underserved communities in Southwest Virginia.

I. Out of this appropriation, $355,555 the first year and $355,555 the second year from the general fund shall be used to contract with the regional AIDS resource and consultation centers and one local early intervention and treatment center.

J. Out of this appropriation, $57,963 the first year and $57,963 the second year from the general fund shall be used to contract with the Arthur Ashe Health Center in Richmond. The contract with the Arthur Ashe Health Center shall require that the center provide HIV early intervention and treatment for HIV infected patients who reside within the City of Richmond.

K. Out of this appropriation, $10,663 the first year and $10,663 the second year from the general fund shall be used to contract with the Health Brigade for AIDS related services. The contract with the Health Brigade shall require that the clinic provide financial assistance and support groups and conduct an education and outreach program for HIV positive clients in Central Virginia.

23L.1. Out of this appropriation, $5,230,571 the first year and $5,230,571 the second year

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from the general fund shall be used to contract with the Virginia Health Care Foundation. The contract with the Virginia Health Care Foundation shall require that the general fund shall be matched with local public and private resources and shall be awarded to proposals which enhance access to primary health care for Virginia's uninsured and medically underserved residents, through innovative service delivery models. The foundation, in coordination with the Virginia Department of Health, the Area Health Education Centers program, the Joint Commission on Health Care, and other appropriate organizations, is encouraged to undertake initiatives to reduce health care workforce shortages. The foundation shall account for the expenditure of these funds by providing the Governor, the Secretary of Health and Human Resources, the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, the State Health Commissioner, and the Chairman of the Joint Commission on Health Care with a certified audit and full report on the foundation's initiatives and results, including evaluation findings, not later than October 1 of each year for the preceding fiscal year ending June 30.

2. The contract with the Virginia Health Care Foundation shall require that 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 since its inception. The report shall include certification that an amount equal to the state appropriation for the preceding fiscal year ending June 30 has been matched from private and local government sources during that fiscal year.

3. Of this appropriation, from the amounts in paragraph L.1., $125,000 the first year and $125,000 the second year from the general fund shall be used to contract with the Virginia Health Care Foundation (VHCF). The contract with VHCF shall require that the general fund shall be provided to the foundation to expand the Pharmacy Connection software program to unserved or underserved regions of the Commonwealth.

4. Of this appropriation, from the amounts in paragraph L.1., $255,000 the first year and $255,000 the second year from the general fund shall be used to contract with the Virginia Health Care Foundation (VHCF). The contract with VHCF shall require that the general fund shall be used to contract with the foundation for the Rx Partnership to improve access to free medications for low-income Virginians.

5. Of this appropriation, from the amounts in paragraph L.1., $2,350,000 the first year and $2,350,000 the second year from the general fund shall be used to contract with the Virginia Health Care Foundation (VHCF). The contract with VHCF shall require that the general fund be provided to the foundation to increase the capacity of the Commonwealth's health safety net providers to expand services to unserved or underserved Virginians. Of this amount, (i) $850,000 the first year and $850,000 the second year shall be used to underwrite service expansions and/or increase the number of patients served at existing sites or at new sites, (ii) $1,350,000 the first year and $1,350,000 the second year shall be used for Medication Assistance Coordinators who provide outreach assistance, and (iii) $150,000 the first year and $150,000 the second year shall be made available for locations with existing medication assistance programs.

6. Of this appropriation, from the amounts in paragraph L.1., $500,000 the first year and $500,000 the second year from the general fund shall be used to contract with the Virginia Health Care Foundation for community grants to expand access to maternal mental health services through (i) community organizations serving individuals residing in health care deserts or low income communities, and (ii) community organizations with less than $5,000,000 in annual revenue.

M.1. Out of this appropriation, $1,272,313 the first year and $1,272,313 the second year from the general fund and $3,075,000 the first year and $3,075,000 the second year from nongeneral funds shall be used to support the administration of the patient level data base, including the outpatient data reporting system. The department shall establish a contract for this service.

2. Of this appropriation, from the amounts in paragraph M.1., $1,025,000 the first year and $1,025,000 the second year from the general fund and $3,075,000 the first year and $3,075,000 the second year from nongeneral funds shall be used to contract with the Virginia All Payer Claims Database. Funding shall be limited to only Medicaid eligible costs.

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3. The Virginia Department of Health shall amend its contracts with Virginia Health Information requiring the organization to develop a strategic plan to expand the Smartchart Network Program to a statewide comprehensive health information exchange making pertinent data available to all verified providers and the state including the Virginia Department of Health, the Department of Medical Assistance Services, and the Department of Behavioral Health and Developmental Services. The plan shall address how to appropriately and securely share data in order to facilitate care, improve continuity, and reduce costly duplicate testing and procedures. The plan shall prioritize connection to the Virginia Department of Health for hospital admission data as soon as possible to contribute to accurate COVID reporting and response.

4. Out of this appropriation, $50,000 the the first year and $50,000 the second year from the general fund shall be used to contract with Virginia Health Information to allow for a data sharing agreement with the Prescription Monitoring Program to use data from the Virginia All Payer Claims Database to display patient non-fatal overdose information, pursuant to the passage of House Bill 1902 in the 2025 Session.

N. Out of this appropriation, $105,000 the first year and $105,000 the second year from the general fund shall be used to contract with the Statewide Sickle Cell Chapters of Virginia (SSCCV). The contract with SSCCV shall require that the general fund shall be used to provide for grants to community-based programs that provide patient assistance, education, and family-centered support for individuals suffering from sickle cell disease. The SSCCV shall develop criteria for distributing these funds including specific goals and outcome measures. A report shall be submitted to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees detailing program outcomes by October 1 of each year.

O. Out of this appropriation, $141,280 the first year and $141,280 the second year from the general fund shall be used to contract with the Virginia Dental Health Foundation for the Mission of Mercy (M.O.M.) dental project. The contract with the Virginia Dental Health Foundation for the Mission of Mercy (M.O.M.) dental project shall require the Foundation to conduct Mission of Mercy (M.O.M) Projects that provide no cost dental services in identified underserved areas.

P. Out of this appropriation, $32,559 the first year and $32,559 the second year from the general fund shall be used to contract with the Community Health Center of the Rappahannock Region to provide medical, dental, and behavioral health services to low income and/or uninsured residents in the Rappahannock region. The contract with the center shall require the center to include acute and chronic disease management services, lab and diagnostic services, medication assistance, physical examinations, diagnosis and treatment of sexually transmitted infections, immunizations, women's health services (including family planning and pap smears), preventive and restorative dental services, and behavioral health services.

Q. Out of this appropriation, $1,571,750 the first year and $1,571,750 the second year from the general fund shall be used to contract with the Hampton Roads Proton Beam Therapy Institute at Hampton University, LLC. The contract with Hampton Roads Proton Beam Therapy Institute shall require that the institute support efforts for proton therapy in the treatment of cancerous tumors with fewer side effects.

R.1. Out of this appropriation, $75,000 the first year and $75,000 the second year from the general fund shall be provided to Special Olympics Virginia for the Special Olympics Healthy Athlete Program.

2. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund shall be provided to Special Olympics Virginia for Unified Champion Schools.

S. Out of this appropriation, $600,000 the first year and $600,000 the second year from the general fund shall be provided to contract with the Riverside Shore Memorial Hospital (RSMH) for obstetrical healthcare services. The contract shall require that the RSMH provide obstetrical services to the residents of the Eastern Shore of Virginia.

T. Out of this appropriation, $393,801 the first year and $393,801 the second year from

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the general fund shall be provided to develop a new data collection program to address prescription drug price transparency, pursuant to the provisions of House Bill 2007, 2021 Special Session I. The department shall establish a contract for this service.

U. Out of this appropriation, $700,289 the first year and $700,289 the second year from the general fund shall be used to contract with the ASK Childhood Cancer Foundation to facilitate the provision of pediatric cancer support services by pediatric cancer treatment centers in Virginia.

V. Out of this appropriation, $816,750 the first year and $816,750 the second year from the general fund and $326,700 the first year and $326,700 the second year from nongeneral funds shall be provided to contract with the Virginia Center for Health Innovation for actions necessary to facilitate and continue the work of the Virginia Task Force on Primary Care. The purpose of the task force is to enhance the financing, quality and delivery of primary care in the Commonwealth. The task force shall continue work on: (i) building stakeholder coalitions; (ii) advancing the use of data/communication systems; (iii) defining payment models; (iv) describing primary care infrastructure; (v) identifying markers of high value care; and (vi) promoting innovations in telehealth. The Department of Medical Assistance Services is authorized to draw down federal matching funds for this appropriation.

W. Out of this appropriation, $750,000 the first year and $750,000 the second year from the general fund shall be provided to the Amyotrophic Lateral Sclerosis (ALS) Association for ALS assistance including support for a durable medical equipment loan program, multidisciplinary ALS clinics, adaptive communication programming, transportation stipends, and grants for respite care.

X. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be provided to Samaritan House to support services to victims of domestic and sexual violence, human trafficking, and homelessness in Southeast Virginia.

Y. Out of this appropriation, $1,617,272 the first year and $1,617,272 the second year from the general fund shall be provided to the Virginia Health Workforce Development Authority as state match for federal Health Resources and Services Administration grant to support the Area Health Education Centers Program and health workforce responsibilities pursuant to legislation passed during the 2024 Regular Session of the Virginia General Assembly.

Z. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the general fund shall be provided to Healthier757 and HealthierRVA to promote health literacy in Medicaid and lower-income populations of Hampton Roads and the City of Richmond.

AA. Out of this appropriation, $900,000 the first year and $300,000 the second year from the general fund shall be used to contract with Capital Caring Health to provide inpatient hospice and palliative care at the Adler Inpatient Hospice Center in Aldie, Virginia.

BB. Out of this appropriation, $150,000 the first year and $150,000 the second year from the general fund shall be provided to Birmingham Green for the Birmingham Green Workforce Development Training Center to improve the Certified Nursing Assistant program, introduce new career training opportunities for its workforce and to further health care career opportunities for staff from other health care operations.

CC. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund shall be provided to contract with the ETSI Health Clinic for healthcare services.

283.	Drinking Water Improvement (50800)			$139,697,000	$85,160,285
	Drinking Water Regulation (50801)	$17,731,299	$19,659,384		
	Drinking Water Construction Financing (50802)	$121,467,545	$65,002,745		
	Public Health Toxicology (50805)	$498,156	$498,156		
	Fund Sources: General	$69,134,236	$14,597,521		
	Special	$6,821,355	$6,821,355		
	Dedicated Special Revenue	$60,105,238	$60,105,238		
	Federal Trust	$3,636,171	$3,636,171		

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Authority: §§ 32.1-163 through 32.1-176.7, 32.1-246, 32.1-246.1, and 62.1-44.18 through 62.1-44.19:9, Code of Virginia; and P.L. 92-500, P.L. 93-523 and P.L. 95-217, Federal Code.

A. It is the intent of the General Assembly that the Virginia Department of Health be the agency designated to receive and manage general and nongeneral funds appropriated pursuant to the federal Safe Drinking Water Act of 1996.

B. The fee schedule for charges to community waterworks shall be adjusted to the level necessary to cover the cost of operating the Waterworks Technical Assistance Program, consistent with § 32.1-171.1, Code of Virginia, and shall not exceed $3.00 per connection to all community waterworks.

C. 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 the Virginia Department of Health to implement a Water Sampling Verification Program. The program shall ensure sampling is valid and representative of the actual water quality and conditions at the waterworks.

D. Out of this appropriation, $6,464,800 the first year from the general fund is provided as state match for additional federal awards for the Drinking Water State Revolving Fund from the Infrastructure Investment and Jobs Act (P.L. 117-58).

E. Out of this appropriation, $3,624,600 the first year and $3,624,600 the second year from the general fund is provided as state match for additional federal awards for the Drinking Water State Revolving Fund from the Safe Drinking Water Act.

F. Out of this appropriation, $1,803,598 the first year and $1,803,598 the second year from the general fund shall be provided to ensure compliance with the Safe Drinking Water Act, National Primary Drinking Water Regulations, Virginia Public Water Supplies Law, Virginia Waterworks Regulations, and to support Office of Drinking Water programs.

G.1. The unexpended balance remaining at the close of business on June 30, 2026, in the appropriation made in Item 280 I., Chapter 725, 2025 Acts of Assembly, shall not revert to the general fund but shall be carried forward and reappropriated for this purpose consistent with the funding offers made by December 1, 2025.

2. Out of this appropriation, $50,000,000 the first year from the general fund shall be provided for the Virginia Department of Health to provide one-time grants to localities to upgrade or replace existing drinking water infrastructure. The Department shall use existing guidelines established pursuant to Item 280 I., Chapter 725, 2025 Acts of Assembly. The Department may consider previous applications submitted pursuant to Item 280 I., Chapter 725, 2025 Acts of Assembly, as well as new applications.

3. To receive a grant, localities must provide proof of at least a 25 percent match for the cost of a project. No grant to a locality shall fully fund a drinking water project.

4. The Department shall report to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees on the number of applications received for grants, the total grants and grant amounts awarded, the localities to which grants will be awarded, and the description of drinking water infrastructure projects for which the grants will be used no later than December 1, 2026.

5. After allocating funds for H.1., priority consideration shall be given to the Town of Orange, Town of Jarratt, and Town of Blackstone. Priority consideration shall also be given to Fairfax County only for the purposes of providing assistance for local governments and well owners to connect to the public surface water systems when reasonably available.

6. The Department may use up to $500,000 of the funds in paragraph G.2. for administration costs of providing drinking water infrastructure grants to localities.

7. Any unexpended balances in paragraph G.2. at the close of business on June 30, 2027, shall not revert to the general fund but shall be carried forward and reappropriated for this purpose.

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H.1. Out of the amounts in G.2. the Department shall allocate no less than $20,000,000 to the City of Richmond which shall be designated for the purposes of capital improvements and repairs to the City of Richmond's Water Treatment Plant as set forth in the Virginia Department of Health's Comprehensive Waterworks Evaluation and Cost Estimate report dated April 8, 2025, and pursuant to recommendations of the Richmond Regional Water Workgroup established in this Item. Funding for the capital improvements and repairs is contingent upon the execution of a memorandum of understanding among the City of Richmond and the Virginia Department of Health. In the event the Virginia Department of Health issues a grant agreement covering the same roles and obligations, execution of a separate memorandum of understanding shall be optional and the grant agreement shall serve as the governing instrument. The memorandum of understanding and any associated grant agreement must be executed by August 31, 2026, and such agreement shall include the process and conditions related to the disbursement of funds from the Virginia Department of Health to the City of Richmond. The agreement shall also include provisions pertaining to the maintenance of effort by the City related to capital improvements and repairs to and the operations and maintenance of its water treatment plant. These funds may not be used to supplant other local, state, or federal funds dedicated for capital improvements and repairs to and operations and maintenance of the City of Richmond's Water Treatment Plant.

2. The Richmond Regional Water Workgroup shall be established and shall include ten members: the Secretary of Health and Human Resources, or a designee, who shall be chair of the Workgroup; the Director of the Department of General Services or a designee, who shall be a full-time employee of the Department of General Services; the chief administrative officer and director of public utilities of the City of Richmond or a designee; the chief administrative officer and director of public utilities of the County of Chesterfield or a designee; the chief administrative officer and director of public utilities of the County of Hanover or a designee; and the chief administrative officer and director of public utilities of the County of Henrico or a designee. Additional members may be appointed at the discretion of the Secretary of Health and Human Resources based on expertise or service area. A quorum of the Workgroup shall consist of six members, with at least one member from three of the four participating localities present. At its first meeting to be held in or before August, 2026, the Workgroup shall elect from among its members a vice-chair. Meetings of the Workgroup shall be held at the call of the chair, and no fewer than six meetings shall be held each year. The Secretary of Health and Human Resources shall staff the Workgroup.

3. The Richmond Regional Water Workgroup shall: (i) review and make recommendations concerning the program for maintenance of and capital improvements and repairs to the City of Richmond's Water Treatment Plant to ensure its reliability as a supplier of drinking water; (ii) review and make recommendations concerning the staffing, operations, and long term sustainability of the City of Richmond's Water Treatment Plant to ensure its reliability as a supplier of drinking water; (iii) review and identify compliance concerns for any party to a wholesale water contractual agreementfor the provision of drinking water; and (iv) prepare, publish, and deliver a report of its findings, recommendations, and use of funding in this Item to the Governor, the Chair of the Senate Finance and Appropriations Committee and the Chair of the House Appropriations Committee, and the chief elected officers of the City of Richmond, and the counties of Chesterfield, Hanover, and Henrico each year by November 1. The Workgroup shall continue to monitor compliance with the grant agreement until all funds provided in this Item have been disbursed and the projects for which the funds were provided have been completed, or until such time as any other state funds appropriated or granted for the Richmond Water Treatment Plant are similarly disbursed and executed.

284.	Environmental Health Hazards Control (56500)				$16,403,476	$16,403,476
	State Office of Environmental Health Services (56501)	$6,711,451	$6,711,451			
	Shellfish Sanitation (56502)	$3,845,370	$3,845,370			
	Bedding and Upholstery Inspection (56503)	$989,587	$989,587			
	Radiological Health and Safety Regulation (56504)	$4,857,068	$4,857,068			
	Fund Sources: General	$9,001,388	$9,001,388			
	Special	$3,732,371	$3,732,371			
	Dedicated Special Revenue	$2,233,619	$2,233,619			
	Federal Trust	$1,436,098	$1,436,098			

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Authority: §§ 2.2-4002 B 16; 28.2-800 through 28.2-825; and 32.1-212 through 32.1-245, Code of Virginia.

A. Out of this appropriation, $12,500 the first year and $12,500 the second year from the general fund shall be provided for the activities of the Sewage Appeals Review Board.

B. Out of this appropriation, $1,013,720 the first year and $1,013,720 the second year from the general fund shall be provided to establish, operate, and develop necessary databases for a Chesapeake Bay Septic Pilot program. The pilot program, through local health departments, shall provide oversight of the septic tank pump out and inspection programs in the Eastern Shore, Middle Peninsula, and Northern Neck regions of Virginia.

C. Out of this appropriation, $118,551 the first year and $118,551 the second year from the general fund shall be provided to operate the necessary databases for a rainwater harvesting system permitting program.

285.	Emergency Preparedness (77500)				$35,307,023	$35,307,023
	Emergency Preparedness and Response (77504)	$35,307,023	$35,307,023			
	Fund Sources: Federal Trust	$35,307,023	$35,307,023			

Authority: §§ 32.1-2, 32.1-39, and 32.1-42, Code of Virginia.

286.	Administrative and Support Services (49900)				$53,949,643	$54,173,441
	General Management and Direction (49901)	$17,858,912	$17,858,912			
	Information Technology Services (49902)	$21,682,856	$21,906,654			
	Accounting and Budgeting Services (49903)	$8,724,535	$8,724,535			
	Human Resources Services (49914)	$3,471,920	$3,471,920			
	Procurement and Distribution Services (49918)	$2,211,420	$2,211,420			
	Fund Sources: General	$40,966,421	$41,190,219			
	Special	$11,613,641	$11,613,641			
	Federal Trust	$1,369,581	$1,369,581			

Authority: §§ 3.2-5206 through 3.2-5216, 32.1-11.3 through 32.1-23, 35.1-1 through 35.1-7, and 35.1-9 through 35.1-28, Code of Virginia.

A. The Virginia Department of Health shall conduct a quarterly review of each program area to ensure that projected spending is on track to not exceed its total appropriation. The Commissioner of the Virginia Department of Health shall provide a quarterly update including, no later than 30 days after the end of each quarter, a status report on program spending that indicates whether spending is consistent with the available appropriation to the Director, Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

B. The Virginia Department of Health 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.

C. Out of this appropriation, $150,000 the first year and $150,000 the second year from the general fund shall be provided for agency costs related to onboarding to ConnectVirginia, transition costs to convert the agency's node on ConnectVirginia to the state agency node, and provide support to other state agencies in their onboarding efforts.

D.1. The Emergency Department Care Coordination Advisory Council (ED Council), under the department's governance and direction shall: advise the State Health Commissioner regarding the operation of, changes to, and outcome measures for the Smartchart Network Program for the purpose of improving the quality of patient care services. The ED Council shall include representatives from the following, as required in the ED Council Bylaws; the Commonwealth, hospitals and health systems, health plans, and providers.

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2. Neither the Virginia Department of Health nor its contractor shall be obligated to enhance or expand the program without HITECH Act funds or alternative funds.

3. The Virginia Department of Health, in coordination with the ED Council, shall report annually to the Secretary of Health and Human Resources and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees on progress, including, but not limited to: (i) the participation rate of hospitals and health systems, providers and subscribing health plans; (ii) strategies for sustaining the program and methods to continue to improve care coordination; and (iii) the impact on health care utilization and quality goals such as reducing the frequency of visits by high-volume Emergency Department utilizers and avoiding duplication of health care services.

E. Inpatient hospitals shall report the admission source of any individuals meeting the criteria for voluntary or involuntary psychiatric commitment as outlined in § 16.1-338, 16.1-339, 16.1-340.1, 16.1-345, 37.2-805, 37.2-809, or 37.2-904, Code of Virginia, to the Board of Health. The Board shall collect and share any and all data regarding the admission source of individuals admitted to inpatient hospitals as a psychiatric patient, pursuant to § 32.1-276.6, Code of Virginia, with the Department of Behavioral Health and Developmental Services.

F. The State Health Commissioner shall establish a task force to assist with the promulgation of regulations and the certification process of doulas, as well as to serve as an informational resource for policy related matters for the Virginia Department of Health (VDH). The task force will include private provider organizations such as Birth in Color RVA, Urban Baby Beginnings, Motherhood Collective and any other organization or agency representatives deemed appropriate by VDH.

G. Out of this appropriation, $557,010 the first year and $557,010 the second year from the general fund shall be provided to establish the Office of Grants Administration. The office shall collaborate with Virginia Department of Health programs for the coordination of grant proposals, tracking the status of current grant awards and grant funded positions, providing training on grant administration, and ensuring compliance with federal, state, and local regulations. The Department shall provide a report on the status of current grants, which shall include the grantor and grant name, award amount, duration, expenditure data, number of grant funded positions, and commitment of state funds to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, and the Director, Department of Planning and Budget by October 15 each year.

H. VDH shall (i) identify the causes for problems related to late payments and funding underutilization for VDH-administered nursing incentive programs; (ii) develop and implement a plan to address the causes; and (iii) report to the Joint Subcommittee on Health and Human Resources Oversight on its progress in addressing identified problems, including the percentage of payments made within 30 days and the proportion of available funding that VDH has utilized.

I. The State Health Commissioner shall provide annual written and in-person reports on the agency's progress implementing the recommendations from the Joint Legislative and Audit Review Commission to the Joint Subcommittee on Health and Human Resources Oversight until the Joint Subcommittee is satisfied with the implementation of the recommendations.

J. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund shall be provided to hire at least two full-time positions to support internal audit and information security audit functions.

K. Out of this appropriation, $75,000 the first year and $75,000 the second year from the general fund shall be used to match funding from the Outdoors Advertising Association of Virginia (OAAV) for the purpose of initiating a public advertising campaign to promote childhood immunizations and other critical health issues. The Virginia Department of Health is authorized to enter into a contract with the OAAV, which shall include the leverage of OAAV matching funds equal to $225,000 each year and specific details on the type of advertising that will be used, the duration of the public advertising campaign, and the public health issues that will be covered in the campaign.

L. The Board of Health shall adopt regulations establishing a permitting process and food safety requirements applicable to out-of-state entities for the sale or service of food that has

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been prepared outside of the Commonwealth. The Department of Health shall grant such permit to any entity that meets the requirements established by such regulations. A permit granted pursuant to such regulations shall only allow out-of-state entities to serve food at temporary, short-term events or from a mobile food unit permitted to operate in the Commonwealth, or for distribution to persons of the same business operation or of a related business operation in a restaurant, as defined in § 35.1-1. Nothing in this paragraph shall be construed to allow an out-of-state entity to operate a permanent, fixed food service establishment in the Commonwealth without obtaining the appropriate permit from the Department.				
Total for Department of Health			**$1,101,435,797**	**$1,031,022,808**
General Fund Positions	1,630.50	1,630.50		
Nongeneral Fund Positions	2,274.00	2,274.00		
Position Level	3,904.50	3,904.50		
Fund Sources: General	$407,357,911	$346,466,506		
Special	$200,905,449	$200,905,449		
Dedicated Special Revenue	$172,988,369	$172,988,369		
Federal Trust	$320,184,068	$310,662,484		
§ 1-94. DEPARTMENT OF HEALTH PROFESSIONS (223)				
287. Higher Education Student Financial Assistance (10800)			$65,000	$65,000
Scholarships (10810)	$65,000	$65,000		
Fund Sources: Special	$65,000	$65,000		
Authority: § 54.1-3011.2, Chapter 30, Code of Virginia.				
288. Regulation of Professions and Occupations (56000)			$53,111,601	$53,111,601
Technical Assistance to Regulatory Boards (56044)	$53,111,601	$53,111,601		
Fund Sources: Special	$575,000	$575,000		
Trust and Agency	$1,688,791	$1,688,791		
Dedicated Special Revenue	$50,847,810	$50,847,810		
Authority: Title 54.1, Chapter 25, Code of Virginia.				
A. The Board of Counseling shall promulgate regulations that align with the regulations adopted by the Department of Behavioral Health and Developmental Services for peer recovery specialist-trainees in accordance with this Act. The department shall have the authority to promulgate emergency regulations to implement these changes within 280 days or less from the enactment of this Act.				
B.1. The Department of Health Professions (DHP) shall provide the Virginia Health Care Foundation (VHCF) a useable electronic file (CSV, Excel spreadsheet) with record-level, de-identified data collected via the most recent license renewal period for each individual licensed behavioral health (BH) professional practicing in Virginia as a psychiatrist, child and adolescent psychiatrist, psychiatric-mental health nurse practitioner, psychiatric physician assistant, licensed clinical social worker, licensed professional counselor, licensed clinical psychologist and, if available, licensed marriage and family therapist.				
2. The following specific data fields shall be provided to VHCF for each licensee: unique record identifier; birthyear; race and ethnicity; gender; practice site information (each locality of practice; number of hours worked/week at each site; hours/week worked virtually at each Virginia work site); forms of payment accepted (with ability to identify the proportion of each type of BH profession accepting only cash, and the proportion of each type of BH profession accepting only Medicaid as a payment source, as well as Medicaid in combination with each other payer source option available to licensees – e.g., Medicaid + Medicare, Medicaid + Medicare + Private Insurance); plans to reduce clinical				

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hours in next two years; and anticipated time to retirement.

3. DHP shall also provide VHCF a code book, data definitions and/or user guides in an electronic format (Word, Excel, PDF) so it can clearly understand the data elements and their structure (alphanumeric, multiple responses – to include all possible options a licensee may select, open/free response). This code book shall also include record length and record count; known data quality issues and related documentation regarding resolution and, to the extent possible, impact on the data set and/or data functionality; and changes to policy and/or administrative practices that may have impacted the data set and implementation date.

4. VHCF shall protect the confidentiality and security of record-level data provided by the DHP and interim or working documents and/or data files consistent with state and federal law.

C. Out of this appropriation, $400,000 the first year and $400,000 the second year from Commonwealth Opioid Abatement and Remediation funds shall be provided for ongoing support and maintenance costs for system changes to the Prescription Monitoring Program pursuant to the provisions of House Bill 1902, passed by the 2025 General Assembly.

D. Out of this appropriation, $100,000 the first year and $100,000 the second year from nongeneral funds and one position shall be used to implement the provisions of Chapters 439 and 440, 2026 Session of the General Assembly.

E. Out of this appropriation, $154,900 the first year and $154,900 the second year from nongeneral funds and one position shall be used to implement the provisions of Chapters 450 and 451, 2026 Session of the General Assembly.

F. The Department of Health Professions shall convene a stakeholder workgroup to review the structure and purpose of the Committee of the Joint Boards of Nursing and Medicine. The workgroup shall consider pathways to modernize the Joint Boards' structure and governance of advanced practice registered nurses. The workgroup shall consist of representatives from the Virginia Council of Nurse Practitioners, Virginia Nurses Association, Virginia Association of Nurse Anesthetists, Medical Society of Virginia, and other stakeholders deemed appropriate by the Department. The workgroup shall report its findings to the Governor and General Assembly by November 1, 2026.

G. The workgroup established pursuant to Chapter 590 of the 2025 Acts of Assembly shall be continued. The workgroup shall report its findings to the Chairs of the House Committee on Health and Human Services and the Senate Committee on Education and Health by November 1, 2026.

H. In the event that expenses for operating health regulatory boards exceed current fees collected by the Boards, a treasury loan, not to exceed $3,500,000, shall be provided to the Department of Health Professions to finance these costs. This treasury loan shall be repaid by no later than June 30, 2030, with the proceeds collected from an increase in health regulatory board fees based on a four-year plan developed by the Department of Health Professions to determine the appropriate fee structure to ensure the sustainability of agency operations.

Total for Department of Health Professions			**$53,176,601**	**$53,176,601**
Nongeneral Fund Positions	308.00	308.00		
Position Level	308.00	308.00		
Fund Sources: Special	$640,000	$640,000		
Trust and Agency	$1,688,791	$1,688,791		
Dedicated Special Revenue	$50,847,810	$50,847,810		

§ 1-95. DEPARTMENT OF MEDICAL ASSISTANCE SERVICES (602)

289.	Pre-Trial, Trial, and Appellate Processes (32100)			$12,547,113	$11,625,349
	Reimbursements for Medical Services Related to Involuntary Mental Commitments (32107)	$12,547,113	$11,625,349		
	Fund Sources: General	$12,547,113	$11,625,349		

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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 34, 35, 36, and 289 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.

290.	Children's Health Insurance Program Delivery (44600)			$504,290,099	$535,624,249
	Reimbursements for Medical Services Provided Under the Family Access to Medical Insurance Security Plan (44602)	$503,553,464	$534,853,409		
	CHIP Health Services Initiatives for Family Access to Medical Insurance Security Medical Services (44636)	$736,635	$770,840		
	Fund Sources: General	$161,102,689	$172,645,252		
	Dedicated Special Revenue	$15,783,425	$16,289,315		
	Federal Trust	$327,403,985	$346,689,682		

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.

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

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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. 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.

291.	Medicaid Program Services (45600)			$29,049,133,478	$30,632,271,110
	Payments for Graduate Medical Education Residencies (45606)	$17,100,000	$17,100,000		
	Reimbursements to State-Owned Mental Health and Intellectual Disabilities Facilities (45607)	$58,125,422	$58,020,754		
	Reimbursements for Behavioral Health Services (45608)	$43,897,969	$44,715,321		
	Reimbursements for Medical Services (45609)	$16,886,846,863	$17,936,986,714		
	Reimbursements for Long-Term Care Services (45610)	$3,281,309,764	$3,474,362,339		
	Payments for Healthcare Coverage for Low-Income Uninsured Adults (45611)	$8,761,853,460	$9,101,085,982		
	Fund Sources: General	$8,221,315,702	$8,758,261,987		
	Special	$9,512,946	$9,512,946		
	Dedicated Special Revenue	$2,888,589,343	$2,988,699,452		
	Federal Trust	$17,929,715,487	$18,875,796,725		

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. 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.

B. To the extent that appropriations in this Item are insufficient, the Department of Planning

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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.

C. 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.

D.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.

E. Out of this appropriation, $28,998,773 the first year and $28,998,773 the second year from the general fund and $29,126,649 the first year and $29,021,981 the second year from the federal trust fund is provided for reimbursement to the institutions within the Department of Behavioral Health and Developmental Services.

F.1. The estimated revenue for the Virginia Health Care Fund is $399,050,000 the first year and $388,350,000 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.

G. 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 or change in the contracts with managed care organizations, the Department of Medical Assistance Services 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

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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.

H.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 Chairs 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 Chair 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.

I.1. Notwithstanding § 30-347, Code of Virginia, or any other provision of law, the Department of Medical Assistance Services shall have the authority to 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).

2. 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 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.

J. The Department of Medical Assistance Services shall adjust the medically needy income limits for the Medicaid program annually to account for changes in the Consumer Price Index.

K. 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.

L.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

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an informal fact-finding conference decision concerning provider reimbursement in 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.

M.1.a. As of July 1, 2026, the Community Living (CL) waiver authorizes 12,520 slots.

b. As of July 1, 2026, the Family and Individuals Support (FIS) waiver authorizes 8,559 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 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.

N.1. Effective July 1, 2026, 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.

2. Any managed care contract with selected managed care organizations 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. The Department of Medical Assistance Services shall not include any new services in the contract unless explicitly authorized by the General Assembly.

3. The Department of Medical Assistance Services shall ensure that the cost of any programmatic and/or contractual changes are fully accounted for in the Appropriation Act and shall not create any future funding commitments unless authorized by the General Assembly.

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4. The Department of Medical Assistance Services (DMAS) may make changes to the member intelligent assignment process and may suspend random assignments to a managed care organization (MCO) if the MCO has 40 percent of enrolled lives within an operational region. DMAS shall make no changes in the reassignment methodology unless specifically authorized by the General Assembly.

5. The Department of Medical Assistance Services shall track and report on compliance with NCQA response time standards for each managed care organization, 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.

6. 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 managed care organizations' initiatives to address undesirable trends, and the impact of those initiatives. The report shall be submitted each year by September 1.

O.1. The Department of Medical Assistance Services shall include in all its contracts with managed care organizations (MCO) the following:

a. A quality withhold program including but not limited to increasing withhold amount from one percent to three percent as well as DMAS internal processes and reporting responsibilities. The withhold amount shall not exceed one percent in the first and second years of the contract. In years three and four of the contract the withhold amount shall not exceed two percent. Beginning in year five of the contract, the withhold shall not exceed three percent.

b. A provision requiring the managed care organizations to return 50 percent of the underwriting gain in excess of three percent of Medicaid premium income up to six percent; return 75 percent of the underwriting gain in excess of six percent of Medicaid premium income up to eight percent and return 100 percent of the underwriting gain above eight percent.

c. 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.

d. Behavioral health-specific metrics to identify undesirable trends in service utilization.

e. A report on managed care organization policies and processes for identifying behavioral health providers who provide inappropriate services and the number of such providers that are disenrolled.

f. A requirement for 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 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.

2. 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.

P. The Department of Medical Assistance Services (DMAS) shall be authorized to include the following provisions in the Cardinal Care Managed Care Contract provided such items do not alter cost factors as authorized by this act or add future costs to the Commonwealth.

a. Revise managed care organization staffing requirements.

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b. Include language related to readiness review requirements.

c. Require the timely processing of clean claims.

d. Require network adequacy/access reporting requirement.

e. Require managed care organizations to inform providers 30 days prior to any policy or procedure change and must train providers on changes.

f. Make changes as required by the Virginia Information Technology Agencies and Office of Attorney General high-risk reviews.

g. Require managed care organizations to use the Council for Affordable Quality Healthcare (CAQH) standardized credentialing form if available for their provider type.

h. Require managed care organizations to invite ombudsman representatives to advisory committee meetings.

i. Include value-based payment models and requirements.

j. Require managed care organizations to collaborate with DMAS as part of community and programmatic initiatives; however any locality partnership initiatives must be specifically authorized by the General Assembly through a general appropriation act.

k. Maintain a foster care specialty plan via a competitive procurement process among the current contractors.

l. Maintain care coordination, reporting, member outreach and monitoring, working with community stakeholders in EPSDT sections to ensure quality of care and monitoring or providers.

m. Include managed care organization care coordination screening requirements for Health-Related Social Needs, Behavioral Health and Cancer.

n. Include language requiring managed care organizations to account for specific needs and actions in the plan for identifying, assessing and engaging members on Health-Related Social Needs as part of care coordination activities.

o. Maintain maternal and child health policies and processes, including, using CMS' Maternal Core Quality Measure set, value based payment targets, and managed care organization outreach.

p. Require an annual plan on coordination with the dental benefit administrator.

Q. The Department of Medical Assistance Services shall direct its actuary as part of the rate setting process to:

a. Identify potential inefficiencies in the Cardinal Care Managed Care 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 managed care organizations 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 Cardinal Care Managed Care 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.

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f. Annually incorporate findings on unallowable administrative expenses from audits of managed care organizations 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.

R.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 R.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.

S. 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 Director, Department of Planning and Budget, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees any increase in recoveries associated with this program as well as the areas of audit targeted by contractors by November 1 each year.

T.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.

U. 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.

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V. 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 prior to the completion of any regulatory process undertaken in order to effect such change.

W. 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 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.

X. 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 Chairs 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.

Y.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 16 members, including the Commissioner, Department of Behavioral Health and Developmental Services, or his designee. Other members shall be selected or approved by the department and shall include one physician from each contracted managed care organization. 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

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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 generate savings as determined by the department that are net of any administrative expenses to implement and administer the program.

5. 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.

6. 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.

7. 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.

8. The Pharmacy and Therapeutics Committee shall ensure that when making recommendations to the Department of Medical Assistance Services related to any non opioid drug approved by the federal Food and Drug Administration for the treatment or management of pain, the drug shall be considered for safety and clinical efficacy, as supported by available clinical data, and cost effectiveness pursuant to 12VAC30-130-1000 of the Virginia Administrative Code.

9. Recommendations made by the Pharmacy and Therapeutics Committee that result in changes to the Common Core Formulary shall not be implemented by the Department of Medical Assistance Services until a fiscal impact review is conducted by the agency's fiscal division and is reviewed by the Chief Financial Officer and the Director.

Z.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

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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 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.

AA. 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.

BB.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 percent 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 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

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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 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 percent 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.

5. The department shall revise reimbursement methodologies for PRTF rates to implement inflation increases for each fiscal year to be effective July 1, 2024. 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 prior to the completion of any regulatory process to effect such change.

6. Notwithstanding paragraphs BB.2., BB.3., and BB.5. above, the Department of Medical Assistance Services shall maintain the rate ceilings that were in effect as of June 30, 2026 for psychiatric residential treatment facilities and participating addiction and recovery treatment services residential services.

7. Notwithstanding any other provision of law, effective July 1, 2026, the Department of Medical Assistance Services shall amend the state plan for medical assistance services to eliminate rebasing and inflation adjustments for psychiatric residential treatment facilities and qualifying addiction and recovery treatment services residential services providers. The department shall promulgate emergency regulations to implement this change within 280 days or less from the enactment of this act. The department shall implement this change upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

CC. 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, and make any changes to managed care contracts as necessary to enable children served in psychiatric residential treatment facilities (PRTF) to maintain their enrollment in managed care during their treatment. The payment for PRTF per diem payments and PRTF required services shall be carved out of managed care and paid as a fee-for-service benefit. Required services include assessment and diagnosis, physician medication management and supervision, urine testing and psychological professional services when delivered by facility staff or contractors. Any service eligible for reimbursement through the Children's Services Act shall not be included in managed care. The department shall have the authority to create a new capitation payment structure to reflect this change in managed care service delivery. Costs associated with any carved-out services shall be excluded from managed care payment methodologies. The department shall have the authority to implement this change effective July 1, 2025 and prior to the completion of any regulatory process.

DD. 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

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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-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 Chairs of the House Appropriations and Senate Finance and Appropriations Committees and the Director, Department of Planning and Budget no later than October 1 each year.

EE.1. Included in this appropriation is $7,067,076 the first year and $10,008,396 the second year from the general fund and $26,366,543 the first year and $29,212,840 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 $35,513,809 the first year and $39,114,876 the second year from the general fund and $50,250,319 the first year and $53,866,844 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

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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.

FF.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 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.

GG. 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 Director, Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by September 1 each year.

HH. The Department of Medical Assistance Services shall have the authority to amend the state plan for medical assistance services and associated regulations to remove any obsolete provider supplemental payments that were authorized prior to July 1, 2021. This includes any supplemental payments that have no qualifying providers, have sunset or for which no payments have ever been made. 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.

II. The Department of Medical Assistance Service shall have the authority to amend the State Plan for Medical Assistance to implement a supplemental disproportionate share hospital (DSH) redistribution methodology for DSH funds that allows the redistribution of excess DSH payments to other eligible DSH hospitals that have not met their uncompensated care costs. This supplemental redistribution shall be budget neutral and not use state funds in excess of those already appropriated for DSH payments. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

JJ.1.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 the Centers for Medicare and Medicaid Services (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.

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c. Funding for the state share for these Medicaid payments is authorized in Item 170.

2.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 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 (DMAS) 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 Cardinal Care Managed Care (Cardinal Care) at the same level as and in lieu of the supplemental Medicaid payments authorized in Section JJ.2.a., then DMAS shall: (i) exclude Medicaid recipients who elect to receive nursing home services in local government-owned nursing homes from Cardinal Care; (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 Cardinal Care 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 Cardinal Care 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.

3. 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.

4. 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.

5.a. The Department of Medical Assistance Services 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 percent minus current authorized reimbursement subject

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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 of Medical Assistance Services 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 CMS.

6.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. The Department of Medical Assistance Services 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 of Medical Assistance Services (DMAS) 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 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.

7. The Department of Medical Assistance Services 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

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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 CMS. The originating funding for this program will come entirely from Lake Taylor.

8.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. Virginia community colleges, Virginia public institutions of higher education, local governments, and instrumentalities of local government are public entities that are authorized to transfer 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 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 or managed care directed payment arrangement, the hospital provider will return the entire balance of the payment to the department within 30 days of notification. If the hospital does not return the entire balance of the 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.

c. The purposes to which the additional payments authorized in paragraph JJ.9.b. of this Item shall be applied include: (i) increasing and enhancing access to outpatient care for

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Medicaid recipients; (ii) stabilizing and supporting critical healthcare workforce needs; and (iii) advancing the department's health and quality improvement goals; these shall contain specific measurable outcomes that will be approved, and monitored by the department quarterly. Payment shall be dependent on progress towards goal attainment on all three purposes. Participating organizations must submit quarterly updates and annual reports on programs no later than October 1. 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.

9. 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, using managed care discharge days, 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. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

10. 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, using managed care discharge days, for an acute care hospital system whose Virginia hospitals are located entirely in planning districts 1, 2, and 3, 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. 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. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

11.a. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to make supplemental indirect medical education payments for managed care services for private teaching hospitals that have executed 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. 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. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

b. The supplemental indirect medical education payments for managed care services shall be based on the Medicare formula using total residents reported to the Department annually by

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the hospital prior to the beginning of the fiscal year for the resident to bed ratio applied to managed care hospital payments reported to the Department through the encounter system adjusted to cost minus IME payments for managed care services currently authorized. The Department shall calculate these supplemental indirect medical education payments prior to the beginning of the fiscal year based on the most recently available data and these payments shall be final.

12. 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, using managed care discharge days, not to exceed $30,000,000 total computable for teaching hospitals affiliated with Virginia Tech Carilion School of Medicine. The public entity shall transfer the non-federal share of the authorized supplemental payments. 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 Virginia Tech Carilion School of Medicine that are in excess of fair market value or that alleviate pre-existing financial burdens of the school. The Virginia Tech Carilion School of Medicine is authorized to use general fund dollars to accomplish this transfer. The Virginia Tech Carilion School of Medicine would enter into an Interagency Agreement with the department for this purpose and must attest to compliance with applicable CMS criteria. In addition to funds transferred from the public entity, the agency may utilize qualified charitable contributions as a source for the non-federal share. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

13. The Department of Medical Assistance Services (DMAS) shall amend the Medicaid State Plan for Medical Assistance and regulations to provide supplemental payments for dentists employed by or contracted with Virginia Commonwealth University's School of Dentistry. The total supplemental payment shall be based on the average commercial rate as approved by the federal Centers for Medicare and Medicaid (CMS) and all other Medicaid payments subject to such limit made to such dentists. DMAS shall enter into a transfer agreement with Virginia Commonwealth University for such supplemental payments, in which the University shall provide the non-federal 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.

14. 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, using managed care discharge days, for an acute care hospital chain with a level two trauma center in the Peninsula EMS region in 2023, 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. The level of these additional IME supplemental payments may be up to the amounts supported by the formula applicable to Type One hospitals. 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. 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. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

15. The Department of Medical Assistance Services shall periodically assess the quality measures that are submitted to the Centers for Medicare and Medicaid Services for supplemental payments to ensure that appropriate quality measures are being included for supplemental payments such that the additional funding is improving the Medicaid program's quality and delivery of health care services.

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KK.1. Effective, January 1, 2026, the Department of Medical Assistance Services (DMAS) is authorized to establish objective and measurable performance measures for any hospitals that are receiving private hospital enhanced payments authorized in § 3-5.14 of this act. These measures shall assess whether the additional payments improve services for Medicaid members. Specifically, DMAS shall include requirements to ensure access to care by Medicaid members through network adequacy requirements to prevent a hospital from reducing its service offerings in a manner that would have an adverse impact on Medicaid members in the community. In addition, DMAS shall include requirements to ensure improved coordination of care for behavioral health patients, including continued participation by hospitals in the acute bed registry. DMAS shall establish a process for measuring progress and may include a process to allow for corrective actions required for hospitals that do not achieve the specific performance measures established by DMAS. DMAS is authorized to measure progress toward these performance measures on a quarterly basis, unless DMAS determines that a specific measure is more appropriately measured on a longer timeframe. DMAS shall consult with impacted stakeholders in developing the performance measures and associated processes. A hospital that does not achieve the specific performance measures established by DMAS and is not able to fulfill the necessary corrective actions in the timeframe required by DMAS, shall lose eligibility for private enhanced payments for the associated period as determined by DMAS.

2. DMAS shall have the authority to seek necessary federal approval for state plan amendments and changes to the preprint to the Centers for Medicare and Medicaid Services to effectuate the provisions of paragraph KK.1.

LL.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. Effective July 1, 2026, these new payments shall equal the greater of what would have been paid to the freestanding children's hospitals under the current disproportionate share hospital (DSH) formula or annually the DSH formula effective in fiscal year 2026. These additional hospital supplemental payments shall take precedence over supplemental payments for private hospitals. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effectuate such change.

MM. 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 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.

NN. 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 $11,050,000 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

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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 annually.

OO. 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.

PP. 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.

QQ.1.a. Out of this appropriation, $8,550,000 the first year and $8,550,000 the second year from the general fund and $8,550,000 the first year and $8,550,000 the second year from nongeneral funds shall be used for supplemental payments to fund graduate medical education for 3 residents who began their residencies in July 2021; 18 residents who began their residencies in July 2022; 38 residents who began their residencies in July 2024; 55 residents who began their residencies in July 2025 and 21 residents who begin their residencies in July 2026.

b. Of the amounts appropriated in QQ.1.a., $450,000 the first year and $450,000 the second year from the general fund and $450,000 the first year and $450,000 the second year from nongeneral funds shall be used for supplemental payments to fund graduate medical residencies for 4 psychiatric residents who began their residencies in July 2024; 2 additional psychiatric residents who began their residencies in July 2025 and 2 additional psychiatric residents who begin their residency in July 2026.

c. Of the amounts appropriated in QQ.1.a., $700,000 the first year and $700,000 the second year from the general fund and $700,000 the first year and $700,000 the second year from nongeneral funds shall be used for supplemental payments to fund graduate

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medical residencies for 6 obstetric-gynecological residents who began their residencies in July 2024 and 2 additional obstetric-gynecological residents who began their residencies in July 2025; and 4 additional obstetric-gynecological residents who begin their residency in July 2026.

2. The supplemental payment for each qualifying residency slot shall be $145,000 annually minus any Medicare residency payment for which the sponsoring institution is eligible. For any residency program at a facility whose number of residency slots are above the cap set by the Centers for Medicare and Medicaid Services or have exceeded the Upper Payment Limit (UPL) set by CMS, the supplemental payments for each qualifying residency slot shall be $72,500 from the general fund annually minus any Medicare residency payments 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.a. By July 1 of each year, the Department of Medical Assistance Services shall determine the number of residency slots that could be funded in the next two fiscal years within the resources provided in this Item. In addition, DMAS shall issue a call for applications to all hospitals in the Commonwealth to determine the number of residency slots, by hospital, that could be filled in the following fiscal year.

b. The Department of Medical Assistance Service, in cooperation with the Virginia Health Workforce Development Authority, shall determine which new residency slots to fund based on priorities developed by the authority. 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. The department shall also review and consider applications from non-hospital sponsoring institutions, such as Federally Qualified Health Centers (FQHCs).

c. By July 1 of each year, the Department of Medical Assistance Services shall develop a prioritized list of hospitals for which residencies are recommended. Using this list, DMAS shall request budget authorization for those residencies that can be supported with the funds as appropriated in this Item.

4. 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.

5. 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). The department shall make the report available to the Virginia Health Workforce Development Authority to assist in their efforts to set priorities for and manage graduate medical education programs overseen by the Commonwealth.

6.a. Effective July 1, 2024, the department shall make supplemental payments to the following sponsoring institutions for the specified number of primary care residencies: Carilion Medical Center (6 Internal Medicine residencies), Centra Health (3 Family Medicine residencies), Riverside Regional Medical Center (1 Family Medicine residency and 6 Internal Medicine residencies), Sentara Norfolk General (1 Internal Medicine residency), University of Virginia Health System (2 Family Medicine residencies), and Johnston Memorial Hospital (2 family medicine residencies). The department shall make supplemental payments to Carilion Medical Center for 4 Psychiatry residencies. The department shall make supplemental payments to Children's Hospital of the King's Daughters for 3 Pediatric residencies. The department shall make supplemental payments to Riverside Regional Medicine Center for 4 Emergency Medicine residencies. The department shall make supplemental payments to Macon and Joan Brock Virginia Health Sciences for 1 Obstetrics and Gynecology residency, Virginia Commonwealth University for 2 Obstetrics and

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Gynecology residencies, and INOVA Fairfax Hospital for 3 Obstetrics and Gynecology residencies.

b. Effective July 1, 2025, the department shall make supplemental payments to the following sponsoring institutions for the specified number of primary care residencies: Augusta Health (12 Internal Medicine residencies), Carilion Medical Center (7 Internal Medicine residencies), Centra Health (3 Family Medicine residencies), Mary Washington Healthcare (6 Family Medicine residencies), and Riverside Regional Medical Center (1 Family Medicine residency and 13 Internal Medicine residencies). The department shall make supplemental payments to Carilion Medical Center for 2 Psychiatry residencies. The department shall make supplemental payments to Children's Hospital of the King's Daughters for 1 Child and Adolescent Psychiatry fellowship. The department shall make supplemental payments to Riverside Regional Medicine Center for 8 Emergency Medicine residencies. The department shall make supplemental payments to Macon and Joan Brock Virginia Health Sciences for 1 Obstetrics and Gynecology residency and to Riverside Regional Medical Center for 1 Obstetrics and Gynecology residency.

c. Effective July 1, 2026, the department shall make supplemental payments to the following sponsoring institutions for the specified number of primary care residencies: Augusta Health (2 Internal Medicine), Carilion Medical Center (1 Internal Medicine), Carilion Medical Center (2 Psychiatry), Centra Health (2 Family Medicine), Eastern Virginia Medical School (1 Obstetrics and Gynecology), Johnston Memorial Hospital (1 Internal Medicine), Mary Washington Healthcare (2 Family Medicine), Mary Washington Healthcare (2 Internal Medicine), Riverside Regional Medical Center (1 Emergency Medicine), Riverside Regional Medical Center (1 Internal Medicine), Riverside Regional Medical Center (1 Family Medicine), Riverside Regional Medical Center (3 Obstetrics and Gynecology) and Bon Secours St. Francis Medical Center (2 Family Medicine).

7.a. The Virginia Health Workforce Development Authority shall require all sponsoring institution hospitals receiving state supplemental Graduate Medical Education funding to participate in an annual data collection and reporting process designed to evaluate the effectiveness, geographic distribution, and workforce outcomes of state-supported residency and fellowship training.

b. Required reporting shall include, at a minimum, the number and name of residents supported with state funds, by specialty and training year, including the medical school each resident attended and their primary state of residence prior to medical school, the number of first year positions created or sustained with state support, identification of rural and underserved training locations and annual duration of training at such sites, program accreditation status, and total approved compared to filled positions by post-graduate year. The report shall also include the amount of Medicare Direct Graduate Medical Education (DGME) and Indirect Medical Education (IME) funding submitted for the most recently completed Medicare cost reporting year, including an attestation that state funding does not supplant existing Medicare funding under the institution's approved DGME cap. The report shall further include the institution's Per Resident Amount (PRA), if established; the number of resident full-time equivalents (FTEs) claimed for DGME; the number of resident positions exceeding the institution's DGME cap for programs beyond the five-year cap-building period; and an annual budget reconciliation for supplemental funding. Additional data may be requested as deemed necessary by the Authority to assess workforce alignment of state health needs and facilitate physician workforce forecasting.

c. The Authority shall compile the submitted information into a biennial statewide Graduate Medical Education Impact Report and shall use the reported data to inform funding recommendations, program eligibility and future appropriations. The Impact Report shall be submitted to the Governor and Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

8. The Department of Medical Assistance Service shall provide the Virginia Health Workforce Development Authority with quarterly reports detailing the occurrences of supplemental federal and state Medicaid payments made for Graduate Medical Education. Such reports shall include completed and pending aggregate payment amounts by sponsoring institutions and residency programs, as necessary to support statewide supplemental Graduate Medical Education oversight and reporting.

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9. The Virginia Health Workforce Development Authority shall create and manage a Graduate Medical Education (GME) technical assistance program to provide residency and fellowship programs with technical support, guidance on program development and accreditation, and opportunities for networking and collaboration. The program shall facilitate data analysis and forecasting on residency supply and demand, assist programs in securing funding, and partner with academic and clinical institutions to expand training opportunities, particularly in rural and underserved regions. The Authority shall also monitor program outcomes and issue an annual report with findings and recommendations to inform statewide GME planning and policy.

RR.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 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.

SS.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 shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.

TT. 1. Effective July 1, 2024, the Department of Medical Assistance Services (DMAS) shall have the authority to modify Medicaid behavioral health services such that: (1) legacy services that predate the current service delivery system, including Mental Health Skill Building, Psychosocial Rehabilitation, Intensive In Home Services, and Therapeutic Day Treatment are phased out; (2) legacy youth services are replaced with the implementation of tiered community based supports for youth and families with and at-risk for behavioral health disorders appropriate for delivery in homes and schools, (3) legacy services for adults are

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replaced with a comprehensive array of psychiatric rehabilitative services for adults with Serious Mental Illness (SMI), including community-based and center-based services such as independent living and resiliency supports, community support teams, and psychosocial rehabilitation services, (4) legacy Targeted Case Management- SMI and Targeted Case Management- Serious Emotional Disturbance (SED) are replaced with Tiered Case Management Services. All new and modified services shall be evidence based and trauma informed. To facilitate this transition, 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 legacy and redesigned services identified in this paragraph. DMAS shall only proceed with the provisions of this paragraph if the authorized Medicaid behavioral health modifications and programmatic changes can be implemented in a budget neutral manner within appropriation provided in this act for the identified legacy services. Moreover, any new or modified services shall be designed such that out-year costs are in line with the current legacy service spending projections. No new Medicaid behavioral health services or rates shall be implemented until corresponding legacy services have ended. Implementation of the redesigned services authorized in this paragraph shall be completed no later than July 1, 2027. The Department of Medical Assistance Services shall have the authority to seek federal authorization through waiver and state plan amendments under Titles XIX and XXI of the Social Security Act, as necessary, to meet the requirements of this paragraph. The department shall have authority to implement the changes authorized in this paragraph upon federal approval and prior to the completion of any regulatory process.

2. The Department of Medical Assistance Services, in collaboration with the Department of Behavioral Health and Developmental Services, shall continue efforts to qualify for a section 1115 serious mental illness (SMI) waiver. The department is authorized to develop an 1115 SMI waiver application at the appropriate time. In addition to the waiver application, the department shall maintain a plan that includes any proposed service modifications, all potential fiscal implications (including cost savings) and a timeline for implementation. DMAS shall not implement any aspect of this proposed 1115 waiver without direct authorization by the General Assembly. The department shall provide the current version of the waiver plan by 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.

3. The Department of Medical Assistance Services shall have the authority to add coverage for services provided to Medicaid beneficiaries (ages 21 through 64) during short term stays (not to exceed 60 days) for acute care in psychiatric hospitals or residential treatment settings that qualify as Institutes of Mental Disease through an 1115 serious mental illness waiver. The department shall have the authority to implement these changes consistent with the effective date in the state plan amendment approved by the Centers for Medicare and Medicaid Services and prior to completion of any regulatory process in order to effect such changes.

4. The Department of Medical Assistance Services shall review and report on all monthly expenditures associated with services provided through the 1115 serious mental illness waiver. The department shall post this information on its website on a quarterly basis. Data should include, but not be limited to, expenditures by service for all services provided through state-run freestanding psychiatric hospitals, private freestanding psychiatric hospitals, and residential crisis stabilization units. In addition, data should include the number of individuals served and expenditures by facility.

UU.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 Cardinal Care 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

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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 Cardinal Care 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.

VV. 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.

WW.1. 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 (ABA) 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.

2. The Department of Medical Assistance Services (DMAS) shall impose a 20 hour per week cumulative limit per recipient on services provided under ABA, effective July 1, 2026; such limit can be exceeded based upon documented medical necessity under early and periodic screening, diagnostic and treatment (EPSDT). The department shall require a diagnosis of autism spectrum disorder prior to authorizing ABA services; however, children age 5 and younger may receive a provisional diagnosis for one-year utilizing a protocol designated by DMAS. DMAS shall have the authority to amend the state plan under Titles XIX and XXI of the Social Security Act to effect these changes. DMAS shall provide guidance to ABA providers and facilities on required ABA documentation and shall coordinate with managed care organizations (MCO) to perform periodic pre- and post-payment reviews of ABA payments. DMAS shall require specific reporting from each MCO that can be analyzed across MCOs, by region, by provider, and at a statewide level. The requirements in this amendment do not apply to behavior therapy provided by local education agency providers and reimbursed through the fee-for-service Medicaid school-based services program. The department is authorized to promulgate emergency regulations to implement this change within 280 days or less from the enactment of this act. The department shall implement this change upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

3. The Department of Medical Assistance Services (DMAS) shall convene an ABA benefit Utilization Workgroup for the purpose of examining Medicaid expenditures and utilization trends for this service and identifying strategies to control costs while still preserving access to care for those in need of the therapy. The workgroup shall: (i) identify utilization trends, including trends among those with different diagnosis acuity levels; (ii) examine different delivery methods of ABA services and their impact on utilization; (iii) review utilization and service authorization criteria including standard assessment tools and diagnostic criteria

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taking into account differing service intensity and duration requirements; (iv) evaluate utilization management tools that align with national clinic practice guidelines promulgated by independent national nonprofit organizations; (v) define medical necessity criteria taking into account behavioral factors, ability to learn, age and development, and skills development including clear criteria for eligibility, scope of services and documentation requirements; (vi) review provider qualification recommendations related to ABA practitioner certification and licensing; and current supervision requirements and standards to help ensure appropriate clinical oversight; (vii) evaluate the appropriateness of ABA services for children with diagnoses other than ASD; and (viii) review the MCO annual reporting data to identify any areas of potential improvement to the delivery of services and any needed changes in regulations or policies from DMAS. The workgroup shall include stakeholders, including ABA service providers, including center-based models and home-based models, representatives from managed care organizations serving Medicaid patients, Virginia licensed behavioral analysts, and a child or adolescent psychiatrist. The workgroup meetings shall be open to the public and offer opportunities for public input.

XX. 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.

YY. 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.

ZZ. 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.

AAA. 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.

BBB. 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 percent 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 percent 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. 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

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approaches to achieve the same general results, the department shall have the authority to follow the federal guidance effecting this change. It is the intent of the General Assembly that the Department of Medical Assistance Services continue reimbursing the 15 percent reimbursement rate add on authorized in Item 306, paragraph CCC 7 (Chapter 780, 2016 Acts of Assembly), and the additional 10.4% reimbursement rate add on authorized in Item 313, paragraph KKKK of the 2020 Appropriation Act (Chapter 56, 2020 Special Session I Acts of Assembly). The department shall promulgate emergency regulations to properly reflect these reimbursement policies within 280 days or less from the enactment of this act.

CCC. 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.

DDD. 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.

EEE. 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.

FFF.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 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.

GGG. 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.

HHH. 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.

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III. 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.

JJJ. 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.

KKK.1. 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 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.

2. The Department of Medical Assistance Services shall seek federal authority to amend the state plans under Titles XIX and XXI of the Social Security Act and any applicable waivers to impose a $2,000 annual spending limit per recipient on adult dental services. The department shall promulgate emergency regulations to implement this change within 280 days or less from the enactment of this act. The department shall implement this change upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

LLL.1.a. 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.

b. Out of this appropriation, $35,000,000 the first year from the general fund and $35,000,000 the first year from nongeneral funds is provided to increase nursing home and specialized care per diem rates effective until June 30, 2027. The Department of Medical Assistance Services shall have the authority to distribute the funding as an add-on payment to the per diem rates in effect as of June 30, 2026. This add-on payment shall be effective until June 30, 2027. 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

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Medicaid managed care.

2.a. The Department of Medical Assistance Services (DMAS) shall work with appropriate nursing facility stakeholders and the Cardinal Care managed care organizations (MCOs) to maintain 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. 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. Facilities under complaint surveys due to major quality or safety issues can be found ineligible for VBP enhanced funds for a period determined by the department. Special Focus Facilities (SFF) are barred from receiving VBP rewards until they successfully graduate from SFF status. The department shall receive information from the Virginia Department of Health's Office of Licensure and Certification to support the evaluation of facility performance and eligibility for enhanced VBP.

b. All funding appropriated for the VBP program shall be disbursed to participating nursing facilities that qualify for the enhanced funding according to the aforementioned unified VBP arrangement's annually published methodology. DMAS shall ensure that program funding is restricted to facilities demonstrating sufficiently high quality of care as determined by the department. Components of the program subject to modifications by DMAS include, but are not limited to, timing of enhanced payments, performance metrics, thresholds determinations, and minimum eligibility requirements for earning program payments. To inform program modifications, DMAS may require facilities to provide documentation on how earned payments from previous program years were utilized to improve the quality of care for Medicaid members. Facilities failing to meet quality standards shall not receive any enhanced payments.

c. DMAS shall conduct an annual comprehensive evaluation of the VBP program to assess its effectiveness in improving the quality of care provided to Medicaid beneficiaries in nursing facilities. This evaluation shall include an analysis of whether the program's incentive structure is successfully rewarding high-performing facilities and appropriately withholding payments from those failing to meet care standards. The evaluation shall also include stakeholder input which includes program progress and a discussion of potential modifications to components of the arrangement.

d. Out of this appropriation, $20,000,000 the first year and $20,000,000 the second year from the general fund and $20,807,998 the first year and $20,807,998 the second year from nongeneral funds shall be provided to increase nursing facility value-based payments effective July 1, 2024 pursuant to paragraph LLL.2.b. in this item. To the extent that this increase each year meets or exceeds the amount otherwise required under clause 3 of Chapters 482 and 438 of the 2023 Acts of Assembly, this increase shall be considered to satisfy that requirement.

e. DMAS shall submit an annual report to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees detailing the outcomes of the VBP program evaluation. The report shall include data on quality improvements, financial impacts, and recommendations for program adjustments to ensure continued progress toward improved care quality.

f. 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.

MMM. 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

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prior to completion of any regulatory process undertaken in order to effect such change.

NNN. 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-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.

OOO. 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.

PPP. 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.

QQQ. 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.

RRR. 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 and 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.

SSS. 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.

TTT. 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 amend coverage of preventive services for adult, full-benefit Medicaid individuals who are not enrolled pursuant to the Patient Protection and Affordable Care Act (PPACA) to align with the preventive services coverage provided under the PPACA. The department shall have the authority to implement these changes prior to the completion of any regulatory process to effect such changes.

UUU. 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 all cost sharing, including co-payments, co-insurance, and deductibles for

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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.

VVV.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. Effective July 1, 2024, the Department of Medical Assistance Services shall have the authority to increase Medicaid Title XIX and CHIP Title XXI reimbursement rates for dental services by three 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.

WWW. 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.

XXX.1. Appropriation amounting to $175,793,045 in FY 2023 and $201,197,348 in FY 2024 from the general fund and $182,060,495 in FY 2023 and $208,539,425 in FY 2024 from nongeneral funds was 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.

YYY. 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 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.

ZZZ. Effective July 1, 2022, the Department of Medical Assistance Services 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.

AAAA.1. 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.

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2. The Department of Medical Assistance Services shall have the authority to make any necessary managed care contract changes and to amend the state plans under Titles XIX and XXI of the Social Security Act, and any waivers thereof, as necessary to provide covered services, including screenings, diagnostic services, and targeted case management, in the 30 days pre-release and immediately post-release to eligible incarcerated youth and young adults in accordance with section 5121 of the federal Consolidated Appropriations Act of 2023. The department shall have the authority to implement this change prior to the completion of any regulatory process.

BBBB. 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.

CCCC. 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.

DDDD. Effective July 1, 2022, the Department of Medical Assistance Services is authorized to increase rates by 12.5 percent, 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. 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 and EPSDT services participating in Virginia Medical Assistance Programs and Medicaid Managed Care Organizations 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.

EEEE. Contingent on approval by the Centers for Medicare and Medicaid Services, the Department of Medical Assistance Services 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. 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.

FFFF. 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.

GGGG.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,

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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.

HHHH. 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.

IIII. 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.

JJJJ. 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.

KKKK. 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.

LLLL. Effective for dates of service on or after July 1, 2024, the Department of Medical Assistance Services shall update the reimbursement methodology for outpatient rehabilitation services to the Resource Based Relative Value Scale. Any changes to the reimbursement methodology shall be budget neutral. To ensure and maintain budget neutrality, a budget neutrality factor shall be applied to any rate calculations.

MMMM.1. The Department of Medical Assistance Services shall amend its regulations and guidance on weight loss drugs to require service authorization for covered weight loss drugs to ensure appropriate utilization. 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 (DMAS) shall evaluate pharmaceutical manufacturer programs and other contracting arrangements available to state Medicaid programs that are intended to reduce the costs of glucagon-like peptide-1 (GLP-1) receptor agonists and related therapies. The evaluation shall include: (i) a review of manufacturer-sponsored programs, any arrangements negotiated with the federal government on behalf of state Medicaid programs, and any other contractual arrangements offered to state Medicaid programs; and (ii) an assessment of the fiscal impact and feasibility associated with participation in such programs or arrangements. DMAS shall project cost savings for such programs or contracting arrangements and shall be authorized to implement the program or arrangement with the greatest projected savings to the Medicaid program which results in a price per unit of $245 or less to the Medicaid program and achieves the assumed savings included in the Item.

3. If DMAS determines that the BALANCE (Better Approaches to Lifestyle and Nutrition for Comprehensive hEalth) Model negotiated with the federal government has the greatest cost savings, then, effective upon such determination, pursuant to the authority granted in 42 USC 1396r-8 Payment for Covered Outpatient Drugs, DMAS shall amend the State Plan for Medical Assistance Services and 12VAC30-50-520 to cover weight loss medications when

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prescribed for weight loss where: (i) the individual meets the coverage criteria established under the BALANCE Model as negotiated with the federal government, or (ii) if it is a traditional weight loss medication prescribed for weight loss as FDA approved. 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 authority to implement this amendment upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

4. If DMAS determines that another contracting arrangement has the greatest cost savings, then, effective upon such determination, pursuant to the authority granted in 42 USC 1396r-8 Payment for Covered Outpatient Drugs, DMAS shall amend the State Plan for Medical Assistance Services and 12VAC30-50-520 to cover weight loss medications in accordance with the specific provisions of such contracting arrangement. 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 authority to implement this amendment upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

5.If DMAS determines that no pharmaceutical manufacturer program or other contracting arrangement available to state Medicaid programs for GLP-1 receptor agonist medications would result in a net price per one-month supply of $245 or less to the Medicaid program and also achieve the assumed savings included in this Item, then pursuant to the authority granted in 42 USC 1396r-8 Payment for Covered Outpatient Drugs, DMAS shall amend the State Plan for Medical Assistance Services and 12VAC30-50-520 to cover weight loss medications when prescribed for weight loss where: (i) in those instances where an individual has a body mass index (BMI) greater than 40; (ii) in those instances where an individual has a BMI greater than 37 and has at least one of the following weight-related comorbid conditions: hypertension, Type II Diabetes Mellitus, or Dyslipidemia; or (iii) if it is a traditional weight loss medication prescribed for weight loss as FDA approved, excluding Glucagon-like peptide-1 drugs and any other newer weight loss medications. 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 authority to implement this amendment upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

6. DMAS is authorized to make a change pursuant to this paragraph related to reimbursement policies for GLP-1 receptor agonists with 30 days prior notice to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, unless either Chair raises an objection within five days of being notified.

7. DMAS is authorized to seek federal authority through the necessary waiver(s) and/or State Plan Amendment(s) under Titles XIX and XXI of the Social Security Act and make pharmacy benefit manager (PBM) contract changes, as needed, to enable the use of any rebate negotiated directly between the Commonwealth and a manufacturer of GLP-1 receptor agonist medications, if the negotiated net price (the gross price minus all applicable rebates) is lower than the net price obtained under the existing rebate agreement through the program's PBM.

NNNN. The Department of Medical Assistance Services (DMAS) shall seek federal authority through waiver and state plan amendments under Titles XIX and XXI of the Social Security Act to implement telehealth service delivery options under the Developmental Disability Waivers for the following services: Benefits Planning, Community Coaching, Community Engagement, Community Guide, Group Day Services, Group and Individual Supported Employment, Independent Living Supports, Individual and family/caregiver training, In-home Support Services, Peer Mentoring, Service Facilitation, Therapeutic Consultation, and Workplace Assistance services. However, DMAS authority is limited to those regulatory changes needed to define service delivery and claims processing requirements for those virtual support services currently authorized by the Appropriation Act or Code of Virginia. Moreover, any such changes shall be budget neutral and not increase costs. The department shall have the authority to amend the Developmental Disability Waivers through the Centers for Medicare and Medicaid Services and to promulgate emergency regulations to implement these changes within 280

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days or less from the enactment of this act.

OOOO. The Department of Medical Assistance Services (DMAS) shall seek federal authority through state plan amendments under Titles XIX and XXI of the Social Security Act to expand provider qualifications such that individuals working on their required hours of supervision for certification through the Department of Behavioral Health and Developmental Services (DBHDS) to be eligible for registration through the Department of Health Professions (DHP), may be approved as Medicaid provider type for the provision of mental health and substance use disorder peer supported services. In addition, to increase access to peer recovery services, DMAS is authorized to adjust caseload limits for peer recovery specialists to align with DBHDS and DHP and revised policies to reflect the need to operate within a crisis or emergency room setting. DMAS shall ensure that any provider caseload limit increase does not have any adverse impact on quality of care or program integrity. The department shall have the authority to promulgate emergency regulations to implement these changes within 280 days or less from the enactment of this act.

PPPP. The Department of Medical Assistance Services (DMAS) shall implement a process no later than January 1, 2025 for Federally Qualified Health Centers (FQHCs) to notify the department of any changes in the scope of services offered by a FQHC, pursuant to Section 1902(bb)(3) of 42 U.S.C. 1396a. Notifications of changes in the scope of services shall be submitted no later than October 1, 2024 for timely filing allowed by applicable federal law. Thereafter, notification must be received within 12 months of the increase or decrease in the scope of services by the FQHC. The department is authorized to reimburse FQHCs for unreimbursed costs, as allowed by the applicable federal law, prior to an initial request for a change in scope under the new process.

QQQQ. Effective July 1, 2024, the Department of Medical Assistance Services shall have the authority to update the rates for consumer-directed facilitation services based on the most recent rebasing estimates as follows: Consumer Directed (CD) Management Training shall be increased to $90.14 per hour in Northern Virginia and to $80.91 per hour in the rest of the state; CD Initial Comprehensive Visit shall be increased to $360.54 per visit in Northern Virginia and to $323.64 per visit in the rest of the state; CD Routine Visit shall be increased to $112.67 per visit in Northern Virginia and to $101.14 per visit in the rest of the state; and CD Reassessment Visit shall be increased to $180.27 per visit in Northern Virginia and to $161.82 per visit in the rest of the state. The department shall have the authority to implement these changes prior to completion of any regulatory process to effect such change.

RRRR. Effective July 1, 2024, the Department of Medical Assistance Services (DMAS) shall set the reimbursement rate to 100 percent of the Medicare rural rates or 100 percent of non-rural rates if a rural rate does not exist for specific Durable Medical Equipment (DME) products, including enteral products and supplies and in the following categories in the DMAS fee schedule for Feeding Kits and Tubes and Nutrition Kits/Feeding Tubes. DMAS shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

SSSS. Effective July 1, 2024, the Department of Medical Assistance Services shall increase the rates for peer mentoring consistent with the most recent rate study by Burns and Associates.

TTTT. The Department of Medical Assistance Services shall develop guidelines for a statewide Collaborative Care Model program. The department shall submit a report on progress developing and implementing the guidelines annually by October 1 to the Joint Commission on Health Care and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

UUUU. The Department of Medical Assistance Services shall modify requirements for consumer-directed services facilitators to eliminate the requirement that individuals providing these services have an associate's or bachelor's degree in order to provide services. Work experience shall be listed as sufficient in the list of requirements. The department shall have the authority to implement these changes prior to completion of any regulatory process undertaken in order to effect such change.

VVVV. The Department of Medicaid Assistance Services shall have the authority to draw down federal funds to cover unreimbursed Medicaid costs for services provided by nonstate

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government-owned nursing facilities as certified by the provider through cost reports not to exceed the upper payment limit for each nursing facility. The department shall have the authority to implement this reimbursement change prior to completion of any regulatory process in order to effect such change.

WWWW. Effective July 1, 2024, the Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to increase the per diem rates paid to therapeutic group homes (TGH) that accept children requiring early and periodic screening, diagnosis, and treatment (EPSDT) services by 50 percent.

XXXX.1. Effective July 1, 2024, the Department of Medical Assistance Services shall have the authority to update the rates for DD waiver services by three percent 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, and Benefits Planning. The department shall have the authority to implement these changes prior to completion of any regulatory process to effect such change.

2. Effective July 1, 2025, the Department of Medical Assistance Services shall have the authority to update the rates for DD waiver services by three percent 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, and Benefits Planning. The department shall have the authority to implement these changes prior to completion of any regulatory process to effect such change.

YYYY.1. Effective July 1, 2024, the Department of Medical Assistance Services (DMAS) 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 two 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.

2. Effective July 1, 2025, 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 two 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.

ZZZZ. The Department of Medical Assistance Services shall have the authority to change the reimbursement methodology for adult day health care from a daily rate to an hourly rate, however, such reimbursement is limited to no more than six hours per day. Any such reimbursement rate adjustment must be budget neutral and not increase the cost of this service. The department shall have the authority to implement this change prior to the completion of any regulatory process to effect such changes.

AAAAA. The Department of Medical Assistance Services shall modify the nursing facility reimbursement methodology described in 12 VAC 30-90-44 to use the Patient-Driven Payment Model (PDPM) instead of Resource Utilization Groups (RUG). This change to reimbursement methodology shall be implemented in a budget neutral manner no later than October 1, 2025. The department shall have the authority to implement this change prior to the completion of any regulatory process to effect such changes.

BBBBB. The Department of Medical Assistance Services (DMAS) shall submit final exempt regulatory packages to repeal existing provider reimbursement regulations in 12 VAC 30-70, 12 VAC 30-80, and 12 VAC 30-90 and replace them with new sections containing text that is substantially identical to the Medicaid state plan as it was in effect on March 1, 2026. Changes shall not impact any aspect of the Medicaid program or increase costs. These regulatory packages shall be promulgated according to the following schedule: Chapter 70 sections shall be submitted for executive branch review within 45 days from the enactment date of this act; Chapter 80 sections shall be submitted for

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executive branch review within 75 days from the enactment date of this act; Chapter 90 sections shall be submitted for executive branch review within 95 days from the enactment date of this act.

CCCCC. The Department of Medical Assistance Services shall require that 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.

DDDDD. Effective July 1, 2025, the Department of Medical Assistance Services shall amend the state plan for medical assistance services to include a provision for payment of medical assistance for FDA approved long-acting injectable or extended-release medications administered for a serious mental illness or substance use disorder in any hospital emergency department or hospital inpatient setting. This payment shall be unbundled from the hospital daily rate.

EEEEE.1. Effective July 1, 2025, the Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to authorize coverage for a continuous glucose monitor (CGM) and related supplies for the treatment of a Medicaid enrollee under the Medicaid medical and pharmacy benefit if the enrollee: (i) has been diagnosed with diabetes by his or her primary care physician, or another licensed health care practitioner authorized to make such a diagnosis; (ii) is being treated with insulin; and/or (iii) has a history of problematic hypoglycemia; (iv) the enrollee's treating practitioner has concluded that the enrollee (or enrollee's caregiver) has sufficient training using the CGM prescribed as evidenced by providing a prescription; and (v) the CGM is prescribed in accordance with the Food and Drug Administration indications for use.

2. Coverage shall include the cost of any necessary repairs or replacement parts for the continuous glucose monitor.

3. To qualify for continued coverage under this section, the Medicaid enrollee must participate in follow-up care with his or her treating health care practitioner, in-person or through telehealth, at least once every six months during the first 18 months after the first prescription of the continuous glucose monitor for the recipient has been issued under this section, to assess the efficacy of using the monitor for treatment of diabetes. After the first 18 months, such follow-up care must occur at least once every 12 months.

4. Effective July 1, 2026, the Department of Medical Assistance Services shall have the authority to amend the State Plan for Medical Assistance to authorize the collection of supplemental drug rebates on continuous glucose monitors and related supplies.

FFFFF. The Department of Medical Assistance Services shall ensure the reimbursement for a service provided by a licensed certified midwife or licensed midwife shall be in the same amount as the Medicaid reimbursement paid a licensed physician or certified nurse midwife, whichever is higher, for performing such service in the area served.

GGGGG. The Department of Medical Assistance Services shall seek the appropriate waiver authority for a project to add neurobehavioral and neurorehabilitation facilities to support 20 individuals with traumatic brain injuries and neurocognitive disorders. The neurobehavioral and neurorehabilitation facilities shall be considered as a specialized institutional placement for individuals with a traumatic brain injury diagnosis. The department shall set service definitions, administrative structure, eligibility criteria, eligibility and enrollment processes, and reimbursement rates required for administration of a program for such facilities. The department shall have authority to implement these changes prior to the completion of any regulatory process undertaken in order to effect such change.

HHHHH. The Department of Medical Assistance Services (DMAS) is authorized to reimburse at the applicable Indian Health Services (IHS) outpatient all-inclusive rate published annually in the Federal Register for clinic services or federally qualified health center (FQHC) services provided to Medicaid-eligible American Indians and Alaska Natives (AI/AN) by facilities operated by Tribal Health Clinics and tribal FQHCs funded by Title I or V of the Indian Self Determination and Education Assistance Act, also known as Tribal 638 facilities, provided such payments are eligible for reimbursement at a federal medical assistance percentage (FMAP) of 100 percent. Any services provided by IHS or Tribal 638 facilities that are not eligible for reimbursement at a 100 percent FMAP shall be reimbursed at

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standard Medicaid rates (the rates otherwise paid to non-tribal facilities for the same services) and not at the IHS outpatient all-inclusive rate. DMAS is authorized to make any necessary managed care contract changes and seek all necessary federal authority through state plan or waiver amendments submitted to the Centers for Medicare and Medicaid Services under Titles XIX and XXI of the Social Security Act to implement the provisions of this paragraph. The department shall implement this reimbursement change consistent with the effective date of the appropriate federal authority, and prior to the completion of any regulatory process. If the above rate structure is not approved by the Centers for Medicare and Medicaid Services, then DMAS shall seek approval to reimburse IHS facilities, tribal clinics and tribal FQHCs at the standard Medicaid rate for all services.

IIIII. Effective July 1, 2025, the Department of Medical Assistance services shall increase the rates by 6.5 percent for Office Based Addiction Treatment, Opioid Treatment Services, Partial Hospitalization Services, and Intensive Outpatient Services.

JJJJJ.1. Out of this appropriation, $38,646,266 the first year and $43,063,826 the second year from the general fund and $43,137,525 the first year and $46,860,081 the second year from nongeneral funds is provided to increase Medicaid state plan or waiver rates as set forth in the following paragraphs.

2. Effective July 1, 2026, the Department of Medical Assistance Services shall have the authority to update the rates for Developmental Disability waiver services using the 2025 DD Waiver Rate Study conducted pursuant to the Permanent Injunction (Civil Action No. 3:12CV59-JAG). Rates shall be increased according to the methodology included in the rate study for the following services: Community Coaching (T2013), Community Engagement (T2021), Independent Living Supports (T2032), In-Home Support Services (H2014), Therapeutic Consultation (97139 and 97530), and Workplace Assistance (H2025). The department shall have the authority to implement these changes prior to the completion of any regulatory process to effect such change.

3. Effective July 1, 2026, the Department of Medical Assistance Services shall have the authority to increase the rates by two percent for the following services: Group Day Support (97150), Group Day Support Customized Rate (T2025), Community Guide (H2015), Peer Monitoring (H0038), Supported Employment Individual (H2023), Supported Employment Enclave (H2024), Group Home Residential 4 or fewer (H2022-UA), Group Home Residential 5 or more (H2022), Group Home Customized Rate (T2016), Sponsored Residential (T2033), Supported Living Residential (H0043), Shared Living (T1020), and Benefits Planning (T1023). The department shall have the authority to implement these changes prior to the completion of any regulatory process to effect such change.

4. Effective July 1, 2026, the Department of Medical Assistance Services shall have the authority to increase the rates for the following services: 3.8 percent for Skilled Nursing RN (S9123), 4.5 percent for Skilled Nursing, LPN (S9124), 5.0 percent for Private Duty Nursing, RN (T1002), and 5.0 percent for Private Duty Nursing, LPN (T1003). The department shall have the authority to implement these changes prior to the completion of any regulatory process to effect such change.

KKKKK. The Department of Medical Assistance Services shall limit mobile crisis services payments to four hours per incident. In addition, DMAS shall only reimburse DBHDS licensed and approved mobile crisis providers contracted with community services boards. The department shall promulgate emergency regulations to implement these changes within 280 days or less from the enactment of this act. The department shall implement this change upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

LLLLL. The Department of Medical Assistance Services shall seek federal authority through the necessary waiver(s) and/or state plan amendments under Titles XIX and XXI of the Social Security Act to eliminate the community stabilization service effective July 1, 2026. The department shall promulgate emergency regulations to implement this change within 280 days or less from the enactment of this act. The department shall implement this change upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

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MMMMM. The Department of Medical Assistance Services shall seek federal authority through the necessary waiver(s) to implement a 56-hour limit on personal care/assistance services provided under the Community Living and Family and Individual Support developmental disability waivers to mirror 56-hour soft cap limits in the Commonwealth Coordinated Care Plus waiver. The department shall promulgate emergency regulations to implement this change within 280 days or less from the enactment of this act. The department shall implement this change upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

NNNNN. The Department of Medical Assistance Services shall seek federal authority through the necessary waiver(s) and/or state plan amendments under Titles XIX and XXI of the Social Security Act to eliminate the live-in caregiver exemption from electronic visit verification requirements. The department shall promulgate emergency regulations to implement this change within 280 days or less from the enactment of this act. The department shall implement this change upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

OOOOO. The Department of Medical Assistance Services (DMAS) shall require its contracted actuary to review each managed care organization's administrative expenses, after the administrative expense audit is complete, for reasonability of reported administrative expenses to the covered population, to include benchmarking for competitiveness and efficiencies. Attainable adjustments shall be made in the capitation rate development calculation based on the results of this review to ensure efficient use of capitation revenues by the managed care organizations. These adjustments shall be reflected in capitation rates beginning with the rates effective July 1, 2026.

PPPPP. Notwithstanding any other provision of law, the Department of Medical Assistance Services (DMAS) shall seek federal authority through the necessary waiver(s) and/or State Plan Amendment(s) under Titles XIX and XXI of the Social Security Act to eliminate inflation adjustments for hospital rates, freestanding psychiatric facilities, disproportionate share hospitals (DSH) payments, graduate medical education payments, nursing facilities and any other provider rates for FY 2027 and FY 2028. DMAS shall exclude the value of withheld expected FY2027-FY2028 inflation adjustments from future inflation adjustments and hospital and nursing facility rebasings. The department shall promulgate emergency regulations to implement this change within 280 days or less from the enactment of this act. The department shall implement this change upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

QQQQQ. The Department of Medical Assistance Services shall update its reimbursement methodology for rehabilitation hospitals to provide more equitable reimbursement rates for each rehabilitation hospital relative to its total cost of services provided to Medicaid recipients. Any such change shall be budget neutral.

RRRRR. In developing capitation rates for the Cardinal Care Managed Care program, the department shall limit the assumed underwriting gain (margin for risk and cost of capital) to one percent of Medicaid adjusted premium revenue on average across all covered populations and rating cells. The department shall ensure that capitation rates are developed in a manner that is actuarially sound while reflecting this one percent underwriting gain assumption. The department shall not incorporate an assumed underwriting gain in excess of one percent in the actuarial rate certification for any contract period unless otherwise expressly authorized by the General Assembly.

SSSSS.1. Effective January 1, 2027, 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 and Periodic Screening, Diagnostic, and Treatment (EPSDT) program by 4 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.

2. Effective January 1, 2028, 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 and Periodic Screening, Diagnostic, and Treatment (EPSDT) program by 3.9 percent. The department shall have the authority to implement these changes prior to completion of any regulatory process

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undertaken in order to effect such change.

TTTTT.1. Notwithstanding regulations established at 12VAC30-90-44, the Department of Medical Assistance Services shall submit any required state plan or waiver amendments to defer the next scheduled nursing facility price rebasing, which would have changed rates as of July 1, 2027, with the normal rebasing cycle resuming for rates effective July 1, 2030. Beginning upon enactment of this act through the period of the deferral, the department shall work with stakeholders, to include the Virginia Health Care Association and any others as deemed relevant by the department, to identify and examine methodological concerns with the current nursing facility reimbursement system and to the extent necessary, propose modifications to address any concerns identified for which solutions can be found. Additionally, the group shall review and recommend quality improvement initiatives to be incentivized within the payment rate as appropriate. This process is not intended to increase nursing facility reimbursement in the aggregate, but rather to correct methodological concerns within aggregate reimbursement levels already established as adjusted annually for utilization and inflation while also promoting improved quality. Nothing herein shall preclude separate budget action affecting aggregate reimbursement levels.

2. The department shall report annually each December 1, beginning with 2026 through the deferral period on the identified methodological issues and progress toward solutions. This report shall include an assessment from the department and stakeholders, including dissenting opinions of any stakeholder group, if necessary, on the practicality of any proposed solutions and feasibility and potential timeline for implementing such solutions. The annual report is intended to inform the Governor and General Assembly of the need to continue the deferral or when implementation of the rebasing could take place as defined in regulations albeit with any approved modifications in place. This report shall be provided to the Governor, Senate Finance and Appropriations and Education and Health Committees, and the House Appropriations and Health and Human Services Committees.

3. This item does not authorize any changes to the reimbursement system as currently defined; subsequent authority must be granted to implement any specific recommended modifications.

UUUUU.1. Each 340B covered entity that dispenses a 340B drug to a Medicaid enrollee shall report such information to the Department of Medical Assistance Services (DMAS), on a quarterly basis and in a format prescribed by DMAS, the following data for each 340B drug dispensed to a Medicaid enrollee during the reporting period: (i) the National Drug Code (NDC) of the drug dispensed; (ii) the date of dispense; (iii) the quantity dispensed; (iv) the 340B acquisition cost of the drug; (v) the amount billed to Medicaid or to a Medicaid managed care organization; (vi) the amount reimbursed by Medicaid or by a Medicaid managed care organization; (vii) whether the claim was submitted through an in-house pharmacy, a contract pharmacy, or a virtual inventory arrangement; and (viii) the identity of any contract pharmacy through which the drug was dispensed.

2. DMAS shall use data collected pursuant to this paragraph to: (i) identify claims for 340B drugs submitted to the Medicaid program that may give rise to a duplicate discount under 42 U.S.C. § 1396r-8(a)(5)(C); (ii) exclude 340B drug claims from Medicaid rebate invoices submitted to manufacturers where required by federal law; and (iii) quantify the aggregate value of 340B discounts received by covered entities on drugs dispensed to Medicaid enrollees and report such findings to the Director, Department of Planning and Budget and the Chairs of the House Appropriations and the Senate Finance and Appropriations Committees by December 1 of each year.

3. DMAS shall incorporate the reporting requirements of this paragraph into provider enrollment agreements and Medicaid managed care organization contracts as a condition of participation. DMAS shall have the authority to pursue any federal waiver or state plan amendment necessary to implement this paragraph.

4. Data collected pursuant to this paragraph shall be confidential and used only for program integrity, rebate administration, and policy evaluation purposes.

VVVVV. The Department of Medical Assistance Services shall amend existing contracts with Medicaid managed care organizations (MCOs) to require the MCOs to adopt

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performance metrics for Medicaid Non-Emergency Medical Transportation (NEMT) brokers consistent with performance metrics implemented for the Fee-for-Service NEMT program and require such MCOs to report annually, by no later than November 1, to the Department regarding the performance of the NEMT brokers on such metrics.				
WWWWW.1. Effective July 1, 2026, the Department of Medical Assistance Services shall seek any necessary waivers and/or State Plan for Medical Assistance amendments under Titles XIX and XXI of the Social Security Act to provide coverage for sickle cell treatments for Medicaid enrollees through the Cell and Gene Therapy Access Model in partnership with the federal Centers for Medicare and Medicaid. The department shall have the authority to implement these changes upon federal approval and prior to completion of any regulatory process undertaken in order to effect such change.				
2. The Department of Medical Assistance Services shall have the authority to unbundle the cost of sickle cell disease cell and gene therapy drugs that are eligible for inclusion in the Centers for Medicare and Medicaid Services (CMS) model from the hospital daily rate for the purposes of participating in the Cell and Gene Therapy Access Model. The Department of Medical Assistance Services shall have the authority to implement a value based agreement that is consistent with the CMS model.				
292. Medical Assistance Services (Non-Medicaid) (46400)			$821,702	$821,702
Insurance Premium Payments for HIV-Positive Individuals (46403)	$556,702	$556,702		
Reimbursements from the Uninsured Medical Catastrophe Fund (46405)	$265,000	$265,000		
Fund Sources: General	$781,702	$781,702		
Dedicated Special Revenue	$40,000	$40,000		
Authority: §32.1-330.1 and §32.1-324.3, Code of Virginia.				
A. Out of this appropriation, $556,702 the first year and $556,702 the second year from the general fund shall be provided for insurance payment assistance to HIV-infected persons in accordance with § 32.1-330.1, Code of Virginia, except that the eligibility threshold for assistance shall allow a maximum income of no more than 250 percent of the federal poverty threshold.				
B. Out of this appropriation, $225,000 the first year and $225,000 the second year from the general fund shall be transferred to the Uninsured Medical Catastrophe Fund under § 32.1-324.3, Code of Virginia.				
293. Medical Assistance Services for Low Income Children (46600)			$322,834,597	$346,432,630
Reimbursements for Medical Services Provided to Low-Income Children (46601)	$322,834,597	$346,432,630		
Fund Sources: General	$110,473,659	$118,873,314		
Federal Trust	$212,360,938	$227,559,316		
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.				
294. Medical Assistance Management Services (Forecasted) (49600)			$52,391,035	$52,391,035
Medicaid payments for enrollment and utilization related contracts (49601)	$49,805,728	$49,805,728		

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	CHIP payments for enrollment and utilization related contracts (49632)	$2,585,307	$2,585,307		
	Fund Sources: General	$16,756,284	$16,756,284		
	Dedicated Special Revenue	$3,726,115	$3,726,115		
	Federal Trust	$31,908,636	$31,908,636		

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.

295.	Administrative and Support Services (49900)			$460,191,265	$445,986,550
	General Management and Direction (49901)	$440,784,529	$426,579,814		
	Administrative Support for the Family Access to Medical Insurance Security Plan (49932)	$16,186,736	$16,186,736		
	CHIP Health Services Initiatives (49936)	$3,220,000	$3,220,000		
	Fund Sources: General	$93,847,821	$93,196,843		
	Special	$11,816,854	$7,716,854		
	Dedicated Special Revenue	$30,104,679	$28,336,172		
	Federal Trust	$324,421,911	$316,736,681		

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. The Department of Medical Assistance Services (DMAS) may only implement policy or programmatic changes to the Medicaid or children's health insurance programs after performing an analysis of potential costs to the Commonwealth. Any policy or programmatic change with a fiscal impact, for which no appropriation has been provided, shall only be implemented if it has been specifically authorized by the General Assembly through a general appropriation act, a statutory requirement, or is otherwise required by federal law. At least 15 days prior to the implementation of any change that may have a cost for which the agency does not have legislative appropriation, DMAS shall notify the Director, Department of Planning and Budget, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

B.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 Chairs 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 that includes 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 Chairs 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

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and methodologies and information available at the time of the forecast. The letter shall also 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 DPB, the 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.

C.1. The Department of Medical Assistance Services (DMAS) shall submit monthly 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. In addition, the department shall include information on service level detail, including explanations of budget and expenditure variances. The monthly report shall be submitted to the Director, Department of Planning and Budget (DPB) and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 20 days after the end of each month.

2. DMAS 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 its website no later than 30 days after the end of each quarter and shall notify the Director, DPB and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. The department shall include in such notification information on unexpected trends that may have a significant budgetary impact.

3. DMAS 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 Director, DPB and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 1 of each year.

4. DMAS shall convene a meeting three times each fiscal year with the Secretary of Finance, Secretary of Health and Human Resources, or their designees, and appropriate staff from DPB, the House Appropriations and Senate Finance and Appropriations Committees, and the Joint Legislative Audit and Review Commission, to monitor Medicaid expenditures and enrollment growth to determine the program's financial status. At each meeting, DMAS shall report on expenditures (at the service level of detail) and enrollment in the Medicaid and children's health insurance programs to explain any material differences in expenditures compared to the official Medicaid forecast or children's health insurance programs forecasts, adjusted to reflect budget actions from each General Assembly session. In addition, DMAS shall report on enrollment trends by eligibility category and indicate differences in actual enrollment as compared to the most recent forecast of enrollment. If expenditures are exceeding the budget for Medicaid or the children's health insurance programs, DMAS shall provide options to bring expenditures in line with available resources. At each meeting,

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DMAS 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, DMAS shall provide an analysis at each meeting on spending and utilization trends within the managed care programs with a focus on trends that indicate higher growth than was anticipated in the capitation rates. During each fiscal year, the meetings shall be held in April, July, and October of each year to review the time period since the last meeting.

5. DMAS shall monitor the Medicaid and children's health insurance programs to ensure cost-effectiveness of these programs in the delivery of health care services and develop strategies to achieve such cost-effectiveness and report on such strategies to the Governor and the General Assembly on an annual basis, by no later than September 1 of each year.

D. The Department of Medical Assistance Services shall annually report a detailed accounting 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.

E. 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 Chairs 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.

F. 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.

G. 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.

H. No appropriation in this Item shall be used to fund any study of medical assistance provider rates unless the General Assembly has provided specific authorization for such study. This provision shall not apply to routine rate work that is necessary to administer medical assistance programs under existing state and federal law.

I. The Department of Medical Assistance Services (DMAS) and the Department of Social Services (DSS) shall operate a joint Steering Committee on Medicaid Eligibility. The Steering Committee shall: (i) document the areas in which DMAS and DSS need to collaborate; (ii) develop and agree upon a charter for the committee that outlines the types of decision rights each agency has independently versus what the Steering Committee oversees, membership, meeting schedule, topics on which leadership needs routine visibility, a process for escalating issues to the Steering Committee, a process for staff to brief the Steering Committee, and a process for coordinating and briefing the Secretary of Health and Human Resources or other state leaders as needed; (iii) determine when special initiatives or task forces are required to ensure focused collaboration on key issues; (iv) have oversight over Medicaid eligibility improvement efforts; and (v) have the authority to establish a stakeholder advisory forum to inform improvement efforts.

J.1. It is the intent of the General Assembly that the Department of Medical Assistance

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Services (DMAS) provide data regarding Medicaid and other programs operated by the department on their public website. The department shall maintain a central website that consolidates data and statistical information to make the information readily available to the general public. At a minimum the information included on such website shall include (i) monthly enrollment data; (ii) expenditures by service; (iii) policy changes authorized by the General Assembly in the prior fiscal year, including the amount appropriated to address the fiscal impact and a 6-year projection of costs; and (iv) a list of programmatic and policy changes, including but not limited to, state plan amendments, federal waiver renewals and amendments, regulatory changes, guidance document changes, provider manuals and memos, managed care contract changes, technical assistance manual changes, or any other communication of official policy proposed by DMAS. The list shall include a brief description of the change, the authority for the change, an assessment of potential costs or savings, and other relevant data.

2. DMAS 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. DMAS 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, DMAS shall post such submission on its website. The department shall also post any federal approval documents once the state plan amendment is approved.

K. The Department of Medical Assistance Services shall notify the Director, Department of Planning and Budget, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees at least 30 days prior to any change in capitated rates for managed care organizations. The notification shall include the amount of the rate increase or decrease, and the projected impact on the state budget.

L. 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 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.

M.1. Effective July 1, 2023, the Department of Medical Assistance Services shall be fully responsible for all financial analysis, rates, and budget work associated with Virginia's developmental disability waiver services.

2. Out of this appropriation, $85,000 the first year and $85,000 the second year from the general fund and $85,000 the first year and $85,000 the second year from federal funds is provided for a position to support agency responsibilities associated with developmental disability waiver services.

N. 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.

O. The Department of Medical Assistance Services, in cooperation with the State Executive Council for Children's Services, 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. The Departments of Medical Assistance Services (DMAS) and Social Services (DSS) shall

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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. This dashboard shall be updated 30 days following the end of each quarter.

Q. 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.

R. 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.

S.1. The Department of Medical Assistance Services (DMAS) 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. DMAS 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.

T.1. Out of this appropriation, $9,505,235 the first year and $9,505,235 the second year from the general fund and $112,204,717 the first year and $112,204,717 the second year from nongeneral funds is provided for centralized call center and eligibility operations.

2. Of the amounts in T.1., $9,505,235 the first year and $9,505,235 the second year from the general fund and $50,230,500 the first year and $50,230,500 the second year from nongeneral funds is provided for the Cover Virginia Call Center and centralized eligibility processing unit (CPU). CPU operations shall be limited to processing Medicaid-only applications and renewals. Funding also supports the Cover Virginia Incarcerated Unit call center and eligibility unit.

3. Of the amounts in T.1., $61,974,217 the first year and $61,974,217 the second year from nongeneral funds is provided to expand Cover Virginia Call Center operations to implement the community engagement and six-month renewal provisions included in H.R. 1, 119th Congress (2025-2026). The Director, Department of Planning and Budget (DPB), shall unallot appropriation in this paragraph until the Department of Medical Assistance Services provides documentation of contractual costs needed to implement the H.R. 1 provisions. DPB shall have the authority to increase nongeneral fund appropriation to reflect actual contract amounts needed for expenditures in each fiscal year.

4. The Department of Medical Assistance Services shall seek opportunities to enhance call center operations through the use of artificial intelligence (AI). All call center related contract procurements, re-procurements, or modifications shall maximize the use of AI to reduce costs and improve service. Any use of AI must ensure the protection of personal information and comply with federal law and regulations.

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5. The Department of Medical Assistance Services shall report on the operations and costs of the Cover Virginia Call Center and eligibility unit. This report shall include the number of calls received on a monthly basis, the purpose of the call, the number of applications and renewals for Medicaid submitted through the call center, and the costs of the contract. The report shall also include data related to H.R. 1 implementation. The department shall submit the report by August 15 of each year to the Director, Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

U. 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.

V.1. Out of this appropriation, $10,135,000 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 (CMS) 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 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 V.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 V.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 V.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. DMAS shall seek approval from CMS to implement the program.

5. Of the amounts appropriated in V.1. of this Item, up to $4,100,000 the first year from special funds may be used to support participation in the Centers for Medicare and Medicaid Services Nursing Home Staffing Campaign.

6. By October 1 of each year, DMAS shall provide an annual report for the previous fiscal year that includes the amount of revenue collected and spending activities to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees and the Director, Department of Planning and Budget (DPB).

7. No spending or activity authorized under the provisions of paragraph V. of this Item shall necessitate general fund spending or require future obligations to the Commonwealth.

8. DMAS shall maintain a CMP special fund balance of at least $1.0 million to address emergency situations in Virginia's nursing facilities.

9. DMAS is authorized to administratively request up to $2,000,000 of additional special fund

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appropriation for special projects if 1) the appropriated amounts in V.3. are insufficient; and 2) such projects and costs are approved by CMS for the Civil Money Penalty Reinvestment State Plan. DPB shall approve such requests provided the required conditions are met.

W. Out of this appropriation, $100,000 the first year and $100,000 the second year from the general fund and $100,000 the first year and $100,000 the second year from federal funds shall be provided to contract with the Virginia Center for Health Innovation for research, development and tracking of innovative approaches to healthcare delivery. The Department of Medical Assistance Services shall only provide federal matching funds for those expenses eligible for reimbursement by the Centers for Medicare and Medicaid Services.

X. 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 the 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.

Y. Out of this appropriation, $875,000 the first year and $875,000 the second year from the 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 two 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.

Z. 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.

AA. 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.

BB. 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, 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.

CC. 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.

DD. 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.

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EE. Out of this appropriation, $551,010 the first year and $551,010 the second year from the general fund and $1,530,583 the first year and $1,530,583 the second year from nongeneral funds is provided for 17 positions to improve Third-Party Liability (TPL) recoveries. These additional positions shall augment the existing 17 positions currently utilized by the Department of Medical Assistance Services (DMAS) to support TPL recovery efforts. DMAS shall utilize a minimum of 34 positions to perform TPL recoveries. DMAS shall make information related to TPL activities available on the agency website. This data shall be updated quarterly and include, but not be limited to, state and federal compliance status, backlogs and amounts recovered.

FF. Out of this appropriation, $590,000 the first year and $590,000 the second year from the general fund shall be provided to enhance the oversight of the Cardinal Care Managed Care Contract. The department shall increase the staff support for managed care contract operations by three positions.

GG. Three positions are provided to replace contractual staff in the eligibility and enrollment unit. The department shall utilize a minimum of four classified positions to support this unit's activities.

HH. Out of this appropriation, $1,000,000 the first year and $2,200,00 the second year from the general fund and $8,000,000 the first year and $19,800,000 the second year from nongeneral funds is provided to replace the agency fiscal agent services system. The Director, Department of Planning and Budget shall unallot this appropriation until the Department of Medical Assistance Services provides documentation of actual costs to replace the system and shall only allot the amounts needed for actual expenditures in each fiscal year.

II. The Department of Medical Assistance Services shall improve efforts to determine if individuals applying for and enrolled in the Medicaid and CHIP programs are eligible for alternative health care coverage. The department shall report on its efforts, as well as potential strategies to enhance coverage identifications, to the Chairs of the House Appropriations and Senate Appropriations and Finance Committees and the Director, Department of Planning and Budget by October 1 of each year.

JJ. Out of this appropriation, $4,065,218 the first year and $4,065,218 the second year from the general fund and $9,070,391 the first year and $9,070,391 the second year from nongeneral funds is provided for the Department of Medical Assistance Services to contract with a vendor to handle all mail directed to local departments of social services associated with medical assistance services.

KK. Out of this appropriation, $3,094,795 the first year and $3,094,795 the second year from the general fund and $16,216,115 the first year and $16,216,115 the second year from nongeneral funds shall be provided for the Department of Medical Assistance Services to contract with a vendor to implement identified solutions to assist in timely and accurate Medicaid eligibility determinations and redeterminations. Solutions may include additional data checks to verify financial eligibility, additional data matching capability, and a portal to receive and track coverage corrections for enrollment requests between the 120 local departments of social services. Funding may be used to make enhancements to the Medicaid Management Information System and the Virginia Case Management System to implement the identified solutions. The Director, Department of Planning and Budget shall unallot this appropriation until the Department of Medical Assistance Services provides documentation of the contract's cost and shall only allot the amount contracted for with such vendor.

LL. The Department of Medical Assistance Services shall have authority to amend regulations, related to appeals administered by and for the department, to require provider appeals to be filed only online through the department's appeal portal. Exceptions may be requested before a filing deadline by a provider for good cause for situations, such as lack of internet access in rural areas or other extenuating circumstances explained by the filing provider. The department shall have authority to promulgate regulations to implement these changes within 280 days or less from the enactment date of this act.

MM. The Department of Medical Assistance Services shall make efforts to ensure that pregnant women that apply for Medicaid coverage utilize the Cover Virginia call center, to the maximum extent possible, in order to reduce the processing time of the application and

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expedite the applicant into coverage. The department shall collaborate with the Department of Social Services to ensure that local departments of social services have in place procedures and processes to connect pregnant women to the Cover Virginia call center to apply for coverage, unless such person is required to apply through a local department due to eligibility for other benefits programs.

NN. The Department of Medical Assistance Services shall convene a workgroup with staff designees from the Department of Planning and Budget and the House Appropriations and Senate Finance and Appropriations Committees to evaluate options for developing a process that recognizes the true costs of policy changes to the Medicaid program and how to integrate such process as part of the development of the state budget.

OO. The Department of Medical Assistance Services (DMAS), in cooperation with the Virginia Department of Health (VDH), shall create an assessment tool for children under the age of 18 to utilize in long-term services and supports screenings. In addition, the departments shall implement measures necessary to ensure the consistent statewide application of screening criteria. VDH shall implement this tool on or before January 1, 2027. An assessment shall not be conducted more frequently than once every six months unless there is a major life change. DMAS shall promulgate emergency regulations to implement this change within 280 days or less from the enactment of this act. DMAS shall implement this change upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

PP. Effective July 1, 2026, the Department of Medical Assistance Services shall incorporate service facilitation into the statewide service broker model via the Fiscal Employer contract and eliminate service facilitation as a standalone service. The Department of Medical Assistance Services shall seek federal authority through the necessary waiver(s) and/or state plan amendments under Titles XIX and XXI of the Social Security Act to effect these changes. The department shall promulgate emergency regulations to implement these changes within 280 days or less from the enactment of this act. The department shall implement this change upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

QQ. Notwithstanding Chapter 701, 2025 Virginia Acts of Assembly, or any other provision of law, the Department of Medical Assistance Services shall delay contracting with a single third-party administrator to serve as the state pharmacy benefits manager until January 1, 2027, and such time as sufficient general fund support is provided by the General Assembly through a general appropriation act.

RR. Notwithstanding § 32.1-325.5 of the Code of Virginia, the Department of Medical Assistance Services shall issue a request for proposals (RFP) for a single third-party administrator to serve as the state pharmacy benefits manager (PBM) to administer all pharmacy benefits for Medicaid recipients, including those enrolled in a managed care organization with whom the Department contracts for the delivery of Medicaid services by January 1, 2028. The RFP for the Medicaid single Pharmacy Benefits Manager shall require that a qualified bidder is one that shares no ownership with any Medicaid managed care organization (excluding a prepaid Ambulatory Health Plan). Furthermore, a qualified bidder must maintain no direct or indirect financial arrangements with drug manufacturers or labelers that create incentives for formulary decisions, drug substitution, or utilization management, including rebates, discounts, chargebacks, claw backs, or data sales. The department shall review and incorporate provisions of PBM legislation considered during the 2026 Session of the General Assembly in developing the RFP, as appropriate, including provisions that ensure network adequacy for Medicaid patients and address transparency. The department shall issue the RFP by January 1, 2027 and award a contract to the single third party administrator by July 1, 2027.

SS. The Department of Medical Assistance Services (DMAS) in collaboration with the Department of Behavioral Health and Developmental Services shall identify the steps necessary for Virginia to transition to a prospective payment system (PPS) as required to fully adopt the Certified Community Behavioral Health Clinic (CCBHC) model including any estimated fiscal impact to the state and to Community Services Boards (CSBs), and report findings to the Chairs of House Appropriations and Senate Finance and Appropriations Committees, and the Behavioral Health Commission by December 1,

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TT. The Department of Medical Assistance Services (DMAS) and the Department of Social Services (DSS) shall collaborate on methods to ensure that applicants for and recipients of medical assistance are aware of (i) assistance available for verifying eligibility information and (ii) how to contact the appropriate person if an applicant or recipient receives eligibility information after a due date or experiences difficulty securing eligibility verifications. DMAS and DSS shall make recommendations to the Governor and Secretary of Health and Human Resources by October 1, 2026, if changes are needed that cannot be remedied administratively. DMAS and DSS shall post information in a prominent place on their websites and other social media platforms they regularly use informing recipients of medical assistance about how to receive assistance on eligibility, applications, and eligibility appeals. Such information shall include how applicants and recipients can ensure the agencies receive timely information on eligibility applications and requests to appeal eligibility decisions, as well as U.S. Postal Service recommendations to customers to ensure that postmarks applied to mail match the date of mailing.

UU. The Department of Medical Assistance Services shall issue a Request for Proposals (RFP) for entities interested in a Program of All-Inclusive Care for the Elderly (PACE) program in the Augusta/Rockingham/Harrisonburg area and may make an award to an appropriate entity interested in administering a program in the area.

VV. The Department of Medical Assistance Services shall have authority to amend the State Plans for Medical Assistance under Titles XIX and XXI of the Social Security Act, and any waivers, procurements, and contract modifications thereof, to implement requirements of federal H.R. 1 – 119th Congress (2025-2026). The department shall have authority to implement such standards and practices upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such change.

WW.1. The Director, Department of Medical Assistance Services shall convene a Medicaid Financial Sustainability Workgroup for the purpose of analyzing Medicaid expenditure trends and identifying strategies to moderate the rate of spending growth while preserving access to care, quality, and compliance with state and federal law and policy. The workgroup shall examine historical and projected Medicaid spending growth, including key cost drivers such as enrollment, utilization, provider reimbursement, managed care expenditures, behavioral health spending, pharmacy spending, long-term services and supports, and administrative costs. The workgroup shall evaluate opportunities for improved utilization management, program integrity, payment reform, service delivery redesign, and administrative efficiencies. The workgroup shall include representatives from the Department of Medical Assistance Services, the Department of Planning and Budget, staff of the House Appropriations and Senate Finance and Appropriations Committees, the Virginia Hospital and Healthcare Association, the Virginia Health Care Association, the Medicaid Society of Virginia, the Virginia Association of Health Plans, at least one of the contracted Medicaid managed care organizations, and other provider representatives as deemed appropriate by the Director, Department of Medical Assistance Services.

2. The department shall submit a report to the Governor and the Chairs of the Senate Finance and Appropriations and House Appropriations Committees by November 1, 2027. The report shall include findings, options for cost containment, and budget and policy recommendations.

XX. The Department of Medical Assistance Services and the Virginia Department of Health shall convene a workgroup to address the barriers that prevent certain licensed midwives (CPMs) and licensed certified midwives (CMs) and licensed certified nurse midwives (CNMs) from contracting with managed care organizations (MCOs) through Cardinal Care. The workgroup shall include MCOs in Cardinal Care, the Virginia Midwives Alliance, an Insurance Broker, Virginia Chapter of the American College of Nurse Midwives, Virginia Birth Center Alliance, Virginia Rural Health Association, Virginia Interfaith Center for Public Policy, March of Dimes, the Diverse Birth Collective, a Medicaid-eligible mom impacted by lack of access, and other relevant stakeholder groups. The work group shall include two CPMs and two CNM/CMs. Of the four midwives, one should be a CPM who currently bills Medicaid and a CPM who does not and one CNM or CM who is employed at a health system and a CNM or CM who works in the community. The workgroup shall present solutions to address those barriers along with budget requests to the GeneralAssembly by December 1,

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YY. Out of this appropriation, $1,000,000 from the general fund and $1,000,000 from nongeneral funds the first year shall be provided to the Department of Medical Assistance Services (DMAS) to contract with a vendor to review and assess program integrity efforts at DMAS and its contracted managed care organizations (MCOs). This review and assessment shall include: (i) detection of fraud, waste and abuse including use of data analytics, auditing, and how suspected fraud is reported; (ii) how referrals are made to the Medicaid Fraud Control Unit and the follow-up on such investigations; (iii) enforcement capabilities; and (iv) how DMAS prevents fraud, waste and abuse through training, education, provider credentialing and enrollment, utilization management, and system edits. The vendor shall review the contractual requirements DMAS has with the MCOs and shall review the program integrity efforts of each MCO. The vendor shall also review and evaluate how the Medicaid program can use Centers for Medicare & Medicaid Services' data, such as the Medicaid Provider Spending by HCPCS dataset, to improve its Medicaid program integrity efforts. The Director, Department of Planning and Budget shall unallot this appropriation until DMAS provides documentation of the contract's cost and shall only allot the amount contracted for with such vendor. DMAS shall report on the review and assessment along with any findings and recommendations to improve program integrity efforts to the Governor, and the Chairs of the House Appropriations and Senate Finance Committees by December 1, 2026. If the vendor has not completed its review by this date, DMAS shall provide an interim report and within 30 days of the vendor completing its work, DMAS shall submit a final report.

ZZ. The Department of Medical Assistance Services (DMAS) shall seek federal authority through the necessary state plan or 1915(c) waiver amendments submitted to the Centers for Medicare and Medicaid Services under Titles XIX and XXI of the Social Security Act to modify the program rules for consumer-directed services available through certain 1915(c) Home and Community-Based Services Medicaid Waivers to allow an individual receiving services to serve as the employer of record (EOR) for his own service delivery and designate another individual to perform all or a portion of the duties of the EOR on the individual's behalf when the individual receiving services is unable to perform such duties or direct his own care. In seeking federal authority to modify such rules, DMAS shall ensure that the employer identification number (EIN) shall be assigned to the individual receiving services and shall not be transferred to another individual except when an individual: (i) has not yet reached the age of majority; (ii) is ineligible to use his existing EIN to facilitate the taxation of benefits; or (iii) is otherwise determined to be ineligible by DMAS by administrative rule. DMAS shall have the authority to limit such state plan or 1915(c) waiver amendments to specify that an individual receiving services may make such designation no more than twice per calendar year.

AAA. Out of this appropriation, $252,000 from the general fund and $468,000 from nongeneral funds the first year and $252,000 from the general fund and $468,000 from nongeneral funds the second year shall be provided to contract with Reach Out and Read to implement a pilot program of their evidence-based model that promotes early literacy and parental bonding as part of routine pediatric primary care visits in select underserved localities. Effective July 1, 2026, the Department of Medical Assistance Services shall have the authority to amend the Children's Health Insurance Program (CHIP)/Title XXI State Plan to establish a Health Services Initiative (HSI) to authorize and fund this project as allowed by Section 2105(a)(1)(D)(ii)) of the Social Security Act and 42 CFR 457.10. Funding of the project is contingent on approval of the CHIP State Plan Amendments and on the availability of CHIP federal funds. The department shall assess the implementation of the pilot program and provide an interim report on its findings by December 1, 2028.

BBB. Out of this appropriation, $250,000 from the general fund and $250,000 from nongeneral funds the first year and $250,000 from the general fund and $250,000 from nongeneral funds the second year is provided to the Department of Medical Assistance Services (DMAS) to expand Medicaid/FAMIS outreach and enrollment services provided under its contract with the Virginia Health Care Foundation (VHCF). These amounts are in addition to the current outreach and enrollment funding allocated to VHCF by DMAS and shall be used to grow VHCF's outreach and enrollment capacity and reach. Effective July 1, 2026, DMAS shall continue to contract with VHCF to provide Medicaid/FAMIS outreach and enrollment services on an ongoing basis. Where allowable, DMAS shall fund

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	the program with Children's Health Insurance Program Administrative funds and access the applicable federal match.				
296.	Payments for Special or Unanticipated Expenditures (75800)			$200,000,000	$200,000,000
	Special Non-Medicaid Expenditures (75808)	$200,000,000	$200,000,000		
	Fund Sources: Federal Trust	$200,000,000	$200,000,000		
	A.1. Out of this appropriation $200,000,000 the first year from nongeneral funds and $200,000,000 the second year from nongeneral funds shall be provided to support the Rural Health Transformation Program pursuant to H.R. 1, 119th Congress (2025-2026). The Department of Medical Assistance Services (DMAS) is authorized to hire up to 13 restricted positions that shall be supported with program funds. DMAS shall not utilize program funds to create any current or future obligation of state funding or state-supported services. Moreover, DMAS shall not initiate agency systems or personnel actions that generate state costs outside the window of the federal grant.				
	2. The Department of Medical Assistance Services shall submit an annual report on the status of the Commonwealth's Rural Health Transformation Program. Such report shall include, at a minimum: (i) the total amount of federal funds received from the Centers for Medicare and Medicaid Services (CMS) for the Rural Health Transformation Program for each program year since program inception, including any carryforward balances if applicable; (ii) the total amount of funds appropriated or otherwise expended in support of the program for each program year; (iii) a detailed accounting of how all federal funds have been obligated and expended, including amounts distributed to participating hospitals, health systems, community partners, or other entities, and amounts retained for administrative or programmatic purposes; (iv) a description of each Rural Health Transformation initiative implemented; (v) performance metrics; and (vi) and policy recommendations to improve rural health access and quality. The Department shall submit the report by November 1, 2026, and annually thereafter, to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than October 1 of each year.				
	3. Upon any revision by CMS to the approved annual award amount of $189,544,888 for the Rural Health Transformation Program, whether upward or downward, DMAS shall, within 30 days, notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.				
	Total for Department of Medical Assistance Services			**$30,602,209,289**	**$32,225,152,625**
	General Fund Positions	278.02	278.02		
	Nongeneral Fund Positions	318.98	321.98		
	Position Level	597.00	600.00		
	Fund Sources: General	$8,616,824,970	$9,172,140,731		
	Special	$21,329,800	$17,229,800		
	Dedicated Special Revenue	$2,938,243,562	$3,037,091,054		
	Federal Trust	$19,025,810,957	$19,998,691,040		
	§ 1-96. DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES (720)				
297.	Regulation of Public Facilities and Services (56100)			$13,584,210	$13,584,210
	Regulation of Health Care Service Providers (56103)	$13,584,210	$13,584,210		
	Fund Sources: General	$9,281,828	$9,281,828		
	Special	$3,538,801	$3,538,801		
	Federal Trust	$763,581	$763,581		
	Authority: Title 37.2, Chapter 4, Code of Virginia.				
	A. The department shall post on its website information concerning (i) any application for initial licensure of or renewal of a license, denial of an application for an initial license or renewal of a license, or issuance of provisional licensure of for any residential facility for children located in the locality and (ii) all inspections and investigations of any residential				

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facility for children licensed by the department, including copies of any reports of such inspections or investigations. Information concerning inspections and investigations of residential facilities for children shall be posted on the department's website within seven days of the issuance of any report and shall be maintained on the department's website for a period of at least six years from the date on which the report of the inspection or investigation was issued.

B. The Department of Behavioral Health and Developmental Services, in collaboration with the Department of Medical Assistance Services, shall have the authority to promulgate emergency regulations to align licensing regulations with the modifications being made to Medicaid behavioral health services pursuant to Item 291 of this act. To implement these changes, the Department of Behavioral Health and Developmental Services shall promulgate emergency regulations to become effective within 280 days from the enactment of this act.

C. The State Board of Behavioral Health and Developmental Services shall amend its regulations as necessary for persons in the process of completing necessary hours of supervision for certification through the Department of Behavioral Health and Developmental Services to be eligible for registration through the Department of Health Professions as a peer recovery specialist-trainee for approval as a Medicaid provider type for the provision of mental health and substance use peer supported services. The board shall promulgate emergency regulations to amend its peer recovery specialist regulations in order to implement the changes for peer support specialist-trainees to become effective within 280 days of the enactment of this act.

298. A. It is the intent of the General Assembly that the Department of Behavioral Health and Developmental Services proceed in transforming its system of care into a model that embodies best practices and state-of-the art services. The consumer-driven system of services and supports shall promote self-determination, empowerment, recovery, resilience, health, and the highest possible level of consumer participation in all aspects of community life. The transformed system shall include investments in a suitable array and adequate quantity of community-based services, with an emphasis on consumer choice and the appropriate use of facility resources. State facilities shall be redesigned to ensure high quality care, efficient operation, and capacity necessary for persons most in need of such care. Amounts authorized herein, and in related legislation, shall be used to support the transformation of the system of care and to promote the provision of behavioral health and developmental services in the most efficient and appropriate setting. The Department of Behavioral Health and Developmental Services may consider the use of public-private partnerships to deliver behavioral health and intellectual disability services as part of the comprehensive behavioral health and intellectual disability system of care, in facilities that are being planned for renovation or replacement. These partnerships may include contracts with private entities for facility operations, unless the Department of Behavioral Health and Developmental Services can demonstrate that continued state operation of the facility is at least as cost effective and provides at least an equivalent or higher level quality care than operation by a private entity.

B. Notwithstanding any law to the contrary, on July 1, of each year, the State Comptroller shall transfer to the general fund any special revenue fund balance accumulated by the Department of Behavioral Health and Developmental Services in excess of $25,000,000. Any special fund revenue alloted for the implementation of electronic health records shall not be counted in the balance.

C.1. Notwithstanding §4-5.10, §4-5.09 of this Act and paragraph C. of § 2.2-1156, Code of Virginia, the Department of Behavioral Health and Developmental Services is hereby authorized to deposit the entire proceeds of the sales of surplus land at state-owned behavioral health and intellectual disability facilities into a revolving trust fund. The trust fund may initially be used for expenses associated with restructuring such facilities. Remaining proceeds after such expenses shall be dedicated to continuing services for current patients as facility services are restructured. Thereafter, the fund will be used to enhance services to individuals with mental illness, intellectual disability and substance abuse problems.

2. Expenditures from the Behavioral Health and Developmental Services Trust Fund shall

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be subject to appropriation through an appropriations bill passed by the General Assembly.

3. Any remaining appropriation at year end in the Behavioral Health and Developmental Services Trust Fund shall be carried forward to the subsequent fiscal year.

4. The Department of Behavioral Health and Developmental Services may use the Behavioral Health and Developmental Services Trust Fund appropriation for community-based housing for any population currently served by the department.

D.1. Any funds appropriated in this act for the purpose of complying with the Permanent Injunction entered in United States v. Virginia, civil action no. 3:12-cv-00059-JAG (E.D. Va.), that remain unspent at the end of each fiscal year shall be reported by the Department of Behavioral Health and Developmental Services to the Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by September 1 after the close of each fiscal year. The Department shall include in its report each item and the amount of funding for such item that remains unspent, with an explanation for the remaining balance at year end.

2. The Department of Behavioral Health and Developmental Services shall report on the status of compliance with the provisions of the Permanent Injunction entered in United States v. Virginia, civil action no. 3:12-cv-00059-JAG (E.D. Va.), and shall: (i) list each noncompliant provision; (ii) the status of meeting the provision; (iii) the Department's planned actions to achieve compliance; and (iv) the date the Department expects to achieve compliance with the provision. The Department shall report such information to the Director, Department of Planning and Budget, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by September 1 of each year.

299.	Administrative and Support Services (49900)			$179,457,986	$175,542,986
	General Management and Direction (49901)	$25,298,860	$25,383,860		
	Information Technology Services (49902)	$52,019,547	$52,019,547		
	Architectural and Engineering Services (49904)	$2,832,651	$2,832,651		
	Collection and Locator Services (49905)	$3,779,938	$3,779,938		
	Human Resources Services (49914)	$839,029	$839,029		
	Planning and Evaluation Services (49916)	$3,626	$3,626		
	Program Development and Coordination (49933)	$94,684,335	$90,684,335		
	Fund Sources: General	$121,644,714	$117,729,714		
	Special	$18,502,337	$18,502,337		
	Dedicated Special Revenue	$7,479,654	$7,479,654		
	Federal Trust	$31,831,281	$31,831,281		

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. The Commissioner, Department of Behavioral Health and Developmental Services shall, at the beginning of each fiscal year, establish the current capacity for each facility within the system. When a facility becomes full, the commissioner or his designee shall give notice of the fact to all sheriffs.

B. The Department of Behavioral Health and Developmental Services shall identify and create opportunities for public-private partnerships and develop the incentives necessary to establish and maintain an adequate supply of acute-care psychiatric beds for children and adolescents.

C. The Department of Behavioral Health and Developmental Services, in cooperation with the Department of Juvenile Justice, where appropriate, shall identify and create opportunities for public-private partnerships and develop the incentives necessary to establish and maintain an adequate supply of residential beds for the treatment of juveniles with behavioral health treatment needs, including those who are developmentally disabled, aggressive, or sex offenders, and those juveniles who need short-term crisis stabilization but not psychiatric hospitalization.

D. Out of this appropriation, $730,788 the first year and $730,788 the second year from the general fund shall be provided for placement and restoration services for juveniles found to be

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incompetent to stand trial pursuant to Title 16.1, Chapter 11, Article 18, Code of Virginia.

E. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund shall be used to pay for legal and medical examinations needed for individuals living in the community and in need of guardianship services.

F. Out of this appropriation, $554,975 the first year and $554,975 the second year from the general fund shall be provided for clinical evaluations and court testimony on behalf of the state for individuals being considered for civil commitment or conditional release as a sexually violent predator and who will be referred to the Commitment Review Committee for psycho-sexual evaluations prior to the state seeking civil commitment.

G. Out of this appropriation, $4,659,066 the first year and $4,659,066 the second year from the general fund shall be provided for conditional release services, including treatment, and costs associated with contracting with Global Positioning System service to closely monitor the movements of individuals who are civilly committed to the sexually violent predator program but conditionally released as provided by the Department of Corrections, outlined in the Memorandum of Understanding between the two agencies and pursuant to § 37.2-912 of the Code of Virginia.

H. Out of this appropriation, $146,871 the first year and $146,871 the second year from the general fund shall be used to operate a real-time reporting system for public and private acute psychiatric beds in the Commonwealth.

I. The Department of Behavioral Health and Developmental Services shall submit a report to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than December 1 of each year for the preceding fiscal year that provides information on the operation of Virginia's publicly funded behavioral health and developmental services system. The report shall include a brief narrative and data on the numbers of individuals receiving state facility services or Community Services Boards (CSB) services, including purchased inpatient psychiatric services, the types and amounts of services received by these individuals, and CSB and state facility service capacities, staffing, revenues, and expenditures. Additionally, the report shall include information on the cost of each Program for Assertive Community Treatment (PACT) team, the cost per individual served and the cost effectiveness of each team in diverting individuals from state and local hospitalization and stabilizing individuals in the community. The annual report also shall describe major new initiatives implemented during the past year and shall provide information on the accomplishment of systemic outcome and performance measures during the year.

J. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be used for a comprehensive statewide suicide prevention program. The Commissioner of the Department of Behavioral Health and Developmental Services, in collaboration with the Departments of Health, Education, Veterans Services, Aging and Rehabilitative Services, and other partners shall develop and implement a statewide program of public education, evidence-based training, health and behavioral health provider capacity-building, and related suicide prevention activity.

K.1. The Department of Behavioral Health and Developmental Services, in collaboration with the Department of Medical Assistance Services, shall provide a detailed report for each fiscal year on the budget, expenditures and number of recipients for each specific intellectual disability (ID) and developmental disability (DD) service provided through the Medicaid program or other programs in the Department of Behavioral Health and Developmental Services. This report shall also include the overall budget and expenditures for the ID, DD and Day Support waivers separately. The Department of Medical Assistance Services shall provide the necessary information to the Department of Behavioral Health and Developmental Services within 90 days of the end of each fiscal year. This information shall be published on the Department of Behavioral Health and Developmental Services' website by December 1 of each year.

2. As part of the annual report, the Department of Behavioral Health and Developmental Services shall report the number of waiver slots, by waiver, that became available for reallocation during the previous fiscal year. In addition, the department shall report on the allocation of emergency waiver slots and reserve slots, which shall include how many

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slots were allocated in the year and for which waiver. The information on reserve slots shall indicate for which waiver the reserve slot was used and the waiver from which the individual moved that was granted the slot. Furthermore, the report shall show the allocations by each Community Services Board from new waiver slots, emergency slots and reserve slots for the previous fiscal year.

3. As part of the annual report, the Department of Behavioral Health and Developmental Services shall report the number of new slots for the previous fiscal year that were allocated by Community Services Boards and of those how many individuals are accessing waiver services. This information shall be published on the Department of Behavioral Health and Developmental Services' website by December 1 of each year.

L. The Department of Behavioral Health and Developmental Services shall, in any fiscal year that new developmental disability waiver slots are authorized in this act, allocate such slots to the Community Services Boards and a Behavioral Health Authority by the first day of the fiscal year, such that the slots can be assigned to eligible individuals on the Priority One waiting list to access services as soon as possible.

M. Effective July 1, 2015, the Department of Behavioral Health and Developmental Services shall not charge any fee to Community Services Boards or private providers for use of the knowledge center, an online training system.

N. Out of this appropriation, $600,000 the first year and $600,000 the second year from the general fund shall be used to provide mental health first aid training and certification to recognize and respond to mental or emotional distress. Funding shall be used to cover the cost of personnel dedicated to this activity, training, manuals, and certification for all those receiving the training.

O. Out of this appropriation, $752,170 the first year and $752,170 the second year from the general fund is provided to establish community support teams responsible for the development and oversight of a continuum of integrated community settings for individuals leaving state hospitals.

P. The Department of Behavioral Health and Developmental Services and the Department of Medical Assistance Services shall recognize Certified Employment Support Professional (CESP) and Association of Community Rehabilitation Educators (ACRE) certifications in lieu of competency requirements for supported employment staff in the developmental disability Medicaid waiver programs to allow providers that are Department of Aging and Rehabilitative Services (DARS) vendors that hold a national three-year accreditation from the National Council on Accreditation of Rehabilitation Facilities (CARF) to be deemed qualified to meet employment competency requirements.

Q. The Department of General Services, in cooperation with the Department of Behavioral Health and Developmental Services, shall work with James City County to identify a minimum of 10 acres on the Eastern State Hospital site for the location of a new facility for Colonial Behavioral Health, which may or may not include a joint facility with Olde Towne Medical Center. The subject acres shall be transferred to James City County upon such terms and conditions as may be agreed to by the parties.

R.1. Out of this appropriation, $75,000 the first year and $75,000 the second year from the general fund is provided for compensation to individuals who were involuntarily sterilized pursuant to the Virginia Eugenical Sterilization Act and who were living as of February 1, 2015. Any funds that are appropriated but remain unspent at the end of the fiscal year shall be carried forward into the subsequent fiscal year in order to provide compensation to individuals who qualify for compensation.

2. A claim may be submitted on behalf of an individual by a person lawfully authorized to act on the individual's behalf. A claim may be submitted by the estate of or personal representative of an individual who died on or after February 1, 2015.

3. Reimbursement shall be contingent on the individual or their representative providing appropriate documentation and information to certify the claim under guidelines established by the department.

4. Reimbursement per verified claim shall be $25,000 and shall be contingent on funding

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being available, with disbursements being prioritized based on the date at which sufficient documentation is provided.

5. Should the funding provided in the paragraph be exhausted prior to the end of the fiscal year, the department may use available special fund revenue balances to provide compensation. The department shall report to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on a quarterly basis on the number of additional individuals who have applied.

S. The Department of Behavioral Health and Development Services and the Department of Medical Assistance Services shall not implement the proposed individualized supports budget process for the Medicaid Community Living, Family and Individual Support and Building Independence Waiver programs without the explicit authorization of the General Assembly through legislation or authorizing budget language.

T. The Department of Behavioral Health and Developmental Services shall work with the Fairfax-Falls Church Community Services Board, and the provider, to ensure that future openings for the Miller House in Falls Church allow residents of Falls Church, that have been allocated a developmental disability waiver slot, be given first choice in the Miller House, if the group home is appropriate to meet their needs. In addition, the department shall work with the Community Services Board and the City of Falls Church to explore options for establishing a special allocation within the Community Services Board allocation of waiver slots for Falls Church residents who are on the Priority One waiting list and could live in the Miller House when future openings occur in the group home.

U. The Department of Behavioral Health and Developmental 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.

V. Out of this appropriation, $150,000 the first year and $150,000 the second year from the general fund is provided to support substance use disorder treatment utilizing appropriate, long-acting, injectable prescription drug treatment regimens ("treatment") used in conjunction with specialty dockets. Such treatment may be utilized in approved specialty dockets. In allocating such funding, the department shall consider the rate of fatalities within the locality, whether a specialty docket is available and whether such program utilizes medication-assisted treatment. The specialty dockets utilizing this funding shall use these resources to support provider fees, counseling, monitoring services, medication management, and the cost of medication for participants for whom the costs of treatment services would not otherwise be covered. The Department of Behavioral Health and Developmental Services shall submit a report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than December 1 of each year for the preceding fiscal year that provides information on the number of participants, the number of specialty dockets that utilized the funding and the number of treatments administered. Any adult specialty docket that accesses this funding shall provide all necessary information to the Department of Behavioral Health and Developmental Services to prepare this report.

W. Out of this appropriation, $940,000 the first year and $940,000 the second year from the general fund shall be provided to Commonwealth Autism Services to assist in coordination of services for people with developmental disabilities in regard to autism assessments and services in Virginia.

X. Out of this appropriation, $1,675,000 the first year and $1,675,000 the second year from the general fund is provided for a contract with the Virginia Health Care Foundation for a program to remove barriers to the mental health workforce, including the payment of supervisory hours for those individuals seeking degrees in social work and counseling.

Y. Out of this appropriation $900,000 the first year and $900,000 the second year from the general fund shall be provided for a contract with the Virginia Foundation for Healthy Youth to create a statewide marijuana and cannabis use prevention campaign to prevent

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underage use.

Z. Out of this appropriation, $1,026,000 the first year and $1,026,000 the second year from the general fund is provided for geriatric behavioral specialists to provide training and consultative services and support.

AA.1. Out of this appropriation, $2,171,214 the first year and $2,171,214 the second year from the Crisis Call Center Fund is appropriated for costs associated with the operation of the 988 crisis call center.

2. Of the amounts provided in this Item or Item 301 for the 988 crisis call center, up to $75,000 per year may be directed to the Mental Health Virginia Warmline, a peer support line that reduces the 988 crisis call center volume, at the discretion of the Commissioner, Department of Behavioral Health and Developmental Services.

BB. Out of this appropriation, $101,970 the first year and $101,970 the second year shall be used for tobacco retailer compliance inspections to be performed pursuant to a contract with the Virginia Alcoholic Beverage Control Authority.

CC. Out of this appropriation, $15,000,000 the first year and $15,000,000 the second year from the general fund is provided for the Department of Behavioral Health and Developmental Services (DBHDS), in collaboration with the Department of Education, to (i) provide grants to contract with federally qualified health centers, or other healthcare organizations, to establish school-based health clinics, including mobile clinics, to serve students and their families, as well as school staff. These clinics shall provide mental health services, primary medical care, and other health services in schools; or (ii) to allow school districts to contract with a mental telehealth or in person provider or direct funding to cover costs of current contractual agreements with a mental telehealth provider. The departments shall ensure that contracted organizations have the capability to bill third party insurers or public programs for services provided. DBHDS shall report on grants awarded to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 1 of each year.

DD.1. The Department of Behavioral Health and Developmental Services shall report annually, by September 1 of each year, on the revenue collections, expenditures and allocations of the Problem Gambling Treatment and Support Fund for the prior fiscal year to the Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

2. This report shall include allocations to the Community Services Boards and include a description of the purposes for which the funding is being used.

EE. Effective July 1, 2023, the Department of Medical Assistance Services shall be responsible for all aspects of rate setting for Developmental Disability waiver services, which includes developing, analyzing, modifying, rebasing or implementing such rates.

FF. Out of this appropriation, $2,585,000 the first year and $2,585,000 the second year from the general fund is provided for the Department of Behavioral Health and Developmental Services to contract with the Virginia Crisis Intervention Team Coalition to facilitate expansion of de-escalation training and skilled knowledge of behavioral health laws and regulations.

GG. Out of this appropriation, $210,000 the first year and $210,000 the second year from the general fund is provided to support the costs of clinically managed low-intensity residential services (ASAM 3.1), clinically managed high-intensity residential services (ASAM 3.5), or medically monitored high-intensity inpatient services (ASAM 3.7) for youth and adolescents with serious mental illness or substance use disorder who may otherwise require inpatient hospitalization.

HH. Out of this appropriation, $400,000 the first year and $400,000 the second year from the general fund is provided for clinical support to Chesterfield Recovery Academy.

II. Out of this appropriation, $200,000 the first year and $200,000 the second year from the Opioid Abatement Fund, established pursuant to § 2.2-2374, Code of Virginia, is provided for central office administrative functions for the Opioid Abatement Authority. The Department

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of Behavioral Health and Developmental Services shall enter into a memorandum of understanding with the Opioid Abatement Authority to outline the administrative and technical assistance to be provided.

JJ.1. Out of this appropriation, $7,500,000 the first year and $7,500,000 the second year from the general fund shall be provided to support the Virginia Community Services Board (CSB) workforce. The Department of Behavioral Health and Developmental Services (DBHDS) shall allocate the funding based on the size of the CSB or behavioral health authority's workforce. The funding may be used to support paid internships and scholarship opportunities for students or staff earning behavioral health or other relevant certifications and degrees at two- and four-year colleges and universities and other educational career development settings, to cover clinical supervision hours, for reimbursement for the costs of obtaining licenses, certification, and exams necessary for employment in relevant careers, to provide loan repayment, and other initiatives that may assist in growing the CSB workforce.

2. Each CSB or behavioral health authority shall submit a plan by August 1 of each year, detailing the strategies and associated costs on how they propose to use their allocated funds. DBHDS shall review and ensure that the plans are reasonable and consistent with the requirements of paragraph JJ.1. and will assist in efforts to support the CSB's workforce. The department shall distribute the funding by no later than October 1 of each year. Based on the submitted plans, the department is authorized to transfer an amount necessary to cover loan repayment proposals that would otherwise be provided through the state's Behavioral Health Loan Repayment Program, if such program has insufficient funds to cover the loan repayment costs submitted in the CSBs' plans. The Department of Planning and Budget is authorized to transfer appropriation from this Item if DBHDS has indicated such transfer would be necessary to ensure the loan repayment proposals are funded through the Behavioral Health Loan Repayment Program.

KK.1. The Department of Behavioral Health and Developmental Services (DBHDS) shall report annually by December 1 of each year on (i) Community Services Boards (CSB) performance in improving the functioning levels of its consumers based on composite and individual item scores from the DLA-20 assessment, or results from another comparable assessment, by CSB, (ii) changes in CSB performance in improving consumer functioning levels over time, by CSB, (iii) any substantial underperformance or non-compliance and associated enforcement actions, and (iv) the use of functional assessment data by the DBHDS to improve CSB performance to the State Board of Behavioral Health and Developmental Services, the Behavioral Health Commission, and each CSB governing board.

2. DBHDS shall report annually to the State Board of Behavioral Health and Developmental Services and the Behavioral Health Commission on average salaries, turnover, and vacancy rates by position type across CSBs.

LL. Pursuant to the provisions of legislation passed in the 2024 General Assembly, the Department of Behavioral Health and Developmental Services shall cover an individual's expenses if the individual is placed in an assisted living facility, nursing home, group home, or similar placements as part of the pilot program and there is no other public or private assistance available to them.

MM. Out of this appropriation, $770,000 the first year and $770,000 the second year from the general fund is provided to improve clinical and financial tracking of Discharge Assistance Planning funds and Local Inpatient Purchase of Services funds through the use of an information technology solution.

NN. Notwithstanding any other provision of law, the department may continue to extend its current contract for electronic health records, including modifications as necessary, until July 1, 2034 or until the contract no longer meets the needs of the system, whichever is sooner, in order to reduce disruption of service to patients served by state mental health and developmental disability facilities.

OO. Out of this appropriation, $1,600,000 the first year and $1,600,000 the second year from the general fund is provided for the costs of the Community Services Board data exchange.

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PP. Out of this appropriation, $250,000 the first year from the general fund shall be provided to contract with Service Dogs of Virginia in order to support the development of a dedicated training center to increase the capacity to provide service dogs for individuals with disabilities.

QQ. Out of this appropriation, $120,000 the first year and $455,000 the second year from the general fund is provided for the Department of Behavioral Health and Developmental Services to create statewide standards for recovery residences, develop a complaint process, and collect necessary data regarding recovery residences.

RR. The Department of Behavioral Health and Developmental Services (DBHDS) shall identify strategies to incentivize Community Services Boards (CSBs) to serve more individuals subject to an Emergency Custody Order (ECO) or Temporary Detention Order (TDO) in Crisis Receiving Centers (CRCs) and Crisis Stabilization Units (CSUs) that currently exist or that are under development/consideration. In conducting its work, DBHDS shall consider what changes to training, staffing, infrastructure, operational protocols, and other capabilities may be necessary for crisis facilities to serve individuals under an ECO or TDO by modeling a “no-barrier" approach to crisis services. For purposes of this evaluation, “no-barrier" facilities should be able to support rapid law-enforcement drop-off; admit individuals regardless of voluntary or involuntary status; safely serve individuals with high-acuity symptoms, including those exhibiting aggressive behaviors; and provide medical clearance for most individuals. No-barrier facilities may include a Crisis Intervention Team Assessment Center as part of their operation but must be capable of admitting individuals under an ECO or TDO directly to their CRC or CSU. DBHDS shall also: (i) assess the extent to which existing CRCs and CSUs can be retrofitted or modified to safely adopt a no-barrier approach to crisis services; (ii) estimate the cost of retrofitting or upgrading existing facilities and compare to the estimated cost of building new facilities capable of supporting a no-barrier model; (iii) evaluate the need for additional personnel and/or enhanced staff training required to safely operate a no-barrier facility; (iv) estimate the cost of any required staffing increases or training enhancements; (v) estimate the number of ECOs and TDOs that could be appropriately served in CRCs and CSUs operating under a no-barrier model; and (vi) determine any additional capacity that may be required to safely and appropriately serve individuals under an ECO or TDO while maintaining adequate access for voluntary patients. DBHDS shall submit its findings and recommendations to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees and the Behavioral Health Commission no later than December 1, 2027.

SS. The Department of Behavioral Health and Developmental Services (DBHDS) shall examine alternatives to the current 10 percent local match requirement created by §§ 37.2-509 and 37.2-611, Code of Virginia, and create recommendations for: (i) a formula for calculating the required annual local match amount, which accounts for regional funds; the timing mismatch between state and local budgeting; the variation in localities' fiscal situations, and any other characteristics that may result in inequitable matching requirements among localities; (ii) a standardized formula for dividing contributions between localities within a multi-jurisdictional Community Services Board; (iii) enforcement mechanisms to be used by DBHDS or other state entities when the required match is not met by a locality; and (iv) an estimate of the budget impact of adopting the department's recommendations on the state and local governments. DBHDS shall report its recommendations to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1, 2027.

TT. Out of this appropriation, $1,500,000 the first year from the general fund shall be provided to contract with Bennett's Village to support the development of a regional all-abilities playground in Charlottesville.

UU. The Department of Behavioral Health and Developmental Services shall include in the annual performance contracts with Community Services Boards (CSBs) and Behavioral Health Authorities (BHAs) a requirement that each CSB and BHA shall maximize billing of Medicaid services provided to Medicaid-eligible clients and report to the department on total Medicaid revenue each year. The department shall monitor the Medicaid revenue of each CSB and BHA on at least an annual basis to assess whether or not the CSB or BHA is meeting the contractual terms.

VV. Out of this appropriation, $2,500,000 the first year from the general fund is provided to

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the Department of Behavioral Health and Developmental Services to support comprehensive psychiatric emergency programs or similar models of psychiatric care. 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, pursuant to § 2.2-4300, Code of Virginia.				
300. Central Office Managed Community and Individual Health Services (44400)			$158,129,465	$158,129,465
Individual and Developmental Disability Services (44401)	$10,695,545	$10,695,545		
Mental Health Services (44402)	$145,133,920	$145,133,920		
Substance Abuse Services (44403)	$2,300,000	$2,300,000		
Fund Sources: General	$156,733,743	$156,733,743		
Special	$1,013,317	$1,013,317		
Federal Trust	$382,405	$382,405		

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 299 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.

D.1. Out of this appropriation, $18,673,707 the first year and $18,673,707 the second year from the general fund shall be provided for alternative transportation for adults and children under a temporary detention order or involuntary commitment order and for a program of alternative custody for individuals under an emergency custody order, temporary detention order, or involuntary commitment order who are awaiting evaluation or 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 or involuntary commitment orders to reduce the length of time law enforcement resources are involved and improve patient outcomes. The department may contract with private contractors, enter into agreements with local law enforcement organizations, contract with Community Services Boards, or use other methods as necessary to implement the program. The department shall report to the Governor and Chairs 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.

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2. Out of the amounts in D.1., up to $10,089,107 the first year and $10,089,107 the second year from the general fund is provided for contracts with private hospitals or other qualified agencies to hire Special Conservators of the Peace, as defined in §§ 19.2-12 through 19.2-25, Code of Virginia, to provide capacity for emergency departments to maintain custody of individuals under emergency custody orders and/or temporary detention orders until the individual is ready for transport to the bed of temporary detention or released. The department shall prioritize this funding to fund contracts that provide coverage for all of Region Three and Region One and, to the extent that any funding is available after needs are met in Regions Three and One, the department may expand the program into Region Five. Notwithstanding any other provision of law, such contracts shall be exempt from competition as otherwise required by the Virginia Public Procurement Act, §§ 2.2-4300 through 2.2-4377, Code of Virginia.

E. Out of this appropriation, $14,785,488 the first year and $14,785,488 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.

F. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund shall be used to purchase and distribute additional REVIVE! kits.

G. Out of this appropriation, $7,600,000 in the first year and $7,600,000 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.

H. 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.

I. 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 disabilities who are aging out and exiting the school system in Loudoun County.

J.1. Out of this appropriation, $1,950,000 the first year and $1,950,000 the second year is provided to make grants to recovery residences certified by the Department of Behavioral Health and Developmental Services for recovery support services. Grantees of these funds will comply in a timely manner with all requirements of the agreement entered into with the Department of Behavioral Health and Developmental Services as a result of this appropriation. Any violations of the agreement shall be reported to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within thirty days of their occurrence. Grantees shall report monthly to the Department of Behavioral Health and Development Services providing financial and operational documentation for services provided. The Department of Behavioral Health and Developmental Services shall report annually to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by August 1 of each year 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 credentialed entities designated in §37.2-431.1 to keep the agency's public website's list of credentialed recovery homes up to date.

3. The Department of Behavioral Health and Developmental Services may expand the buildout of recovery residences by initiating a bidding process by entity to ensure coverage

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across the Commonwealth for this support service.

K.1. Out of this appropriation, $3,647,000 the first year and $3,647,000 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 K.1., $2,820,000 the first year and $2,820,000 the second year shall be used for contracts to support the diversion and discharge into private settings of individuals with a diagnosis of dementia.

3. Of the amounts in K.1., $727,000 the first year and $727,000 the second year shall be used for mobile crisis program targeted for individuals with a diagnosis of dementia.

L. Out of this appropriation, $1,650,000 the first year and $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.

M. Out of this appropriation, $7,535,122 the first year and $7,535,122 the second year from the general fund is provided to divert admissions from state hospitals by purchasing acute inpatient or community-based psychiatric services at private facilities. This funding shall 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.

N.1. Out of this appropriation, $13,500,000 the first year and $13,500,000 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.

2. Of the amounts in N.1., $1,500,000 the first year and $1,500,000 the second year may be utilized to support the discharge of private hospital patients at risk of transfer to state mental health hospitals. The department shall prioritize assistance to patients who can be diverted from state hospital admission through discharge training, planning consultation, and/or one-time financial assistance. Financial assistance from this program shall only be provided as a method of last resort to assist in re-entry to the community.

3. Of the amounts in N.1., $5,000,000 the first year and $5,000,000 the second year may be used to pursue alternative options to state behavioral health hospital care for patients designated as forensic who are admitted to, or at risk of admission to, state hospitals to reduce census pressures on state hospitals.

4. Of the amounts in N.1., $6,000,000 the first year and $6,000,000 the second year shall be used for discharge assistance planning for individuals on the Extraordinary Barriers List to increase capacity in the community for such individuals. The department may, but is not limited to, pursue options such as placements in specialized group homes, assisted living facilities, and other models that provide support to an individual and stabilization in

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the community to help prevent rehospitalization.

O. 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 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.

P. 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.

Q. Out of this appropriation, $42,448,718 the first year and $42,448,718 the second year from the general fund shall be provided for the comprehensive crisis services system, including, but not limited to, investment in crisis receiving centers, crisis stabilization units, enhancements to existing sites, and pharmacy improvements. Out of this appropriation, the Department of Behavioral Health and Developmental Services shall award and provide $2,250,000 the first year and $2,250,000 the second year from the general fund to support the Prince William County Youth Crisis Receiving Center. Any amounts remaining unexpended at year end shall be reappropriated in the subsequent fiscal year for this purpose.

R. Out of this appropriation, $8,000,000 the first year and $8,000,000 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.

S. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be provided for the Department of Behavioral Health and Developmental Services to contract with Specially Adapted Resources Clubs (SPARC) to support essential day programs for adults with profound disabilities.

T. Out of this appropriation, $100,000 the first year and $100,000 the second year from the general fund shall be provided for the Department of Behavioral Health and Developmental Services to contract with On Our Own, a peer recovery center and supportive community that serves the community at no charge.

U. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund shall be provided to fund clients assigned to participate in the Bridge Behavioral Health program.

V. Out of this appropriation, $2,284,100 the first year and $2,284,100 the second year from the general fund is provided for the Department of Behavioral Health and Developmental Services to contract with the Medical Society of Virginia to maintain the Adult Psychiatric Access Line.

W. Out of this appropriation, $1,500,000 the first year and $1,500,000 the second year from the general fund is provided to reimburse Community Services Boards for the restoration of competency to stand trial evaluations, services, and supports in an outpatient setting and to

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	provide training to clinicians.				
	X. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be provided for the Department of Behavioral Health and Development Services to contract with Mile High Kids and Community Development, Inc. to support mental health services for children.				
	Y. Out of this appropriation, $1,500,000 the first year and $1,500,000 the second year from the general fund is provided for the Department of Behavioral Health and Developmental Services to provide funding for private hospitals to support the needs of patients with significant discharge planning needs. These funds are designed to reduce the barriers and promote timely discharge to increase state hospital capacity. The Department of Behavioral Health and Developmental Services shall report each year by December 1 to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the use and outcomes of this funding.				
	Z. The Department of Behavioral Health and Developmental Services shall report on provider capacity for Developmental Disability Waiver services across the Commonwealth, including service and geographic gaps, workforce challenges, and trends affecting access to services. The Department shall submit its report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 1, 2026.				
	Total for Department of Behavioral Health and Developmental Services			**$351,171,661**	**$347,256,661**
	General Fund Positions	563.50	564.50		
	Nongeneral Fund Positions	46.75	46.75		
	Position Level	610.25	611.25		
	Fund Sources: General	$287,660,285	$283,745,285		
	Special	$23,054,455	$23,054,455		
	Dedicated Special Revenue	$7,479,654	$7,479,654		
	Federal Trust	$32,977,267	$32,977,267		
	Grants to Localities (790)				
301.	Financial Assistance for Health Services (44500)			$821,697,052	$825,547,052
	Community Substance Abuse Services (44501)	$149,509,744	$149,509,744		
	Community Mental Health Services (44506)	$545,381,717	$549,481,717		
	Community Developmental Disability Services (44507)	$126,805,591	$126,555,591		
	Fund Sources: General	$718,546,234	$722,396,234		
	Dedicated Special Revenue	$13,150,818	$13,150,818		
	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 use disorder 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 Virginia Housing for principal and interest payments on residential projects for individuals with mental illness financed by Virginia Housing.				

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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 semi-monthly installments, except for necessary budget revisions and the phase-in of new programs, or in line with performance contract terms as set out by the department, or in terms otherwise specified in this Item.

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, $30,610,528 the first year and $30,610,528 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 Chairs 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.

3. Funds appropriated in this Item for early intervention services may be transferred to the Virginia Department of Health to provide early intervention services through local health departments in accordance with signed agreements.

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 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. Out of this appropriation, $13,800,000 the first year and $13,800,000 the second year from the general fund shall be used to provide child psychiatry and children's crisis services for children with behavioral health needs. These funds, divided among the health planning regions based on the current availability of the services, may be used to hire or contract with child psychiatrists who can provide direct clinical services, including crisis services, as well as training and consultation with other children's health care providers in the health planning region. Funds may also be used to create new or enhance existing community-based crisis services in a health planning region. 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.

K. 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

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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.

L. 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.

M. 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.

N. 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.

O. 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.

P. 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.

Q. 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.

R. 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 to provide discharge assistance for patients in a state mental health facility.

S. 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. Funding in this paragraph may be distributed using a reimbursement model developed by the department.

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 crisis stabilization centers to provide an alternative

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to incarceration for people with serious mental illness and individuals with acquired brain injury and co-occurring serious mental health illness.

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, $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. Funding in this paragraph may be distributed using a reimbursement model developed by the department.

V. 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. Funding in this paragraph may be distributed using a reimbursement model developed by the department.

W. 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.

X.1. Out of this appropriation, $89,522,437 the first year and $89,522,437 the second year from the general fund is provided for programs for permanent supportive housing for individuals with serious mental illness.

2. Of the amounts provided in X.1., $3,433,727 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.

3. Of the amounts provided in X.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.

4. 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 Chairs of the House Appropriations and Senate Finance and Appropriations Committee by November 1 of each year.

Y. Out of this appropriation, $18,185,533 the first year and $18,185,533 the second year from the general fund shall be used for a program of rental subsidies for individuals with intellectual or developmental disabilities.

Z. 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

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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.

AA. 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.

BB. 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.

CC. 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.

DD. 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.

EE. 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.

FF. Out of this appropriation, $1,100,000 the first year and $1,100,000 the second year from the general fund is provided to support the Appalachian Telemental Health Initiative, a telemental health 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.

GG. 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.

HH. 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.

II.1. Out of this appropriation, $121,392,845 the first year and $121,392,845 the second year from the general fund and $13,150,818 the first year and $13,150,818 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 II.1., $13,134,321 the first year and $13,134,321 the second year from the general fund is provided for same day access to mental health screening services.

3. Of the amounts in II.1., $9,051,734 the first year and $9,051,734 the second year from the general fund is provided for primary care outpatient screening services.

4. Of the amounts in II.1., $27,855,453 the first year and $27,855,453 the second year from the general fund is provided for outpatient mental health and substance use services.

5. Out of the amounts in II.1., $2,000,000 the first year and $2,000,000 the second year from the general fund is provided for crisis detoxification services.

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6. Out of the amounts in II.1., $28,730,139 the first year and $28,730,139 the second year from the general fund is provided for crisis services for individuals with mental health or substance use disorders.

7. Out of the amounts in II.1., $4,242,364 the first year and $4,242,364 the second year from the general fund is provided for military and veterans services.

8. Out of the amounts in II.1., $5,814,558 the first year and $5,814,558 the second year from the general fund is provided for peer support and family services.

9. Out of the amounts in II.1., $10,962,375 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 II.1., $13,150,818 the first year and $13,150,818 the second year from the Crisis Call Center Fund is provided for crisis call center dispatch staff.

11. Out of the amounts in II.1., $3,970,250 the first year and $3,970,250 second year from the general fund is provided for psychiatric rehabilitation services.

12. Out of the amounts in II.1., $6,844,427 the first year and $6,844,427 the second year from the general fund is provided for care coordination services.

13. Out of the amounts in II.1., $4,259,924 the first year and $4,259,924 the second year from the general fund is provided for STEP-VA-specific case management services.

14. Out of the amounts in II.1., $937,300 the first year and $937,300 the second year from the general fund is provided for regional management of STEP-VA services.

15. Out of the amounts in II.1. $3,590,000 the first year and $3,590,000 the second year from the general fund is provided for grants to Community Services Boards for the cost of transitioning data systems and clinical processes.

16. The Department of Behavioral Health and Developmental Services shall require each community services board or behavioral health authority to report annually, by September 1 of each year, on their expenditures on STEP-VA services for the prior fiscal year. The report shall include: (i) the amount expended broken out by service and the amount such funding increased or decreased as compared to the year prior; (ii) the number of individuals served by each service in the fiscal year; and (iii) their expected allocation for the fiscal year in which the report is due. The department shall submit the report by October 1, of each year to the Governor, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees and provide recommendations as to whether flexibility to allow Community Services Boards to move funding between services should be considered.

JJ. Out of this appropriation, $19,800,000 the first year and $24,000,000 the second year from the general fund shall be provided to support 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. Notwithstanding the provisions of §§ 9.1-193 and 37.2-311.1, Code of Virginia, the establishment of a mobile crisis unit shall be considered to meet any requirement to establish community care teams.

KK. 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.

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LL. 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. Funding in this paragraph may be distributed using a reimbursement model developed by the department.

MM. Out of this appropriation, $5,000,000 the first year and $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.

NN. 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.

OO.1. Out of this appropriation, $9,000,000 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.

2.Out of the amounts appropriated in paragraph OO.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 and implementing 23-hour crisis receiving or observation centers.

PP. Out of this appropriation, $3,302,053 the first year and $3,302,053 the second year from the general fund is provided for peer wellness stay programs.

QQ. Out of this appropriation, $2,500,000 the first year and $2,500,000 the second year from the general fund is provided for Community Services Boards to hire additional staff for crisis stabilization units whose bed capacity is not fully utilized due to lack of staff.

RR. Out of this appropriation, $777,000 the first year and $777,000 the second year from the general fund is provided to expand peer support services for youth.

SS. It is the intent of the General Assembly that for any additional state funding provided to Community Services Boards (CSBs) or Behavioral Health Authorities (BHAs) that existing contributions from local governments shall not be supplanted by such additional state funding. The Commissioner, Department of the Behavioral Health and Developmental Services (DBHDS), shall ensure, by monitoring local contributions to CSBs and BHAs, that if local contributions are reduced subsequent to new funding being awarded or provided, that such new funding shall thereafter be forfeited by the CSB or BHA by the amount of the reduced local contribution. The Commissioner may waive this requirement if the locality can prove extreme hardship. Notwithstanding § 37.2-509, Code of Virginia, DBHDS shall not grant a waiver for the operating expense requirement unless the locality can demonstrate hardship in terms of reduced employment, per capita income, or property values (excluding changes in land use taxation).

TT. Out of this appropriation, $100,000 the first year from the general fund is provided to contract with the Healing Station Counseling Center to strengthen the behavioral health workforce.

UU. Out of this appropriation, $250,000 the first year from the general fund is provided to Henrico County to support the Autism Society of Central Virginia in building an autism community hub.

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	Total for Grants to Localities			**$821,697,052**	**$825,547,052**
	Fund Sources: General	$718,546,234	$722,396,234		
	Dedicated Special Revenue	$13,150,818	$13,150,818		
	Federal Trust	$90,000,000	$90,000,000		
	Mental Health Treatment Centers (792)				
302.	Instruction (19700)			$176,397	$176,397
	Facility-Based Education and Skills Training (19708)	$176,397	$176,397		
	Fund Sources: General	$34,569	$34,569		
	Special	$5,328	$5,328		
	Federal Trust	$136,500	$136,500		
	Authority: §§ 37.2-312 and 37.2-713, Code of Virginia; P.L. 102-73 and P.L. 102-119, Federal Code.				
303.	Secure Confinement (35700)			$23,760,597	$23,760,597
	Forensic and Behavioral Rehabilitation Security (35707)	$23,760,597	$23,760,597		
	Fund Sources: General	$23,271,291	$23,271,291		
	Special	$489,306	$489,306		
	Authority: Title 37.2, Chapter 9, Code of Virginia.				
304.	Pharmacy Services (42100)			$24,343,861	$24,343,861
	Aftercare Pharmacy Services (42101)	$109,333	$109,333		
	Inpatient Pharmacy Services (42102)	$24,234,528	$24,234,528		
	Fund Sources: General	$14,391,805	$14,391,805		
	Special	$9,952,056	$9,952,056		
	Authority: Title 37.2, Chapter 8, Code of Virginia.				
305.	State Health Services (43000)			$339,972,165	$339,972,165
	Geriatric Care Services (43006)	$53,706,979	$53,706,979		
	Inpatient Medical Services (43007)	$10,541,263	$10,541,263		
	State Mental Health Facility Services (43014)	$275,723,923	$275,723,923		
	Fund Sources: General	$322,974,407	$322,974,407		
	Special	$16,997,758	$16,997,758		
	Authority: Title 37.2, Chapters 1 through 11, Code of Virginia.				

A. The Department of Behavioral Health and Developmental Services shall report by November 1 of each year to the Secretary of Finance and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the number of individuals served through discharge assistance plans and the types of services provided.

B. Out of this appropriation, $137,000 the first year and $137,000 the second year from the general fund shall be used to provide transition services in alternate settings for children and adolescents who can be diverted or discharged from state facilities.

C. Out of this appropriation, $5,062,489 the first year and $5,062,489 the second year from the general fund is provided for therapeutic intervention and discharge planning services seven days a week at Central State Hospital and Southern Virginia Mental Health Institute. The Department shall report annually by August 1 to the Governor and the Chairs of House Appropriations and Senate Finance and Appropriations Committees on the impact on length of stay, number of discharges occurring during the expanded service time, and overall impact on discharge planning and the census of the affected facilities.

D. Out of this appropriation, $711,989 the first year and $711,989 the second year from the

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	general fund is provided to support formal partnerships between academic institutions and three state-operated facilities to serve as clinical training sites for medical residents, nurses, nurse practitioners, physician assistants, and other licensed mental health professionals.				
306.	Facility Administrative and Support Services (49800)			$210,224,374	$210,224,374
	General Management and Direction (49801)	$114,065,443	$114,065,443		
	Information Technology Services (49802)	$14,321,460	$14,321,460		
	Food and Dietary Services (49807)	$24,505,614	$24,505,614		
	Housekeeping Services (49808)	$16,701,461	$16,701,461		
	Linen and Laundry Services (49809)	$1,867,234	$1,867,234		
	Physical Plant Services (49815)	$29,487,366	$29,487,366		
	Power Plant Operation (49817)	$5,995,899	$5,995,899		
	Training and Education Services (49825)	$3,279,897	$3,279,897		
	Fund Sources: General	$188,055,698	$188,055,698		
	Special	$22,105,176	$22,105,176		
	Federal Trust	$63,500	$63,500		
	Authority: § 37.2-304, Code of Virginia.				
	A. Out of this appropriation, $759,000 the first year and $759,000 the second year from the general fund shall be used to ensure proper billing and maximum reimbursement for prescription drugs purchased by mental health treatment centers through the Medicare Part D drug program.				
	B . Out of this appropriation, $364,060 the first year and $364,060 the second year from the general fund is provided to procure scheduling software to assist state hospitals in scheduling nursing shifts.				
	C. Out of this appropriation, $2,204,765 the first year and $2,204,765 the second year from the general fund is provided for salary increases for trades staff at state facilities as included in Chapter 725, 2025 Acts of Assembly.				
	D. The Department of Behavioral Health and Developmental Services shall: identify (i) a suitable building on the Central State Hospital (CSH) campus for storage of historical patient records for patients at CSH; (ii) the costs associated to renovate the identified building(s) to meet archival standards for humidity, light, heat, and air conditioning; and (iii) the costs for a repository for historical records from all mental health institutions in the Commonwealth.				
	E. The Department of Behavioral Health and Developmental Services shall preserve historic microfiche records at Central State Hospital in order to make such information publicly available to researchers or other interested parties.				
	F. 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 the cost of transporting individuals from state behavioral health facilities to their post-discharge placement.				
	G. The Department of Behavioral Health and Developmental Services shall have the authority to use $150,000 from the general fund the first year from carryforward balances reappropriated from fiscal year 2026, if approved by the Governor, to conduct a comprehensive feasibility study to evaluate potential archival locations, renovation needs, operational requirements, and long-term preservation considerations for historic records at Central State Hospital. The findings shall inform any necessary future budget requests and support discussions regarding potential public and private funding opportunities.				
307.	The Commissioner, Department of Behavioral Health and Developmental Services, shall report by August 1 of each year to the Secretary of Finance, and the Chairmen of House Appropriations and Senate Finance and Appropriations Committees the general fund and non general fund allocations and authorized position levels for each state-operated behavioral health facility. The report shall be made available on the agency's public				

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	website.				
	Total for Mental Health Treatment Centers			**$598,477,394**	**$598,477,394**
	General Fund Positions	4,373.00	4,373.00		
	Nongeneral Fund Positions	613.00	613.00		
	Position Level	4,986.00	4,986.00		
	Fund Sources: General	$548,727,770	$548,727,770		
	Special	$49,549,624	$49,549,624		
	Federal Trust	$200,000	$200,000		
	Intellectual Disabilities Training Centers (793)				
308.	Instruction (19700)			$2,924,949	$2,924,949
	Facility-Based Education and Skills Training (19708)	$2,924,949	$2,924,949		
	Fund Sources: General	$2,562,724	$2,562,724		
	Special	$162,225	$162,225		
	Federal Trust	$200,000	$200,000		
	Authority: Title 37.2, Chapter 3, Code of Virginia.				
309.	Pharmacy Services (42100)			$2,948,730	$2,948,730
	Inpatient Pharmacy Services (42102)	$2,948,730	$2,948,730		
	Fund Sources: General	$279,606	$279,606		
	Special	$2,669,124	$2,669,124		
	Authority: §§ 37.2-312 and 37.2-713, Code of Virginia; P.L. 102-119, Federal Code.				
310.	State Health Services (43000)			$40,091,465	$40,091,465
	Inpatient Medical Services (43007)	$16,008,231	$16,008,231		
	State Intellectual Disabilities Training Center Services (43010)	$24,083,234	$24,083,234		
	Fund Sources: General	$7,602,496	$7,602,496		
	Special	$32,488,969	$32,488,969		
	Authority: Title 37.2, Chapters 1 through 11, Code of Virginia.				
	The Commissioner of Behavioral Health and Developmental Services shall comply with all relevant state and federal laws and Supreme Court decisions that govern the discharge of residents from state intellectual disability training centers and the granting of intellectual disability waiver slots.				
311.	Facility Administrative and Support Services (49800)			$23,872,460	$23,872,460
	General Management and Direction (49801)	$9,381,439	$9,381,439		
	Information Technology Services (49802)	$2,385,076	$2,385,076		
	Food and Dietary Services (49807)	$2,890,778	$2,890,778		
	Housekeeping Services (49808)	$2,928,717	$2,928,717		
	Linen and Laundry Services (49809)	$746,376	$746,376		
	Physical Plant Services (49815)	$3,923,393	$3,923,393		
	Power Plant Operation (49817)	$832,104	$832,104		
	Training and Education Services (49825)	$784,577	$784,577		
	Fund Sources: General	$4,626,699	$4,626,699		
	Special	$19,245,761	$19,245,761		
	Authority: Title 37.1, Chapters 1 and 2, Code of Virginia; P.L. 74-320, Federal Code.				
	Out of this appropriation, $146,648 the first year and $146,648 the second year from the general fund is provided for salary increases for trades staff at state facilities as included in				

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	Chapter 725, 2025 Acts of Assembly.				
312.	The Commissioner, Department of Behavioral Health and Developmental Services, shall report by August 1 of each year to the Secretary of Finance, and the Chairmen of House Appropriations and Senate Finance and Appropriations Committees the general fund and non general fund allocations and authorized position levels for each state-operated training center. The report shall be made available on the agency's public website.				
	Total for Intellectual Disabilities Training Centers			**$69,837,604**	**$69,837,604**
	General Fund Positions	107.00	107.00		
	Nongeneral Fund Positions	603.00	603.00		
	Position Level	710.00	710.00		
	Fund Sources: General	$15,071,525	$15,071,525		
	Special	$54,566,079	$54,566,079		
	Federal Trust	$200,000	$200,000		
	Virginia Center for Behavioral Rehabilitation (794)				
313.	Instruction (19700)			$321,530	$321,530
	Facility-Based Education and Skills Training (19708)	$321,530	$321,530		
	Fund Sources: General	$321,530	$321,530		
	Authority: Title 37.2, Chapter 1 and 9, Code of Virginia.				
314.	Secure Confinement (35700)			$24,110,668	$24,110,668
	Forensic and Behavioral Rehabilitation Security (35707)	$24,110,668	$24,110,668		
	Fund Sources: General	$24,110,668	$24,110,668		
	Authority: Title 37.2, Chapter 9, Code of Virginia.				
315.	Pharmacy Services (42100)			$1,564,856	$1,564,856
	Inpatient Pharmacy Services (42102)	$1,564,856	$1,564,856		
	Fund Sources: General	$1,564,856	$1,564,856		
	Authority: Title 37.2, Chapter 1 and 9, Code of Virginia.				
316.	State Health Services (43000)			$22,466,424	$22,466,424
	Inpatient Medical Services (43007)	$5,850,000	$5,850,000		
	State Mental Health Facility Services (43014)	$16,616,424	$16,616,424		
	Fund Sources: General	$21,116,424	$21,116,424		
	Special	$1,350,000	$1,350,000		
	Authority: Title 37.2, Chapters 1 and 9, Code of Virginia.				
317.	Facility Administrative and Support Services (49800)			$18,958,009	$18,958,009
	General Management and Direction (49801)	$5,590,782	$5,590,782		
	Information Technology Services (49802)	$1,503,650	$1,503,650		
	Food and Dietary Services (49807)	$3,427,666	$3,427,666		
	Housekeeping Services (49808)	$505,584	$505,584		
	Physical Plant Services (49815)	$7,804,707	$7,804,707		
	Training and Education Services (49825)	$125,620	$125,620		
	Fund Sources: General	$18,932,763	$18,932,763		
	Special	$25,246	$25,246		
	Authority: Title 37.2, Chapters 1 through 11, Code of Virginia.				

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A. In the event that services are not available in Virginia to address the specific needs of an individual committed for treatment at the VCBR or conditionally released, or additional capacity cannot be met at the VCBR, the Commissioner is authorized to seek such services from another state.

B. Out of this appropriation, $540,000 the first year and $540,000 the second year from the general fund is provided for the treatment costs of residents diagnosed with hepatitis. The facility shall make efforts to use certified federal 340B providers for the dispensing of any associated pharmaceuticals.

C. Within 15 days of any appropriation transfer to the Virginia Center for Behavioral Rehabilitation from any other sub-agency within the Department of Behavioral Health and Developmental Services, the Department of Planning and Budget shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. The notice shall include the amount, fund source and reason for the transfer with an explanation of why the funding being transferred has no impact on the sub-agency from which it is transferred.

Total for Virginia Center for Behavioral Rehabilitation			**$67,421,487**	**$67,421,487**
General Fund Positions	886.50	886.50		
Position Level	886.50	886.50		
Fund Sources: General	$66,046,241	$66,046,241		
Special	$1,375,246	$1,375,246		
Grand Total for Department of Behavioral Health and Developmental Services			**$1,908,605,198**	**$1,908,540,198**
General Fund Positions	5,930.00	5,931.00		
Nongeneral Fund Positions	1,262.75	1,262.75		
Position Level	7,192.75	7,193.75		
Fund Sources: General	$1,636,052,055	$1,635,987,055		
Special	$128,545,404	$128,545,404		
Dedicated Special Revenue	$20,630,472	$20,630,472		
Federal Trust	$123,377,267	$123,377,267		

§ 1-97. DEPARTMENT FOR AGING AND REHABILITATIVE SERVICES (262)

318.	Rehabilitation Assistance Services (45400)			$125,460,176	$125,460,176
	Vocational Rehabilitation Services (45404)	$99,018,941	$99,018,941		
	Community Rehabilitation Programs (45406)	$26,441,235	$26,441,235		
	Fund Sources: General	$43,930,007	$43,930,007		
	Special	$473,652	$473,652		
	Dedicated Special Revenue	$1,630,427	$1,630,427		
	Federal Trust	$79,426,090	$79,426,090		

Authority: Title 51.5, Chapter 14, Code of Virginia; P.L. 93-112, Federal Code.

A.1. Total funds available to be used by the Department for Aging and Rehabilitative Services (DARS) as state matching dollars for the federal Vocational Rehabilitation State Grant provided under the Rehabilitation Act of 1973, as amended, hereafter referred to as the federal vocational rehabilitation grant, are estimated at $17,006,465 for state fiscal year 2026; $18,006,465 for state fiscal year 2027; and $18,006,465 for state fiscal year 2028. This estimate includes funds currently appropriated at Wilson Workforce and Rehabilitation Center. Based on these amounts and the annual 21.3 percent state matching requirement for the federal vocational rehabilitation grant, it is estimated that it is possible for DARS to draw down up to $62,836,094 in federal grant funds in state fiscal year 2026; $66,530,929 in state fiscal year 2027; and $66,530,929 in state fiscal year 2028. State funds appropriated in this Item for the provision of vocational rehabilitation services shall not be transferred or expended for any purpose other than to support activities related to vocational rehabilitation.

2. Should available funding for the state match exceed the estimates in paragraph A.1., DARS

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shall provide written notification to the Director, Department of Planning and Budget. Such notification shall include the dollar amount of the new funds being designated as state match, the source of such funds, an estimate of the amount of federal funding that can be drawn down as a result of increasing state match spending, and the estimated time period for which the increased rate of state match spending can be sustained.

3. The annual federal vocational rehabilitation grant award that will be received by DARS is estimated at $83,120,416 for federal fiscal year 2026; $83,120,416 for federal fiscal year 2027; and $83,120,416 for federal fiscal year 2028. In addition to the base annual award amount, DARS is authorized to request up to $4,000,000 of additional federal reallotment dollars in each of these years. Assuming these amounts, the estimated state matching dollars necessary to draw down the full base annual award and optional reallotment dollars would equate to $23,578,969 for federal fiscal year 2026; $23,578,969 for federal fiscal year 2027; and $23,578,969 for federal fiscal year 2028.

4. Based on the projection of federal award funding in paragraph A.3., DARS shall not request federal vocational rehabilitation grant dollars in excess of $87,120,416 for the federal fiscal year 2026 grant; $87,120,416 for the federal fiscal year 2027 grant; and $87,120,416 for the federal fiscal year 2028 grant, without prior written concurrence from the Director, Department of Planning and Budget. Any approved increases in grant award requests shall be reported by DARS to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 30 days. Any federal reallotment dollars received by the agency shall not be used for any purpose that creates an ongoing fiscal obligation to the Commonwealth.

5. By October 1 of each year, the department shall submit an annual report that details all vocational rehabilitation program revenues and spending from the prior state fiscal year, as well as spending and revenue projections for the current and upcoming state fiscal years. The report shall provide distinction between program spending and revenues for state funds and federal funds. The report shall also include a list of funding sources supporting the 21.3 percent state match in a given state fiscal year. This report shall be provided to the Director, Department of Planning and Budget, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

B. Out of this appropriation, $1,280,512 the first year and $1,280,512 the second year from the general fund shall be used to provide vocational rehabilitation services for persons recovering from mental health issues, alcohol, and other substance abuse issues pursuant to an interagency agreement between the Department of Behavioral Health and Developmental Services and the Department for Aging and Rehabilitative Services.

C. The Department for Aging and Rehabilitative Services shall use non-federal appropriation in this Item to fulfill any necessary match requirement for the federal Supported Employment grant.

D.1. Out of this appropriation, $8,952,766 the first year and $8,952,766 the second year from the general fund is provided for the Long Term Employment Support Services (LTESS) and Extended Employment Services (EES) programs.

2. The appropriation for LTESS and EES shall be used for the programs and for recovery of administrative costs, which are limited to 1.61 percent the first year and 1.61 percent the second year. The appropriation shall not be used for any other purposes apart from those described in this Item.

3. The Employment Service Organization Steering Committee (ESOSC), as established in § 51.5-169.2, Code of Virginia, shall report to and advise the Commissioner on policy, funding, and the allocation of funds to employment service organizations (ESOs) for LTESS and EES pursuant to § 51.5-169.1, Code of Virginia, as well as all other services of which ESOs are current or proposed vendors. The Department for Aging and Rehabilitative Services shall consider recommendations from the ESOSC as it relates to allocating funds for LTESS, EES, and/or Economic Development activity associated with the administration of these programs. Funding allocated to ESOs for LTESS and EES shall be allocated consistent with the recommendations of the ESOSC.

4. An employment services organization that had a CARF accreditation may continue to

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receive funding for LTESS and EES for up to six months after their accreditation expires if the organization is actively pursuing CARF reaccreditation.

E. Out of this appropriation, $200,000 the first year and $200,000 the second year from the general fund shall be used to contract with Didlake Inc., for the purpose of Extended Employment Services and Long Term Employment Support Services for people with disabilities.

F.1. A minimum of $8,240,931 the first year and $8,240,931 the second year from general fund dollars is allocated to support Centers for Independent Living.

2. The Department for Aging and Rehabilitative Services (DARS) shall collect data on the total operating budget of each Center for Independent Living (CIL) funded in this Item, including the total amount of state dollars provided to each. In addition, DARS shall have available an annual summary of how each CIL utilizes state dollars, including a position level breakdown of those classified positions funded with state dollars. DARS shall update this information by August 15 of each year with the previous year's data.

G. The Department for Aging and Rehabilitative Services shall fulfill the administrative responsibilities pertaining to the Personal Attendant Services program, without interruption or discontinuation of personal attendant services currently provided.

H. Out of this appropriation, it is estimated that $2,512,607 the first year and $2,512,607 the second year from the general fund shall be used for personal assistance services for individuals with disabilities.

I.1. Out of this appropriation, $11,896,719 the first year and $11,896,719 the second year from the general fund shall be provided for expanding the continuum of services used to assist persons with brain injuries in returning to work and community living.

2. Of this amount, $1,830,000 the first year and $1,830,000 the second year from the general fund shall be used to provide a continuum of brain injury services to individuals in unserved or underserved regions of the Commonwealth. Up to $150,000 each year shall be awarded to successful program applicants. Programs currently receiving more than $250,000 from the general fund each year are ineligible for additional assistance under this section. To be determined eligible for a grant under this section, program applicants shall submit plans to pursue non-state resources to complement the provision of general fund support.

3. Of this amount, $285,000 the first year and $285,000 the second year shall be provided from the general fund to support case management services for brain-injured individuals and their families in Southwest Virginia.

4. Of this amount, $720,000 the first year and $720,000 the second year from the general fund shall be used to support case management services for individuals with brain injuries in unserved or underserved regions of the Commonwealth.

5. Of this amount, $1,525,000 the first year and $1,525,000 the second year from the general fund shall be used for workforce retention for brain injury service providers.

6. Of this amount, $1,875,000 the first year and $1,875,000 the second year from the general fund shall be provided to: (i) strengthen and expand the existing state contracted safety net brain injury services system by increasing the numbers of case managers, clubhouse staff, clinical professional staff and/or program support staff, and/or (ii) develop new safety net services in unserved areas of the state.

7. In allocating additional funds for brain injury services, the Department for Aging and Rehabilitative Services shall consider recommendations from the Virginia Brain Injury Council (VBIC).

8. The Department for Aging and Rehabilitative Services (DARS) shall submit an annual report by September 1 of each year to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees documenting the number of individuals served, services provided, and success in attracting non-state resources.

J.1. For Commonwealth Neurotrauma Initiative Trust Fund grants, the commissioner shall

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require applicants to submit a plan to achieve self-sufficiency by the end of the grant award cycle in order to receive funding consideration.

2. Notwithstanding any other law to the contrary, the commissioner may reallocate up to $500,000 from unexpended balances in the Commonwealth Neurotrauma Initiative Trust Fund to fund new grant awards for research on traumatic brain and spinal cord injuries.

K. Out of this appropriation, $446,618 the first year and $446,618 the second year from the general fund shall be allocated to the Long Term Rehabilitation Case Management Services Program.

L. Every county and city, either singly or in combination with another political subdivision, may establish a local disability services board to provide input to state agencies on service needs and priorities of persons with physical and sensory disabilities, to provide information and resource referral to local governments regarding the Americans with Disabilities Act, and to provide such other assistance and advice to local governments as may be requested.

319.	Individual Care Services (45500)			$44,914,449	$44,514,449
	Financial Assistance for Local Services to the Elderly (45504)	$36,882,787	$36,482,787		
	Rights and Protection for the Elderly (45506)	$8,031,662	$8,031,662		
	Fund Sources: General	$25,128,634	$24,728,634		
	Special	$90,000	$90,000		
	Dedicated Special Revenue	$200,000	$200,000		
	Federal Trust	$19,495,815	$19,495,815		

Authority: Title 51.5, Chapter 14, Code of Virginia.

A. Out of this appropriation, $456,209 the first year and $456,209 the second year from the general fund shall be provided to continue a statewide Respite Care Initiative program for the elderly and persons suffering from Alzheimer's Disease.

B.1. Out of this appropriation, $3,785,000 the first year and $3,785,000 the second year from the general fund shall be provided to support local and regional programs of the Virginia Public Guardian and Conservator Program. This funding is estimated to provide 757 client slots the first year and 757 client slots the second year for unrestricted guardianship services.

2. Out of this appropriation, $200,000 the first year and $200,000 the second year from the general fund shall be used to provide services through the Virginia Public Guardian and Conservator Program for individuals with mental illness or intellectual disability (ID). This funding is estimated to provide 40 client slots the first year and 40 client slots the second year for guardianship services for individuals with mental illness or intellectual disabilities.

3. Out of this appropriation, $2,270,000 the first year and $2,270,000 the second year from the general fund shall be used to provide services through the Virginia Public Guardian and Conservator Program for individuals with intellectual disabilities (ID) and developmental disabilities (DD). This funding shall be expended pursuant to an interagency agreement between the Department of Behavioral Health and Developmental Services (DBHDS) and the Department for Aging and Rehabilitative Services. This funding is estimated to provide 454 client slots the first year and 454 client slots the second year for guardianship services for individuals with ID/DD, as authorized by DBHDS.

4. Out of this appropriation, $686,000 the first year and $686,000 the second year from the general fund shall be used to provide services through the Virginia Public Guardian and Conservator Program for individuals with mental illness. This funding shall be expended pursuant to an interagency agreement between the Department of Behavioral Health and Developmental Services (DBHDS) and the Department for Aging and Rehabilitative Services. This funding is estimated to provide 98 client slots the first year and 98 client slots the second year for guardianship services for individuals with mental illness, as

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authorized by DBHDS.

C.1. Area Agencies on Aging that are authorized to use funding for the Care Coordination for the Elderly Program shall be authorized to use funding to conduct a program providing mobile, brief intervention and service linking as a form of care coordination. The Department for Aging and Rehabilitative Services, in collaboration with the Area Agencies on Aging, shall analyze the resulting impact in these agencies and determine if this model of service delivery is an appropriate and beneficial use of these funds.

2. The Department for Aging and Rehabilitative Services, in collaboration with Area Agencies on Aging (AAAs) that are authorized to use funding for the Care Coordination for the Elderly Program, shall examine and analyze existing state and national care coordination models to determine best practice models. The department and designated AAAs shall determine which models of service delivery are appropriate and demonstrate beneficial use of these funds and develop the accompanying service standards. Each AAA receiving care coordination funding shall submit its plan for care coordination with the annual area plan.

D. Area Agencies on Aging shall be designated as the lead agency in each respective area for No Wrong Door.

E. The Department for Aging and Rehabilitative Services shall (i) recommend strategies to coordinate services and resources among agencies involved in the delivery of services to Virginians with dementia; (ii) monitor the implementation of the Dementia State Plan; (iii) recommend policies, legislation, and funding needed to implement the Plan; (iv) collect and monitor data related to the impact of dementia on Virginians; and (v) determine the services, resources, and policies that may be needed to address services for individuals with dementia.

F. Out of this appropriation, $262,500 the first year and $262,500 the second year from the general fund shall be provided for an interdisciplinary plan of care and dementia care management for 88 individuals diagnosed with dementia. This service shall be provided through a partnership between the Memory and Aging Care Clinic at the University of Virginia and the Alzheimer's Association. The Department for Aging and Rehabilitative Services shall report the status and provide an update on the results of the dementia case management program to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1 of each year.

G. Out of this appropriation, $200,000 the first year and $200,000 the second year from the general fund shall be provided for an interdisciplinary plan of care and dementia case management for 100 individuals diagnosed with dementia. This service shall be provided through a partnership between the Martha W. Goodson Center of Riverside Health Services and the Peninsula Agency on Aging. The Department for Aging and Rehabilitative Services shall report the status and provide an update on the results of the dementia case management program to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1 of each year.

H. Out of this appropriation, $400,000 the first year and $400,000 the second year from the general fund shall be provided to the Capitol Area Agency on Aging and Local Office on Aging, Inc. for an interdisciplinary plan of care and dementia case management for 200 individuals diagnosed with dementia. Funding shall be allocated evenly between the two Area Agencies on Aging. The Department for Aging and Rehabilitative Services shall report the status and provide an update on the results of the dementia case management program to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1 of each year.

I. Out of this appropriation, $201,875 the first year and $201,875 the second year from the general fund shall be provided to support the distribution of comprehensive health and aging information to Virginia's senior population, their families, and caregivers.

J. Out of this appropriation, $250,000 the first year and $250,000 the second year from the general fund shall be provided for the Pharmacy Connect Program in Southwest Virginia, administered by Mountain Empire Older Citizens, Inc.

K. Out of this appropriation, $200,000 the first year and $200,000 the second year from the general fund shall be used to contract with the Jewish Social Services Agency to provide

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assistance to low-income seniors who have experienced trauma.

L. Out of this appropriation, $250,000 the first year and $250,000 the second year from the general fund shall be provided to contract with Birmingham Green to provide residential services to low-income, disabled individuals.

M. Out of this appropriation, $600,000 the first year and $600,000 the second year from the general fund shall be provided to contract with Area Agencies on Aging utilizing the Virginia Insurance Counseling and Assistance Program (VICAP) to provide counseling to Medicare beneficiaries about health insurance options and plans.

N. Out of this appropriation, $700,000 the first year and $700,000 the second year from the general fund shall be provided to hold harmless the Area Agencies on Aging due to the impact of 2020 census changes on the distribution formula for federal Older Americans Act funding.

O. Out of this appropriation, $710,000 the first year and $710,000 the second year from the general fund shall be provided to support twenty local Long Term Care Ombudsman programs at Area Agencies on Aging.

P. Out of this appropriation, $400,000 the first year shall be provided to the County of Fairfax to continue support to the Washington Area Villages Exchange for a pilot program to reduce the public health risk of social isolation among older Virginians by expanding the availability of Villages statewide. The Washington Area Villages Exchange shall report on the results of the pilot program to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by September 1, 2027.

Q. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund shall be provided to support Senior Services of Southeastern Virginia.

320.	Nutritional Services (45700)			$22,144,603	$22,144,603
	Meals Served in Group Settings (45701)	$9,521,747	$9,521,747		
	Distribution of Food (45702)	$549,342	$549,342		
	Delivery of Meals to Home-Bound Individuals (45703)	$12,073,514	$12,073,514		
	Fund Sources: General	$6,403,648	$6,403,648		
	Federal Trust	$15,740,955	$15,740,955		

Authority: Title 51.5, Chapter 14, Code of Virginia.

Home delivered meals shall not require cost-sharing until such time as federal law permits cost-sharing with Older Americans Act funding.

321. A. Area Agencies on Aging are encouraged to continue seeking funds from a variety of sources which include cost-sharing in programs where not prohibited by funding sources; private sector voluntary contributions from older persons receiving services; families of individuals receiving services; and churches, service groups and other organizations. Such appropriations shall not be included in the appropriations used to match Older Americans Act funding. Revenue generated as a result of these projects shall be retained by the participating Area Agencies on Aging for use in meeting critical care needs of older Virginians. These revenues shall supplement, not supplant, general fund resources.

B. It is the intent of the General Assembly that all Area Agencies on Aging use any new general fund revenue, with the exception of funding provided for the Long-Term Care Ombudsman program, to implement sliding fees for services. However, priority for services should be given to applicants in the greatest need, regardless of ability to pay. Revenue from fees shall be retained by the Area Agencies on Aging for use in meeting critical care needs of older Virginians. These revenues shall supplement, not supplant, general fund resources.

C. It is the intent of the General Assembly that Older Americans Act funds and general fund moneys be targeted to services which can assist the elderly to function independently for as long as possible. Area Agencies on Aging may use general fund moneys for

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	consumer-directed services.				
	D. At the request of the Commissioner, Department for Aging and Rehabilitative Services, the Director, Department of Planning and Budget may transfer state general fund appropriations for services provided by Area Agencies on Aging between service categories. Each individual Area Agency on Aging may transfer up to the maximum amount of federal funds and matching state general fund amounts allowed by federal law between service categories. Further, each Area Agency on Aging may transfer undesignated state general fund amounts among service categories. Under no circumstances shall any funds be transferred from direct services to administration. State general fund appropriations shall be available to the Area Agencies on Aging beginning July 1 of each year of the biennium, in compliance with the department's General Fund Cash Management Policy.				
322.	Continuing Income Assistance Services (46100)			$69,861,966	$69,861,966
	Social Security Disability Determination (46102)	$69,861,966	$69,861,966		
	Fund Sources: General	$213,764	$213,764		
	Special	$152,258	$152,258		
	Federal Trust	$69,495,944	$69,495,944		
	Authority: Title 51.5, Chapter 14, Code of Virginia; Titles II and XVI, P.L. 74-271, Federal Code.				
	A. The Department for Aging and Rehabilitative Services (DARS), in cooperation with the Department of Social Services and local social services agencies, shall develop an expedited process for transitioning hospitalized persons to rehabilitation facilities when the patient may meet the criteria established by the Social Security Administration (SSA) and Medicaid for disability. As part of this expedited process, DARS shall make Medicaid disability determinations within seven business days of the receipt of social service referrals, when the referrals include sufficient evidence that appropriately documents the SSA definition of disability. If the referrals do not contain sufficient documentation of disability, DARS shall continue to expedite processing of these priority referrals under Medicaid regulations.				
	B. The general fund appropriation in this Item shall only be used for the cost of Medicaid disability determinations and for no other purpose.				
323.	Adult Programs and Services (46800)			$10,195,936	$10,195,936
	Management and Quality Assurance of Aging Services (46811)	$4,106,495	$4,106,495		
	Central Oversight and Quality Assurance for Adult Protective Services (46812)	$2,970,818	$2,970,818		
	State Long-Term Care Ombudsman Services (46813)	$1,854,410	$1,854,410		
	No Wrong Door Initiative (46814)	$1,264,213	$1,264,213		
	Fund Sources: General	$6,312,549	$6,312,549		
	Special	$84,232	$84,232		
	Federal Trust	$3,799,155	$3,799,155		
	Authority: Title 51.5, Chapter 14, Code of Virginia; P.L. 93-112, Federal Code.				
	A. 1. Out of this appropriation, $401,330 the first year and $401,330 the second year from the general fund shall be used to administer and oversee public guardianship programs and for no other purpose.				
	2. Of this amount, $95,263 the first year and $95,263 the second year shall be used to support the administrative costs associated with serving individuals pursuant to interagency agreements for the provision of public guardianship services between the Department of Behavioral Health and Developmental Services (DBHDS) and the Department for Aging and Rehabilitative Services.				
	B. Out of this appropriation, up to $5,000 the first year and up to $5,000 the second year from the general fund shall be provided to support activities of the Virginia Public Guardianship and Conservator Program Advisory Board, including but not limited to, paying expenses for the members to attend four meetings per year.				

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C. Out of this appropriation, $124,574 the first year and $124,574 the second year from the general fund is provided to support a position dedicated to monitoring and auditing the auxiliary grant (AG) program. The department shall develop an annual report on the AG program. This report shall include an overview of the program as well as a summary of oversight activities and findings. In addition, the report shall include the number of Auxiliary Grant recipients living in a supportive housing setting in each month of the previous fiscal year as well as the number of individuals receiving an AG supportive housing slot that were discharged from a state behavioral health facility in the prior 12 months. DARS shall provide this report to the Director, Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by September 1 of each year.

D. Out of this appropriation, $1,219,943 the first year and $1,219,943 the second year from the general fund is provided for 12 full-time and two part-time positions to support the Office of the State Long-Term Care Ombudsman.

E. Out of this appropriation, $545,000 the first year and $545,000 the second year from the general fund is provided to cover PeerPlace license costs for local workers as well as the ongoing cost of system modifications.

F. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund is provided for demographic services to obtain reliable data for determining needs and service planning for aging services.

G. Out of this appropriation, $100,000 the first year and $100,000 the second year from the general fund shall be used to support the Senior Legal Helpline.

H. Out of this appropriation, $100,000 the first year and $100,000 the second year from the general fund shall be provided for the No Wrong Door (NWD) Dementia Capability Project to improve the identification of people living with dementia, particularly those living alone, to better connect them with supports and services that can help them remain as independent as possible for as long as possible. The Project shall add a cognitive screening question and relevant reports in the technology that underpins the system, the creation and delivery of a training module for NWD staff and users, and financial support for data collection and training.

I. Out of this appropriation, $160,864 the first year and $160,864 the second year from the general fund is provided to the Department for Aging and Rehabilitative Services to provide training for court-appointed guardians and to support one full-time position.

324.	Administrative and Support Services (49900)			$19,465,407	$19,465,407
	General Management and Direction (49901)	$12,101,541	$12,101,541		
	Information Technology Services (49902)	$6,507,449	$6,507,449		
	Planning and Evaluation Services (49916)	$856,417	$856,417		
	Fund Sources: General	$936,229	$936,229		
	Special	$15,334,154	$15,334,154		
	Federal Trust	$3,195,024	$3,195,024		

Authority: Title 51.5, Chapter 14, Code of Virginia; P.L. 93-112, Federal Code.

325. Included in the Federal Trust appropriation are amounts estimated at $583,541 the first year and $583,541 the second year, to pay for statewide indirect cost recoveries of this agency. Actual recoveries of statewide indirect costs up to the level of these estimates shall be exempt from payment into the general fund, as provided by § 4-2.03 of this Act. Amounts recovered in excess of these estimates shall be deposited to the general fund.

Total for Department for Aging and Rehabilitative Services			**$292,042,537**	**$291,642,537**
General Fund Positions	97.76	97.76		
Nongeneral Fund Positions	882.26	882.26		
Position Level	980.02	980.02		

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	Fund Sources: General	$82,924,831	$82,524,831		
	Special	$16,134,296	$16,134,296		
	Dedicated Special Revenue	$1,830,427	$1,830,427		
	Federal Trust	$191,152,983	$191,152,983		
	Wilson Workforce and Rehabilitation Center (203)				
326.	Rehabilitation Assistance Services (45400)			$14,524,702	$14,524,702
	Vocational Rehabilitation Services (45404)	$8,987,914	$8,987,914		
	Medical Rehabilitative Services (45405)	$5,536,788	$5,536,788		
	Fund Sources: General	$3,908,961	$3,908,961		
	Federal Trust	$10,615,741	$10,615,741		
	Authority: Title 51.5, Chapter 14, Code of Virginia; P.L. 89-313, P.L. 93-112, P.L. 94-482 and P.L. 95-602, Federal Code.				
327.	Facility Administrative and Support Services (49800)			$11,805,334	$11,805,334
	General Management and Direction (49801)	$1,834,782	$1,834,782		
	Information Technology Services (49802)	$767,786	$767,786		
	Security Services (49803)	$676,949	$676,949		
	Residential Services (49804)	$1,789,661	$1,789,661		
	Food and Dietary Services (49807)	$809,738	$809,738		
	Physical Plant Services (49815)	$5,926,418	$5,926,418		
	Fund Sources: General	$2,919,536	$2,919,536		
	Special	$95,000	$95,000		
	Federal Trust	$8,790,798	$8,790,798		
	Authority: Title 51.5, Chapter 14, Code of Virginia; P.L. 93-112 and P.L. 95-602, Federal Code.				
	Comprehensive services available onsite at Wilson Workforce and Rehabilitation Center shall include, but not be limited to, vocational services, including evaluation, prevocational, academic, and vocational training; independent living services; transition from school to work services; rehabilitative engineering and assistive technology; and medical rehabilitation services, including residential, outpatient, supported living, community reentry, and family support.				
	Total for Wilson Workforce and Rehabilitation Center			**$26,330,036**	**$26,330,036**
	General Fund Positions	58.80	58.80		
	Nongeneral Fund Positions	193.20	193.20		
	Position Level	252.00	252.00		
	Fund Sources: General	$6,828,497	$6,828,497		
	Special	$95,000	$95,000		
	Federal Trust	$19,406,539	$19,406,539		
	Grand Total for Department for Aging and Rehabilitative Services			**$318,372,573**	**$317,972,573**
	General Fund Positions	156.56	156.56		
	Nongeneral Fund Positions	1,075.46	1,075.46		
	Position Level	1,232.02	1,232.02		
	Fund Sources: General	$89,753,328	$89,353,328		
	Special	$16,229,296	$16,229,296		
	Dedicated Special Revenue	$1,830,427	$1,830,427		
	Federal Trust	$210,559,522	$210,559,522		

§ 1-98. DEPARTMENT OF SOCIAL SERVICES (765)

ITEM 327.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
328.	Program Management Services (45100)			$73,648,812	$76,368,002
	Training and Assistance to Local Staff (45101)	$9,978,106	$9,978,106		
	Central Administration and Quality Assurance for Benefit Programs (45102)	$27,844,392	$27,844,392		
	Central Administration and Quality Assurance for Family Services (45103)	$14,154,573	$14,154,573		
	Central Administration and Quality Assurance for Community Programs (45105)	$16,824,620	$19,543,810		
	Central Administration and Quality Assurance for Child Care Activities (45107)	$4,847,121	$4,847,121		
	Fund Sources: General	$36,722,464	$38,988,145		
	Special	$100,000	$100,000		
	Dedicated Special Revenue	$350,000	$350,000		
	Federal Trust	$36,476,348	$36,929,857		

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 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, $3,327,500 the first year and $3,630,000 the second year from the general fund and $1,512,500 the first year and $1,210,000 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 ongoing 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.

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2. By September 1 of each year, the Department of Social Services 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 maximum allowable costs for state and local agencies to administer the Percentage of Income Payment Program (PIPP) shall not exceed $5.5 million annually in totality. This includes costs borne by the Department of Social Services, 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. Any unexpended balance, as of June 30, 2026, from the amounts appropriated in Item 324, Chapter 725, 2025 Virginia Acts of Assembly, needed to meet the terms of the federal Supplemental Nutrition Assistance Program overissuance settlement shall not revert to the general fund but shall be carried forward and reappropriated. Any funds reappropriated pursuant to the provisions of this paragraph shall only be used to cover costs outlined in this settlement agreement that expires September 30, 2026.

J. Out of this appropriation, $2,225,540 the first year and $2,225,540 the second year from the general fund and $1,748,639 the first year and $1,748,639 the second year from nongeneral funds is provided to establish and implement a centralized training academy model for local departments of social services. The department shall provide a quarterly report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the expenditures, implementation progress, and performance outcomes associated with the centralized training academy model.

K. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is provided for the Department of Social Services to create a new statewide program to support the well-being and improve the retention of local department of social services workers.

L. Out of this appropriation, $1,000,000 the first year and $1,000,000 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 provided as one-time funds for the Department of Social Services to contract with a vendor to assist with the Supplemental Nutrition Assistance Program error rate reduction efforts. The Director, Department of Planning and Budget, shall unallot this appropriation until the Department of Social Services provides documentation of the contract's cost and shall only allot the contracted amount.

M. Out of this appropriation, $1,500,000 the first year and $1,500,000 the second year from the general fund is provided to connect individuals newly subject to Supplemental Nutrition Assistance Program (SNAP) or Medicaid work requirements to qualifying employment or volunteer activities and resources.

329.	Financial Assistance for Self-Sufficiency Programs and Services (45200)			$250,214,827	$385,214,827
	Temporary Assistance for Needy Families (TANF) Cash Assistance (45201)	$53,826,847	$53,826,847		
	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)	$56,828,598	$56,828,598		
	At-Risk Child Care Subsidies (45215)	$2,864,671	$2,864,671		
	Unemployed Parents Cash Assistance (45216)	$12,240,681	$12,240,681		
	Summer Nutrition Benefit for Children (45221)	$105,203,000	$105,203,000		

ITEM 329.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
Supplemental Nutrition Assistance Program (SNAP) Benefits (45222)	$0	$135,000,000		
Fund Sources: General	$86,884,305	$221,884,305		
Federal Trust	$163,330,522	$163,330,522		

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.1. It is hereby acknowledged that as of June 30, 2025 there existed with the federal government an unexpended balance of $46,855,247 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 $28,371,637 on June 30, 2026; $19,072,560 on June 30, 2027; and $10,623,483 on June 30, 2028.

2. The Department of Social Services shall not initiate, expand, or modify the use of Temporary Assistance for Needy Families (TANF) funds beyond the programs and services expressly authorized and funded in this act, except as specifically authorized by an act of the General Assembly or as required by federal law.

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

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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. 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 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.

H.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, $56,828,598 the first year and $56,828,598 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 H.1.

I. 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.

J. 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.

K. Out of this appropriation, $105,203,000 the first year and $105,203,000 the second year from nongeneral funds shall be provided to the Department of Social Services for summer nutrition benefits for children.

L. Out of this appropriation, $135,000,000 the second year from the general fund shall be provided to the Department of Social Services for Supplemental Nutrition Assistance Program (SNAP) benefits cost sharing pursuant to Public Law No: 119-21. The general fund in this paragraph shall remain unallotted until the United States Department of Agriculture Food and Nutrition Service releases the federal fiscal year 2026 SNAP error rates. The Director, Department of Planning and Budget, shall allot this appropriation if the Commonwealth's federal fiscal year 2026 error rate results in a benefits cost share for the Commonwealth, and shall allot only the amount necessary to support the benefits cost share based on the identified error rate. The Department of Planning and Budget shall revert any unallotted amounts to the general fund on or before June 30, 2028.

330.	Financial Assistance for Local Social Services Staff (46000)				$686,606,549	$686,671,198
	Local Staff and Operations (46010)	$686,606,549	$686,671,198			
	Fund Sources: General	$233,666,974	$244,859,850			

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Dedicated Special Revenue.....	$13,239,776	$13,239,776		
Federal Trust.....	$439,699,799	$428,571,572		

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.1. 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.

2. The Department of Social Services shall not alter local match rates, methodologies, or policies in any manner that would increase the state share of program costs, except as authorized by an act of the General Assembly or as required by federal law.

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 $95,372,148 the first year and $95,372,148 the second year shall be set aside for allowable local costs which exceed available general fund reimbursement and amounts estimated at $28,100,000 the first year and $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, $712,062 the first year and $712,062 the second year from the general fund and $684,138 the first year and $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.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 amounts in paragraph G.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.

H. 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.

I. Out of this appropriation, $360,000 the first year and $360,000 the second year from the general fund shall be used to provide a bonus payment to local departments of social services not to exceed $250 for each time a new child enters foster care and is placed with a kinship foster parent or for a child currently in foster care who transitions from a non-kinship placement to the care of a kinship foster parent. Payments provided under the

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provisions of this paragraph shall not exceed $360,000 per year, in aggregate.

J.1. The Department of Social Services (DSS) shall establish and maintain a quality control methodology for determining each local department of social services' (LDSS) Supplemental Nutrition Assistance Program (SNAP) payment error rate. This metric shall utilize data, standards, and methodologies employed by the federal United States Department of Agriculture Food and Nutrition Service (USDA FNS) in calculating the federal SNAP payment error rate.

2. DSS shall publish local error rates for the previous federal fiscal year on its website by June 30 of each year. This publication shall include the statewide SNAP payment error rate as reported to the USDA FNS for the preceding federal fiscal year, as well as each locally determined SNAP payment error rate by LDSS.

K. The Department of Social Services shall submit an annual report for each fiscal year on the allocation and use of state and federal funds distributed to local departments of social services. The report shall include, for each local department of social services: (i) the amount of state funding received; (ii) the amount of federal funding received and federal grant source; (iii) the programs and services supported by such funding; and (iv) the amount of local funds required and contributed to satisfy applicable matching requirements for such state and federal funding. The report shall be submitted to the Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than September 1 of each year.

331.	Child Support Enforcement Services (46300)				$763,863,800	$763,863,800
	Support Enforcement and Collection Services (46301)	$123,957,491	$123,957,491			
	Public Assistance Child Support Payments (46302)	$11,000,000	$11,000,000			
	Non-Public Assistance Child Support Payments (46303)	$628,906,309	$628,906,309			
	Fund Sources: General	$15,172,189	$15,172,189			
	Special	$674,183,650	$674,183,650			
	Federal Trust	$74,507,961	$74,507,961			

Authority: Title 20, Chapters 2 through 3.1 and 4.1 through 9; Title 63.2, Chapter 19, Code of Virginia; P.L. 104-193, as amended; P.L. 105-200, P.L. 106-113, Federal Code.

A. Any net revenue from child support enforcement collections, after all disbursements are made in accordance with state and federal statutes and regulations, and after the state's share of the cost of administering the program is paid, shall be estimated and deposited into the general fund by June 30 of the fiscal year in which it is collected. Any additional moneys determined to be available upon final determination of a fiscal year's costs of administering the program shall be deposited to the general fund by September 1 of the subsequent fiscal year in which it is collected.

B. In determining eligibility and amounts for cash assistance, pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, the department shall continue to disregard up to $100 per month in child support payments and return to recipients of cash assistance up to $100 per month in child support payments collected on their behalf.

C. The state share of amounts disbursed to recipients of cash assistance pursuant to paragraph B of this Item shall be considered part of the Commonwealth's required Maintenance of Effort spending for the federal Temporary Assistance for Needy Families program established by the Social Security Act.

D. The department shall expand collections of child support payments through contracts with private vendors. However, the Department of Social Services and the Office of the Attorney General shall not contract with any private collection agency, private attorney, or other private entity for any child support enforcement activity until the State Board of Social Services has made a written determination that the activity shall be performed under a proposed contract at a lower cost than if performed by employees of the Commonwealth.

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E. The Division of Child Support Enforcement, in cooperation with the Department of Medical Assistance Services, shall identify cases for which there is a medical support order requiring a noncustodial parent to contribute to the medical cost of caring for a child who is enrolled in the Medicaid or Family Access to Medical Insurance Security (FAMIS) Programs. Once identified, the division shall work with the Department of Medical Assistance Services to take appropriate enforcement actions to obtain medical support or repayments for the Medicaid program. The Department of Social Services shall submit a report on the number of identified cases and the enforcement actions taken to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and Director, Department of Planning and Budget by September 1 each year.

F. Out of this appropriation, $15,920,461 the first year and $15,920,461 the second year from nongeneral funds is appropriated to support the design, development, and implementation of a modernized child support technology system. The department shall provide a quarterly report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the expenditures and implementation progress associated with the child support technology system.

332.	Adult Programs and Services (46800)			$62,727,762	$62,727,762
	Auxiliary Grants for the Aged, Blind, and Disabled (46801)	$40,898,009	$40,898,009		
	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	$45,522,734	$45,522,734		
	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, 2026, 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 $2,130 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, 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, 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.

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.

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D.1. Out of this appropriation, $1,423,750 the first year and $1,423,750 the second year from the general fund and $4,246,792 the first year and $4,246,792 the second year from nongeneral funds shall be provided as a grant to local domestic violence programs.

2. Out of the amounts appropriated in D.1., $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.

3. Out of the amounts appropriated in D.1., $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.

4. Out of the amounts appropriated in D.1., $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.

E. 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.

F. The Director, Department of Planning and Budget, shall, on or before August 1, 2026, unallot $2,000,000 from the general fund in this Item, which reflects unused balances in the auxiliary grants program.

333.	Child Welfare Services (46900)			$283,544,141	$285,942,022
	Foster Care Payments (46901)	$42,515,744	$44,272,878		
	Supplemental Child Welfare Activities (46902)	$61,237,928	$61,676,380		
	Adoption Subsidy Payments (46903)	$162,306,549	$162,508,844		
	Prevention Services (46905)	$17,483,920	$17,483,920		
	Fund Sources: General	$142,274,196	$143,574,353		
	Special	$2,434,593	$2,434,593		
	Dedicated Special Revenue	$585,265	$585,265		
	Federal Trust	$138,250,087	$139,347,811		

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

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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.

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 of Social Services 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, $7,590,588 the first year and $5,002,933 the second year from the general fund and $2,250,000 the first year and $2,250,000 the second year from nongeneral funds shall be provided for special needs adoptions.

H. Out of this appropriation, $74,886,517 the first year and $76,416,027 the second year from the general fund and $75,216,746 the first year and $76,477,185 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. 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 K.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).

L.1. Out of this appropriation, $7,121,181 the first year and $7,121,181 the second year from the general fund and $7,121,181 the first year and $7,121,181 the second year from nongeneral funds shall be available for the development of a compliant comprehensive

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child welfare information system (CCWIS). Any unexpended balances in this paragraph at the close of business on June 30 each fiscal year shall not revert to the general fund, but shall be carried forward and reappropriated for this purpose.

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 Item. Should additional appropriation, in excess of the amounts identified in paragraphs K.2. and L.1. above, 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 by February 1 and September 1 each year.

M. 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.

N. 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.

O. 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.

P. The Department of Social Services shall maintain 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.

Q.1. Out of this appropriation, $6,173,560 the first year and $6,173,560 the second year from the general fund is provided to make relative maintenance payments. Participation in the relative maintenance payment program shall not exceed available appropriation.

2. In order to ensure timely distribution of relative maintenance payments pursuant to legislation passed in the 2024 General Assembly and provisions thereto, the Department of Social Services 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.

R. Out of this appropriation, $564,000 the first year and $564,000 the second year from the general fund is provided for the department to meet the housing support provisions of §63.2-905.1:1, Code of Virginia.

S. Out of this appropriation, $246,548 the first year and $246,548 the second year from the general fund shall be provided to fund an increase in adult protective services calls to the child protective services hotline.

T. The department shall continue to apply for and utilize federal funding for kinship navigator programs until such time that all available funding has been exhausted.

U. Out of this appropriation, $310,000 the first year and $310,000 the second year from the general fund shall be provided for a statewide driver's licensing program to support foster care

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youth in obtaining a driver's license. Funding shall be made available to local departments of social services to reimburse foster care providers for increases to their existing motor vehicle insurance premiums that occur because a foster care youth in their care has been added to their insurance policy. The program may also reimburse foster care providers for additional coverage that provides liability protection should a foster care youth get into or cause a catastrophic accident. Additionally, funding shall be made available to foster care youth in Virginia's Fostering Futures Program to assist in covering the cost of obtaining motor vehicle insurance. The Department shall develop reimbursement policies for foster care providers and foster care youth. The Department shall coordinate and administer the driver's licensing program based on best practices from similar programs in other states, to include developing educational or training materials that educate foster parents, private providers, and foster youth about (i) liability issues, insurance laws, and common insurance practices (to include laws about renewal and cancellation, how long an accident can affect premiums, how to establish that a foster youth is no longer living in the residence, and other applicable topics); (ii) DMV requirements to obtain a learner's permit and driver's license; (iii) what funding and resources are available to assist in this process, to include, paying school lab fees for "Behind the Wheel" or paying a private driving education company; and (iv) why getting a driver's license on time is important for normalcy and a successful transition to adulthood. The Department shall provide information on how many foster care youth were supported by this program and any recommendations to improve the program to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees annually on December 1.

V. The Department of Social Services, in consultation with stakeholders, shall develop a process for Virginia localities to enter into memorandums of understanding with localities in surrounding states for the purposes of kinship care.

W. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is provided for the Department of Social Services to expand the existing program to find relative and fictive kin for youth in foster care.

X.1. Out of this appropriation, $2,453,852 the second year from the general fund is provided to support initial implementation costs of creating a centralized child protective services intake system to collect and triage child abuse and neglect reports, pursuant to Chapter 900, 2026 Acts of Assembly.

2. Out of this appropriation, $1,000,000 the first year from the general fund and $1,000,000 the first year from nongeneral funds is provided to support third-party contract costs pursuant to Chapter 900, 2026 Acts of Assembly. The Department of Social Services (DSS) shall contract with a third party by August 1, 2026, to conduct a comprehensive study and review of the screening process used for child protective services complaints across Virginia. The Director, Department of Planning and Budget, shall unallot this appropriation until DSS provides documentation of contract costs and shall allot only the amount necessary to satisfy the contract.

Y.1. Out of this appropriation, $375,000 the first year and $363,450 the second year from the general fund and $125,000 the first year and $121,150 the second year from nongeneral funds shall be used to establish a pilot multidisciplinary law office for parents in child dependency matters in Roanoke City, pursuant to the second enactment of Chapter 428, 2024 Acts of Assembly. The local Roanoke entity establishing such multidisciplinary law office will be the Qualified Legal Services Provider previously approved by the Virginia State Bar, and will enter into an agreement with a local department of social services or the Department of Social Services to receive Title IV-E funding for eligible administrative costs of providing legal representation for a parent or guardian of a child who is a candidate for or in Title IV-E foster care to prepare for and participate in all stages of foster care legal proceedings.

2. The Department of Social Services shall report each year by December 1 to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the implementation and outcomes of the multidisciplinary law office pilot established in Roanoke City pursuant to this act. The report shall include, at a minimum, the number of parents and guardians served, services provided, utilization of Title IV-E reimbursement for eligible administrative costs, program expenditures, any available data regarding child

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	welfare and court outcomes, and recommendations for program improvement.				
334.	Financial Assistance for Supplemental Assistance Services (49100)			$260,874,823	$260,874,823
	General Relief (49101)	$500,000	$500,000		
	Resettlement Assistance (49102)	$55,522,000	$55,522,000		
	Emergency and Energy Assistance (49103)	$85,352,823	$85,352,823		
	Percentage of Income Payment Program (49105)	$119,500,000	$119,500,000		
	Fund Sources: General	$500,000	$500,000		
	Dedicated Special Revenue	$119,500,000	$119,500,000		
	Federal Trust	$140,874,823	$140,874,823		
	Authority: Title 2.2, Chapter 54; Title 56, Chapter 23; Title 63.2, Code of Virginia; Title VI, Subtitle B, P.L. 97-35, as amended; P.L. 104-193, as amended, Federal Code.				
	A. Out of this appropriation, $119,500,000 the first year and $119,500,000 the second year from nongeneral funds shall be used to fund the Percentage of Income Payment Program (PIPP). This program shall distribute payments to Dominion Energy and Appalachian Power Company on behalf of their qualifying low-income customers participating in PIPP. In addition to PIPP payments, this appropriation includes the full amount of administrative expenditures for Dominion Energy and Appalachian Power Company, as approved by the State Corporation Commission. The maximum cost of the program shall not exceed $125.0 million annually, including a maximum of $5.5 million for program administration for state agencies and local departments of social services.				
	B. Out of this appropriation, $55,522,000 the first year and $55,522,000 the second year from nongeneral funds shall be used for the refugee assistance program. The department shall report annually on the number of refugees served and types of services provided, along with how much funding was provided for each type of service. The report shall be submitted to the Governor, Chairs of House Appropriations and Senate Finance and Appropriations, and Director, Department of Planning and Budget by December 1 each year.				
	C. The State Board of Social Services (the Board) is authorized to promulgate regulations to allow applications for the Low-Income Home Energy Assistance Program to be submitted over an application period that provides adequate time for individuals to apply and is extended beyond the current application period in effect as of July 1, 2024, provided adequate funding is available to extend such application period. The Board's initial adoption of regulations necessary to implement the provisions of this act shall be exempt from the provisions of the Administrative Process Act, except that the Board shall provide an opportunity for public comment on the regulations prior to adoption.				
335.	Financial Assistance to Community Human Services Organizations (49200)			$82,013,045	$78,813,045
	Community Action Agencies (49201)	$27,488,048	$27,488,048		
	Volunteer Services (49202)	$3,866,340	$3,866,340		
	Other Payments to Human Services Organizations (49203)	$50,658,657	$47,458,657		
	Fund Sources: General	$18,136,756	$15,786,756		
	Federal Trust	$63,876,289	$63,026,289		
	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, $635,725 the first year and $635,725 the second year from the Temporary Assistance for Needy Families (TANF) block grant shall be provided to contract				

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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, $13,525,000 the first year and $13,525,000 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 for Needy Families (TANF) block grant shall be provided for competitive grants to Community Action Agencies for a Two Generation/Whole Family Project and for the evaluation of the program. Applicants selected for the 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 program and shall complete a final report no later than six years after the commencement of the program.

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.

D. 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.

E.1. Out of this appropriation, $2,125,000 the first year and $2,125,000 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 F. 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.

F. Out of this appropriation, $2,717,756 the first year and $2,717,756 the second year

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from the general fund and $6,236,500 the first year and $6,236,500 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. 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.

G. 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. Funding 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. These funds shall be matched with local public and private resources with a goal of leveraging a dollar for each state dollar provided. VECF shall account for the expenditure of these funds by providing the Governor, Secretary of Health and Human Resources, and Chairs 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. This report shall include the actual amount, by fiscal year, of private and local government funds received by the foundation.

H. 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.

I.1. Out of this appropriation, $9,000,000 the first year and $9,000,000 the second year from the general fund the 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. 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.

2. Of the amounts appropriated in J.1., $2,450,000 the first year and $2,450,000 the second year from the general fund shall be provided for competitive grants provided through Employment Services Organizations (ESOs).

3. Of the amounts appropriated in J.1., at least $300,000 the first year and $300,000 the second year from the general fund shall be provided through a contract with the City of Richmond, Office of Community Wealth for services provided through the Center for Workforce Innovation.

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

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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.

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.

J. Out of this appropriation, $450,000 the first year and $450,000 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.

K. Out of this appropriation, $600,000 the first year and $600,000 the second year from the 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 support 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 annually.

L. 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.

M. 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.

N. 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.

O. 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.

P. 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 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.

Q. Out of this appropriation, $1,200,000 the first year and $1,200,000 the second year

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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.

R. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the Temporary Assistance for Needy Families block grant shall be provided to the Lighthouse Community Center, a nonprofit organization in Planning District 11, to provide housing assistance and other eligible services for individuals served by the organization.

S. Out of this appropriation, $1,750,000 the first year and $1,000,000 the second year from the Temporary Assistance for Needy Families 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.

T. Out of this appropriation, $200,000 the first year and $200,000 the second year from the Temporary Assistance to Needy Families block grant shall be provided to Good Shepherd Housing and Family Services for housing, emergency services, children's services, budgeting, counseling and other resources for low-income families.

U. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be provided to fund the Judge Swett Learning Center to promote vocational and educational classes for ex-offenders.

V. Out of this appropriation, $2,000,000 the first year and $2,000,000 the second year from the general fund is provided for state agencies to facilitate and improve language access.

W. Out of this appropriation, $400,000 the first year and $400,000 the second year from the general fund shall be provided to contract with Buffalow Family and Friends to provide access to food, clothing, and basic living essentials.

X. Out of this appropriation, $250,000 the first year and $250,000 the second year from the general fund is provided to the City of Charlottesville in support of programming at the Tonsler League.

Y. Out of this appropriation, $50,000 the first year and $50,000 the second year from the general fund is provided to Loudoun County for Anna Sudha Community Kitchens to address food insecurity.

Z. Out of this appropriation, $450,000 the first year and $200,000 the second year from the general fund is provided to Fairfax County in support of Lorton Community Action Center.

AA. Out of this appropriation, $100,000 the first year from the Temporary Assistance for Needy Families block grant is provided to the Northern Virginia Food Rescue to increase the amount of food rescued and distributed by the organization, enhance the quality and diversity of the food rescue by adding more fresh produce, and improve efficiency by investing in technology, equipment, and training.

BB.1. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be used to contract with the Virginia Children's Partnership (VCP). The contract with the VCP shall require that the general fund moneys be leveraged with gifts, grants, and other resources, whether public or private, and shall be used to improve and transform Virginia's child welfare system through innovative service delivery models with particular focus on achieving positive outcomes for children and families who engage with various aspects of the child welfare system.

2. VCP shall report on the expenditure of these funds to the Governor, the Secretary of Health and Human Resources, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Commissioner of Social Services with an audit and report on the Partnership's initiatives and results no later than November 1 of each year for the

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preceding fiscal year.

CC. Out of this appropriation, $100,000 the first year from the general fund is provided to the City of Richmond to support Sacred Heart Center to provide services and legal support to the immigrant and refugee population in South Richmond and North Chesterfield.

DD. Out of this appropriation, $500,000 the first year from the general fund is provided to the City of Virginia Beach to support the YMCA of South Hampton Roads and the YMCA of the Virginia Peninsula to jointly administer a safety around water program in their service areas.

EE. Out of this appropriation, $1,500,000 the first year from the general fund shall be provided to Fairfax County and Prince William County to enhance workforce development programs, support ongoing renovations and operations, add accessibility features, and create new training spaces for members of the immigrant community. Each county shall receive $750,000 for these purposes.

336.	Regulation of Public Facilities and Services (56100)			$16,592,750	$16,592,750
	Regulation of Adult and Child Welfare Facilities (56101)	$12,807,704	$12,807,704		
	Background Investigation Services (56106)	$3,785,046	$3,785,046		
	Fund Sources: General	$8,905,896	$8,905,896		
	Special	$3,686,953	$3,686,953		
	Federal Trust	$3,999,901	$3,999,901		

Authority: Title 63.2, Chapters 17 and 18, Code of Virginia.

A. The state nongeneral fund amounts collected and paid into the state treasury pursuant to the provisions of § 63.2-1700, Code of Virginia, shall be used for the development and delivery of training for operators and staff of assisted living facilities, adult day care centers, and child welfare agencies.

B. As a condition of this appropriation, the Department of Social Services shall (i) promptly fill all position vacancies that occur in licensing offices so that positions shall not remain vacant for longer than 120 days and (ii) hire sufficient licensing specialists to ensure that all facilities receive, at a minimum, the number of visits per year mandated by § 63.2-1706, Code of Virginia, and that facilities with compliance problems receive additional inspection visits as necessary to ensure compliance with state laws and regulations.

C. As a condition of this appropriation, the Department of Social Services shall utilize a risk assessment instrument for adult care enforcement. This instrument shall include criteria for determining when the following sanctions may be used: (i) the imposition of intermediate sanctions, (ii) the denial of licensure renewal or revocation of license of a licensed facility, (iii) injunctive relief against a provider, and (iv) additional inspections and intensive oversight of a facility by the Department of Social Services.

D. Out of this appropriation, the Department of Social Services shall implement training for new assisted living facility owners and managers to focus on health and safety issues, and resident rights as they pertain to adult care residences.

E. Out of this appropriation, $786,369 the first year and $786,369 the second year from the general fund shall be appropriated to fund the operations and maintenance and application software fees for the agency licensing system.

337.	Emergency Preparedness (77500)			$920,513	$920,513
	Emergency Planning Preparedness Assistance (77503)	$920,513	$920,513		
	Fund Sources: General	$312,108	$312,108		
	Federal Trust	$608,405	$608,405		

Authority: Title 44, Chapter 3.2, Code of Virginia

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A. By October 1 of each year, the sheltering coordinator shall provide a status report on the Commonwealth's emergency shelter capabilities and readiness to the Governor, the Secretary of Health and Human Resources, the Secretary of Public Safety and Homeland Security, the Director of the Department of Planning and Budget, and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees.

B.1. Notwithstanding any other provision of law, the Department of Social Services, in consultation with the Virginia Department of Emergency Management, shall determine and document the specifications of all goods and services required in the event of state shelter activation and provide the specifications to the Department of General Services. In so doing, the Department shall work with each institution of higher education at which a state shelter may be located to identify site-specific goods and services needs to operate the shelter. The Department will identify the extent to which an institution of higher education may have existing contracts for goods and services that could be used to support state shelter operations. In addition, the Department will identify warehousing space that is or may be available at institutions of higher education for the storage of supplies. The department shall revise its specification and warehousing documentation as needed providing updates to the Department of General Services annually thereafter by November 1 each year.

2. All state agencies are directed to provide all information or assistance requested by the Department to complete or revise this documentation to support state shelters. Immediately following activation of one or more state shelters, the Department shall be responsible for submitting procurement orders as needed on behalf of affected institutions of higher education to the Virginia Department of Emergency Management and the Department of General Services for fulfillment in support of state shelter activation.

338.	Administrative and Support Services (49900)			$160,180,965	$160,180,965
	General Management and Direction (49901)	$13,660,827	$13,660,827		
	Information Technology Services (49902)	$101,060,983	$101,060,983		
	Accounting and Budgeting Services (49903)	$10,814,040	$10,814,040		
	Human Resources Services (49914)	$7,345,285	$7,345,285		
	Planning and Evaluation Services (49916)	$7,038,243	$7,038,243		
	Procurement and Distribution Services (49918)	$5,842,130	$5,842,130		
	Public Information Services (49919)	$4,689,612	$4,689,612		
	Financial and Operational Audits (49929)	$9,729,845	$9,729,845		
	Fund Sources: General	$70,972,083	$74,114,030		
	Special	$975,000	$975,000		
	Dedicated Special Revenue	$2,100,000	$2,100,000		
	Federal Trust	$86,133,882	$82,991,935		

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. 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.

B. 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.

C. 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

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Temporary Assistance for Needy Families Maintenance of Effort requirements.

D. 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.

E.1. Out of this appropriation, $936,149 the first year and $936,149 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. Of the amounts appropriated in E.1., $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.

3. 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 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 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.

4. 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.

F.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.

G.1. Out of this appropriation, $350,000 the first year and $350,000 the second year from the general fund and $350,000 the first year and $350,000 the second year from nongeneral funds shall be available for the development of an integrated benefits system and replacement for CommonHelp. Any unexpended balances in this paragraph at the close of business on June 30 of each fiscal year shall not revert to the general fund but shall be carried forward and reappropriated for this purpose. Funding is not authorized for any purpose other than the design, development, and implementation of the new CommonHelp Portal.

2. The appropriation made in Item 334 G., Chapter 2, 2024 Acts of Assembly, Special Session I, shall only be used for the design, development, and implementation of the new

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CommonHelp Portal.

H. Out of this appropriation, $780,000 the first year and $780,000 the second year from the general fund and $780,000 the first year and $780,000 the second year from nongeneral funds are provided to implement enhanced electronic identity validation services. The department shall report the impact of these services to the Director, Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1 of each year.

I. Out of this appropriation, $400,000 the first year and $400,000 the second year from the Commonwealth Opioid Abatement and Remediation Fund shall be provided to the Department of Social Services to create an Addiction Treatment Navigator that will allow members of the public seeking care to determine the proper level of care, access providers in their area, determine insurance coverage, and view provider quality metrics.

339. A. In the operation of any program of public assistance, including benefit and service programs in any locality, for which program appropriations are made to the Department of Social Services, it is provided that if a payment or overpayment is made to an individual who is ineligible therefor under federal and/or state statutes and regulations, the amount of such payment or overpayment shall be returned to the Department of Social Services by the locality.

B. However, no such repayments may be required of the locality if the department determines that such overpayment or payments to ineligibles resulted from the promulgation of vague or conflicting regulations by the department or from the failure of the department to make timely distribution to the localities of the statutes, rules, regulations, and policy decisions, causing the overpayment or payment to ineligible(s) to be made by the locality or from situations where a locality exercised due diligence, yet received incomplete or incorrect information from the client which caused the overpayment or payment to ineligibles. If a locality fails to effect the return, the Department of Social Services shall withhold an equal amount from the next disbursement made by the department to the locality for the same program.

C. The Department of Social Services shall implement the guidance issued by the U.S. Department of Health and Human Services concerning the obligation of recipients of federal financial assistance to comply with Title VI of the Civil Rights Act of 1964 by ensuring that meaningful access to federally-funded programs, activities and services administered by the department is provided to limited English proficient (LEP) persons, 63 Fed. Reg. 47,311-47,323 (August 8, 2003). At a minimum, the department shall (i) identify the need for language assistance by analyzing the following factors: (1) the number or proportion of LEP persons in the eligible service population, (2) the frequency of contact with such persons, (3) the nature and importance of the program, activity or service, and (4) the costs of providing language assistance and resources available; (ii) translate vital documents into the language of each frequently encountered LEP group eligible to be served; (iii) provide accurate and timely oral interpreter services; and (iv) develop an effective implementation plan to address the identified needs of the LEP populations served.

340. A. The amount for the Supplemental Nutrition Assistance Program (SNAP) 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.

B. Pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, the Department of Social Services shall, in cooperation with local departments of social services, maintain a waiver of the work requirement for Supplemental Nutrition Assistance Program (SNAP) recipients residing in areas that do not have a sufficient number of jobs to provide employment for such individuals, including those areas designated as labor surplus areas by the U.S. Department of Labor.

C. To the extent permitted by federal law, Supplemental Nutrition Assistance Program (SNAP) recipients subject to a work requirement pursuant to § 824 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, as

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amended, shall be permitted to satisfy such work requirement by providing volunteer services to a public or private, nonprofit agency for the number of hours per month determined by dividing the household's monthly SNAP allotment by the federal minimum wage.				
D. The Department of Social Services shall, to the extent permitted by federal law, disregard the value of at least one motor vehicle per household in determining eligibility for the Supplemental Nutrition Assistance Program (SNAP).				
E. The Department of Social Services shall develop a multi-lingual outreach campaign to inform qualified aliens and their children, who are United States citizens, of their eligibility for the federal Supplemental Nutrition Assistance Program (SNAP) and ensure that they have access to benefits under SNAP. To the extent permitted by federal law, the department shall administer SNAP in a way that minimizes the procedural burden on qualified aliens and addresses concerns about the impact of SNAP receipt on their immigration sponsors and status.				
Total for Department of Social Services			**$2,641,187,987**	**$2,778,169,707**
General Fund Positions	699.50	755.75		
Nongeneral Fund Positions	1,087.00	1,092.75		
Position Level	1,786.50	1,848.50		
Fund Sources: General	$659,069,705	$809,620,366		
Special	$681,380,196	$681,380,196		
Dedicated Special Revenue	$135,775,041	$135,775,041		
Federal Trust	$1,164,963,045	$1,151,394,104		
§ 1-99. VIRGINIA BOARD FOR PEOPLE WITH DISABILITIES (606)				
341. Social Services Research, Planning, and Coordination (45000)			$1,942,634	$1,942,634
Research, Planning, Outreach, Advocacy, and Systems Improvement (45002)	$1,112,362	$1,112,362		
Administrative Services (45006)	$830,272	$830,272		
Fund Sources: General	$285,410	$285,410		
Federal Trust	$1,657,224	$1,657,224		
Authority: Title 51.5, Chapter 7, Code of Virginia.				
Up to $76,067 the first year and up to $76,067 the second year is available for the Virginia Board for People with Disabilities (VBPD) to contract with the Department for Aging and Rehabilitative Services (DARS) for the provision of shared administrative services. The scope of the services and specific costs shall be outlined in a memorandum of understanding (MOU) between VBPD and DARS subject to the approval of the respective agency heads. Any revision to the MOU shall be reported by DARS to the Director, Department of Planning and Budget within 30 days.				
342. Financial Assistance for Individual and Family Services (49000)			$401,475	$401,475
Financial Assistance to Localities for Individual and Family Services (49001)	$401,475	$401,475		
Fund Sources: Federal Trust	$401,475	$401,475		
Authority: Title 51.5, Chapter 7, Code of Virginia.				
Total for Virginia Board for People with Disabilities			**$2,344,109**	**$2,344,109**
General Fund Positions	1.60	1.60		
Nongeneral Fund Positions	8.40	8.40		
Position Level	10.00	10.00		
Fund Sources: General	$285,410	$285,410		

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	Federal Trust	$2,058,699	$2,058,699		

§ 1-100. DEPARTMENT FOR THE BLIND AND VISION IMPAIRED (702)

343.	Statewide Library Services (14200)			$1,480,788	$1,480,788
	Library and Resource Center Services (14202)	$1,480,788	$1,480,788		
	Fund Sources: General	$1,380,788	$1,380,788		
	Federal Trust	$100,000	$100,000		

Authority: § 51.5-74, Code of Virginia; P.L. 89-522, and P.L. 101-254, Federal Code.

Out of this appropriation, $266,363 the first year and $266,363 the second year from the general fund shall be used to contract for the provision of radio reading services for the blind and vision impaired.

344.	State Education Services (19100)			$2,141,417	$2,141,417
	Braille and Instructional Materials (19101)	$884,405	$884,405		
	Educational and Early Childhood Support Services (19102)	$1,257,012	$1,257,012		
	Fund Sources: General	$1,163,375	$1,163,375		
	Federal Trust	$978,042	$978,042		

Authority: §§ 22.1-214 and 22.1-217, Code of Virginia; P.L. 89-313, P.L. 97-35 and P.L. 102-119, Federal Code.

345.	Rehabilitation Assistance Services (45400)			$18,910,771	$18,910,771
	Vocational Rehabilitation Services (45404)	$12,606,591	$12,606,591		
	Community Based Independent Living Services (45407)	$5,831,418	$5,831,418		
	Vending Stands, Cafeterias, and Snack Bars (45410)	$472,762	$472,762		
	Fund Sources: General	$4,671,871	$4,671,871		
	Special	$570,218	$570,218		
	Federal Trust	$13,668,682	$13,668,682		

Authority: Title 51.5, Chapters 1 and 12, Code of Virginia; P.L. 93-516 and P.L. 93-112, Federal Code.

A. It is the intent of the General Assembly that visually impaired persons who have completed vocational training as food service managers through programs operated by the Department be considered for food service management position openings within the Commonwealth as they arise.

B.1. The annual federal vocational rehabilitation grant award that will be received by the Department for the Blind and Vision Impaired (DBVI) is estimated at $12,420,492 for federal fiscal year 2026; $12,420,492 for federal fiscal year 2027; and $12,420,492 for federal fiscal year 2028. In addition to the base annual award amount, DBVI may request up to $2,000,000 of additional federal reallotment dollars in each of these years. Assuming these amounts, the annual 21.3 percent state matching requirement would equate to $3,902,878 for federal fiscal year 2026; $3,902,878 for federal fiscal year 2027; and $3,902,878 for federal fiscal year 2028.

2. Based on the projection of federal award funding in paragraph B.1., DBVI shall not request federal vocational rehabilitation grant dollars in excess of $14,420,492 for federal fiscal year 2026; $14,420,492 for federal fiscal year 2027; and $14,420,492 for federal fiscal year 2028, without prior written concurrence from the Director, Department of Planning and Budget. Any approved increases in grant award requests shall be reported by DARS to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 30 days.

346.	Regional Office Support and Administration (49700)			$3,261,628	$3,261,628
	Regional Office and Field Support Services (49701)	$3,261,628	$3,261,628		

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	Fund Sources: General	$1,640,215	$1,640,215		
	Federal Trust	$1,621,413	$1,621,413		
	Authority: Title 2.2, Chapter 36; Title 51.5, Chapter 13, Code of Virginia; P.L. 93-112 and P.L. 97-35, Federal Code.				
347.	Rehabilitative Industries (81000)			$63,216,191	$63,216,191
	Manufacturing, Retail, and Contract Operations (81003)	$63,216,191	$63,216,191		
	Fund Sources: Enterprise	$63,216,191	$63,216,191		
	Authority: § 51.5-72, Code of Virginia; P.L. 92-29 and P.L. 93-112, Federal Code.				
	The Industry Production Workers with the Virginia Industries for the Blind shall not be counted in the classified employment levels of the Department for the Blind and Vision Impaired.				
348.	Administrative and Support Services (49900)			$8,697,886	$8,697,886
	General Management and Direction (49901)	$6,389,825	$6,389,825		
	Physical Plant Services (49915)	$2,308,061	$2,308,061		
	Fund Sources: General	$3,250,118	$3,250,118		
	Special	$1,793,609	$1,793,609		
	Enterprise	$2,653,452	$2,653,452		
	Trust and Agency	$400,109	$400,109		
	Federal Trust	$600,598	$600,598		
	Authority: Title 63.2, Chapter 4, Code of Virginia; P.L. 89-313, P.L. 93-112, and P.L. 97-35, Federal Code.				
	Up to $3,049,483 the first year and up to $3,049,483 the second year is available for the Department for the Blind and Vision Impaired (DBVI) to contract with the Department for Aging and Rehabilitative Services (DARS) for the provision of shared administrative services. The scope of the services and specific costs shall be outlined in a memorandum of understanding (MOU) between DBVI and DARS subject to the approval of the respective agency heads. Any revision to the MOU shall be reported by DARS to the Director, Department of Planning and Budget within 30 days.				
	Total for Department for the Blind and Vision Impaired			**$97,708,681**	**$97,708,681**
	General Fund Positions	69.00	69.00		
	Nongeneral Fund Positions	95.00	95.00		
	Position Level	164.00	164.00		
	Fund Sources: General	$12,106,367	$12,106,367		
	Special	$2,363,827	$2,363,827		
	Enterprise	$65,869,643	$65,869,643		
	Trust and Agency	$400,109	$400,109		
	Federal Trust	$16,968,735	$16,968,735		
	Virginia Rehabilitation Center for the Blind and Vision Impaired (263)				
349.	Rehabilitation Assistance Services (45400)			$1,765,571	$1,765,571
	Social and Personal Adjustment to Blindness Training (45408)	$1,765,571	$1,765,571		
	Fund Sources: General	$181,871	$181,871		
	Special	$6,000	$6,000		
	Enterprise	$50,000	$50,000		
	Federal Trust	$1,527,700	$1,527,700		
	Authority: § 51.5-1, Code of Virginia; P.L. 93-112, Federal Code.				

ITEM 350.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
350.	Administrative and Support Services (49900)			$1,650,573	$1,650,573
	General Management and Direction (49901)	$903,725	$903,725		
	Food and Dietary Services (49907)	$274,000	$274,000		
	Physical Plant Services (49915)	$472,848	$472,848		
	Fund Sources: General	$210,682	$210,682		
	Special	$38,145	$38,145		
	Federal Trust	$1,401,746	$1,401,746		
	Authority: § 51.5-73, Code of Virginia; P.L. 93-112, Federal Code.				
	Out of this appropriation, $172,250 the first year and $172,250 the second year from the general fund shall be used for training individuals whose cost cannot be covered by federal vocational rehabilitation revenue. It is estimated that this funding will support 21 blind, deafblind, and vision impaired individuals.				
	Total for Virginia Rehabilitation Center for the Blind and Vision Impaired			**$3,416,144**	**$3,416,144**
	Nongeneral Fund Positions	22.00	22.00		
	Position Level	22.00	22.00		
	Fund Sources: General	$392,553	$392,553		
	Special	$44,145	$44,145		
	Enterprise	$50,000	$50,000		
	Federal Trust	$2,929,446	$2,929,446		
	Grand Total for Department for the Blind and Vision Impaired			**$101,124,825**	**$101,124,825**
	General Fund Positions	69.00	69.00		
	Nongeneral Fund Positions	117.00	117.00		
	Position Level	186.00	186.00		
	Fund Sources: General	$12,498,920	$12,498,920		
	Special	$2,407,972	$2,407,972		
	Enterprise	$65,919,643	$65,919,643		
	Trust and Agency	$400,109	$400,109		
	Federal Trust	$19,898,181	$19,898,181		
	TOTAL FOR OFFICE OF HEALTH AND HUMAN RESOURCES			**$37,280,238,199**	**$39,003,804,604**
	General Fund Positions	8,796.55	8,853.80		
	Nongeneral Fund Positions	6,455.22	6,463.97		
	Position Level	15,251.77	15,317.77		
	Fund Sources: General	$11,902,539,357	$12,581,568,712		
	Special	$1,053,115,861	$1,049,015,861		
	Enterprise	$65,919,643	$65,919,643		
	Trust and Agency	$2,088,900	$2,088,900		
	Dedicated Special Revenue	$3,320,315,681	$3,419,163,173		
	Federal Trust	$20,936,258,757	$21,886,048,315		

ITEM 351.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	OFFICE OF LABOR				
	§ 1-101. SECRETARY OF LABOR (195)				
351.	Administrative and Support Services (79900)			$713,669	$713,669
	General Management and Direction (79901)	$713,669	$713,669		
	Fund Sources: General	$713,669	$713,669		
	Authority: Title 2.2, Chapter 2, Article 6.1; § 2.2-214.2, Code of Virginia.				
	Total for Secretary of Labor			**$713,669**	**$713,669**
	General Fund Positions	4.00	4.00		
	Position Level	4.00	4.00		
	Fund Sources: General	$713,669	$713,669		
	§ 1-102. DEPARTMENT OF LABOR AND INDUSTRY (181)				
352.	Regulation of Business Practices (55200)			$8,892,677	$6,027,677
	Labor Law Services (55206)	$8,892,677	$6,027,677		
	Fund Sources: General	$8,892,677	$6,027,677		
	Authority: Title 40.1, Chapters 1, 3, 4, and 5, Code of Virginia.				

A. Out of the amounts in this item, $843,442 the first year and $843,442 the second year from the general fund is provided to support one attorney, one supervisor, one administrative staff, and five investigators within the Labor and Employment Law Division.

B.1. The Department shall report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director, Department of Planning and Budget, by November 1 of each year on the state's minimum wage program, including, but not limited to, the number of (i) customer contacts concerning minimum wage, (ii) minimum wage claims processed, (iii) cases with wages collected, (iv) cases with claims ruled invalid, (v) cases with final orders issued, and (vi) cases cleared within 90 days.

2. The Department shall report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director, Department of Planning and Budget, by November 1 of each year on the state's anti-discrimination in payment of wage program, including, but not limited to, the number of (i) customer contacts concerning discrimination involving payment of wage complaints or proceedings, (ii) payment of wage discrimination complaints processed, (iii) meritorious complaints with payment of wage discrimination resolved with either reinstatement or recovery of lost wages, (iv) non meritorious complaints, i.e. cases with no adverse action or no protected activity, and (v) cases taken to court.

3. The Department shall report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director, Department of Planning and Budget, by November 1 of each year on the state's anti-discrimination in worker misclassification program, including, but not limited to, the number of (i) customer contacts concerning discrimination involving worker misclassification, (ii) discrimination in worker misclassification claims processed, (iii) meritorious complaints with worker misclassification wage discrimination resolved with either reinstatement and/or recovery of lost wages, (iv) non meritorious complaints, i.e. cases with no adverse action or no protected activity, and (v) cases taken to court.

4. The Department shall report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director, Department of Planning and Budget, by November 1 of each year on the state's prevailing wage rate program, including, but not limited to, the number of (i) contacts from state agencies to determine the proper prevailing wage, (ii) prevailing wage determinations for the involved planning

ITEM 352.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	district calculated using Davis-Bacon rates for the cities and counties within the planning district, and (iii) contractor provided scale of pay and fringe benefits certified and received. C. Out of this appropriation, $100,000 the first year and $100,000 the second year from the general fund is provided to support a compliance officer for child labor law violation enforcement. D. Out of this appropriation, $6,500,000 the first year and $3,635,000 the second year from the general fund is provided for the Department to hire additional personnel for labor law enforcement activities and to develop a comprehensive case management system. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated. The Secretary of Labor in collaboration with the Department shall develop an implementation plan that includes: (i) reorganization of the labor law divisions' current responsibilities; (ii) a hiring strategy; (iii) space considerations to accommodate new personnel; and (iv) additional resources needed for Fiscal Year 2028. The Secretary of Labor shall submit this report to the General Assembly on or before September 15, 2026. The Department of Planning and Budget may transfer necessary amounts and positions from this Item to Item 353 to effectuate the provisions of Chapters 731 and 732, 2026 Acts of Assembly.				
353.	Regulation of Individual Safety (55500)			$14,868,270	$14,868,270
	Virginia Occupational Safety and Health Services (55501)	$14,868,270	$14,868,270		
	Fund Sources: General	$7,340,945	$7,340,945		
	Special	$928,875	$928,875		
	Federal Trust	$6,598,450	$6,598,450		
	Authority: Title 40.1, Chapters 1, 3, 3.2, and 3.3; Title 54.1, Chapter 5; Title 59.1, Chapter 30, Code of Virginia. A. Notwithstanding § 40.1-49.4 D., Code of Virginia, and § 4-2.02 of this act, the Department of Labor and Industry may retain up to $481,350 in civil penalties assessed pursuant to § 40.1-49.4, Code of Virginia, as the required federal grant match for voluntary protection and voluntary compliance programs. B. Of the amounts provided in this item, $1,000,000 the first year and $1,000,000 the second year from the general fund is provided to support three positions in the Virginia Occupational Safety and Health Voluntary Protection Program, three positions in the Office of Consultation Services, and two positions in the Division of Hearing and Legal Services.				
354.	Regulation of Structure Safety (56200)			$677,641	$677,641
	Boiler and Pressure Vessel Safety Services (56201)	$677,641	$677,641		
	Fund Sources: General	$677,641	$677,641		
	Authority: Title 40.1, Chapter 3.1, Code of Virginia.				
355.	Administrative and Support Services (59900)			$5,534,030	$5,534,030
	General Management and Direction (59901)	$5,534,030	$5,534,030		
	Fund Sources: General	$4,307,428	$4,307,428		
	Special	$1,226,602	$1,226,602		
	Authority: Title 40.1, Chapters 1, 3, 3.1, 3.2, 3.3, 4, and 5; Title 54.1, Chapter 5; Title 59.1, Chapter 30, Code of Virginia.				
	Total for Department of Labor and Industry			**$29,972,618**	**$27,107,618**
	General Fund Positions	145.90	145.90		
	Nongeneral Fund Positions	61.10	61.10		
	Position Level	207.00	207.00		
	Fund Sources: General	$21,218,691	$18,353,691		
	Special	$2,155,477	$2,155,477		

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	Federal Trust	$6,598,450	$6,598,450		

§ 1-103. DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION (222)

356.	Regulation of Professions and Occupations (56000)			$29,413,144	$29,413,144
	Licensure, Certification, and Registration of Professions and Occupations (56046)	$8,983,577	$8,983,577		
	Enforcement of Licensing, Regulating and Certifying Professions and Occupations (56047)	$9,864,638	$9,864,638		
	Administrative Services (56048)	$10,564,929	$10,564,929		
	Fund Sources: Special	$1,376,765	$1,376,765		
	Dedicated Special Revenue	$27,453,986	$27,453,986		
	Federal Trust	$582,393	$582,393		

Authority: Title 54.1, Chapters 1, 2, 3, 4, 5, 6, 7, 8.1, 9, 11, 15, 18, 20.1, 20.2, 21, 22, 22.1, 23, 23.1, 23.2, 23.3, and 23.4; Title 55, Chapters 4.1, 4.2, 19, 21, 24, 26, 27, 28, and 29; and Title 36, Chapter 5.1, Code of Virginia.

A. Costs for professional and occupational regulation may be met by fees paid by the respective professions and occupations.

B. Any fund balances currently held in the Dedicated Special Revenue Fund (0900), the Common Interest Community Management Information Fund (0259) and the Special Revenue Fund (0200) shall be held in reserve and may not be disbursed by the Department of Professional and Occupational Regulation, but shall be applied to offset the anticipated, future costs of restructuring its organization, including additional staffing needs and the replacement or upgrade of the Department's information technology systems requirements that may be implemented pursuant to recommendations identified in assessments required in Item 119, paragraphs B. and C., Chapter 854, 2019 Acts of Assembly. Such reserve funds shall be disbursed only to cover expenses of the Department or its regulatory boards as provided in § 54.1-308.

C. The Department is authorized to provide electronic credentials to persons regulated by the Department or its regulatory boards. An "electronic credential" means an electronic method by which a person may display or transmit to another person information that verifies information about a person such as their certification, licensure, registration, or permit. Any statutory or regulatory requirement to display, post, or produce a credential issued by a Department regulatory board or the Department may be satisfied by the proffer of an electronic credential. The Department may use a third-party electronic credential system that is not maintained by the agency. Such electronic credential system shall include a verification system that is operated by the agency or its agent on its behalf for the purpose of verifying the authenticity and validity of electronic credentials issued by the Department. No funds are appropriated for this purpose.

D. The Department is authorized to collect a Technology Fee equal to $7.25 per year with each application for initial licensure, renewal, or reinstatement. The Technology Fee shall be in effect from July 1, 2026, through June 30, 2030, and shall support the upgrade or replacement of software systems used by the Department. The Department shall hold these funds separately and not use them for any other purpose.

	Total for Department of Professional and Occupational Regulation			**$29,413,144**	**$29,413,144**
	Nongeneral Fund Positions	204.00	204.00		
	Position Level	204.00	204.00		
	Fund Sources: Special	$1,376,765	$1,376,765		
	Dedicated Special Revenue	$27,453,986	$27,453,986		
	Federal Trust	$582,393	$582,393		

§ 1-104. DEPARTMENT OF WORKFORCE DEVELOPMENT AND ADVANCEMENT (327)

ITEM 357.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
357.	Workforce Systems Services (47000)			$48,853,983	$47,153,983
	Job Placement Services (47001)	$37,437,434	$37,437,434		
	Unemployment Insurance Services (47002)	$3,735,784	$3,735,784		
	Workforce Development Services (47003)	$7,680,765	$5,980,765		
	Fund Sources: General	$4,593,647	$2,893,647		
	Trust and Agency	$44,260,336	$44,260,336		

Authority: Title 2.2, Chapter 20.2, Code of Virginia.

A. Out of the amounts in this Item, $2,000,000 the first year and $2,000,000 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. The Department 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.

B. Included in this appropriation is $376,935 the first year and $376,935 the second year from the general fund for five positions to continue a re-entry job placement collaboration between the Department and the Department of Corrections.

C. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund is provided for workforce development programming under the Hampton Roads Partnership for Health Sciences initiative to support talent development for the Hampton Roads healthcare industry. The Hampton Roads Workforce Council will utilize the funding to support the Regional Healthcare Talent Pipeline focused on identifying and addressing regional talent shortages. The program will work to mitigate ongoing chronic healthcare labor challenges, including the attraction and retention of skilled workers, that are continuously impacting the healthcare industry by increasing the flow of trained healthcare professionals who enter the field. Any funding remaining at the end of the fiscal year shall be carried forward into the next fiscal year and reappropriated for the purposes described in this paragraph.

D. Workforce development programs shall give priority to assisting Medicaid enrollees who are required to participate in the Training, Education, Employment and Opportunity Program to the extent allowed by federal law.

E. Out of this appropriation, $500,000 the first year from the general fund is provided for workforce development programming through the Greater Roanoke Workforce Development Board in partnership with the Blue Ridge Partnership for Health Science Careers. The initiative will work to mitigate ongoing chronic healthcare labor challenges by increasing the flow of trained healthcare professionals who enter the field. Programs will be developed in collaboration with employers using verified health workforce data and will include but are not limited to the attraction and retention of skilled workers, and upskilling of incumbent workers. Funds will also assist employers with increased costs of required clinical instruction related to training programs in this initiative. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027 and June 30, 2028 shall not revert to the general fund but shall be carried forward and reappropriated.

F. Out of this appropriation, $200,000 the first year from the general fund is provided for the Metropolitan Washington Council of Governments to serve as Virginia's contribution to maintain and buildout the Talent Capital Initiative. The funding is contingent on the District of Columbia and Maryland committing a like amount to maintain this initiative through the end of calendar year 2027.

G. Out of this appropriation, $1,000,000 the first year from the general fund shall be deposited to the Virginia Health Care Career and Technical Training and Education Fund established in § 2.2-2040.1, Code of Virginia. The funding shall be used as matching funds for the Dental Hygienist Funding Pool. These funds shall be matched by private sector funds and administered by the Department in coordination with the Virginia Health Workforce Development Authority. The Department shall collaborate with the Virginia Community College System and private sector contributors to the Fund in the distribution of funds to dental hygiene programs in order to increase the number of graduates from such programs.

ITEM 358.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
358.	Economic Development Services (53400)			$81,246,715	$81,246,715
	Economic Information Services (53402)	$3,585,683	$3,585,683		
	Apprenticeship Program (53409)	$10,137,214	$10,137,214		
	Management of Workforce Development Program Services (53427)	$67,523,818	$67,523,818		
	Fund Sources: General	$2,091,290	$2,091,290		
	Special	$537,638	$537,638		
	Trust and Agency	$78,617,787	$78,617,787		

Title 2.2, Chapter 20.2, Code of Virginia.

A. The Office of Registered Apprenticeship within the Department shall provide detailed registered apprenticeship data to the Office of Education and Labor Market Alignment in the Virginia Economic Development Partnership Authority quarterly. To the extent possible, all data fields requested by the Office of Education and Labor Market Alignment shall be furnished by the Division of Registered Apprenticeship. Data fields shall include the start date of the apprenticeship, the end date of the apprenticeship, occupation, journeyman certifications issued, and other such elements deemed appropriate by the Office of Education and Labor Market Alignment.

B.1. Out of this appropriation, $53,850,629 and 38 positions the first year, and $53,850,629 and 38 positions the second year from nongeneral funds is provided for the administration and implementation of workforce development programs as part of the federal Workforce Innovation and Opportunity Act of 2014 (WIOA).

2. Out of this appropriation, and consistent with Sections 128 and 133 of WIOA, 15 percent of the nongeneral funds received for the administration of Title I of WIOA shall be reserved by the Governor in a fund to support administration of the Title 1 programs and to support statewide strategic workforce initiatives. At the end of the federal allotment cycle, unobligated Rapid Response funds shall also be transferred to the Governor's fund, consistent with Section 134 of WIOA. The investment strategy and budget for the fund shall be determined by the Governor, in consultation with the Secretary of Labor and the Director of the Department no later than the first day of the federal program year for WIOA Title I. The investment strategy shall be consistent with required and allowable activities under Section 134 of WIOA. By December 15 of each year, the Secretary of Labor shall report on the use of funds and generated outcomes to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

Total for Department of Workforce Development and Advancement			**$130,100,698**	**$128,400,698**
General Fund Positions	26.00	26.00		
Nongeneral Fund Positions	388.00	388.00		
Position Level	414.00	414.00		
Fund Sources: General	$6,684,937	$4,984,937		
Special	$537,638	$537,638		
Trust and Agency	$122,878,123	$122,878,123		

§ 1-105. VIRGINIA EMPLOYMENT COMMISSION (182)

359.	Workforce Systems Services (47000)			$622,118,012	$622,118,012
	Unemployment Insurance Services (47002)	$622,118,012	$622,118,012		
	Fund Sources: General	$357,167	$357,167		
	Special	$31,500,000	$31,500,000		
	Trust and Agency	$590,260,845	$590,260,845		

Authority: Title 60.2, Chapters 1 through 6, Code of Virginia.

A. Revenues deposited into the Special Unemployment Compensation Administration Fund shall be used for the purposes set out in the following order of priority: 1) to make payment of any interest owed on loans from the U.S. Treasury for payment of

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unemployment compensation benefits; 2) to support essential services of the Virginia Employment Commission (the Commission), particularly in the event of reductions in federal funding; 3) to finance the cost of capital projects; and 4) to fund the discretionary fund established in § 60.2-315, Code of Virginia. Funding may be transferred from the capital budget to the operating budget consistent with this language.

B.1. Reed Act funds distributed by the Employment Security Financing Act of 1954 with respect to the federal fiscal years 1956, 1957, and 1958 and credited to the agency from the proceeds related to the sale of agency property with federal equity are hereby appropriated (up to $600,000) to maintain service levels in the agency's local offices.

2. Reed Act funds distributed by the Balanced Budget Act of 1997 and credited to the unemployment trust fund with respect to federal fiscal years 2000, 2001, and 2002, under § 1103 of the Social Security Act (42 U.S.C.), as amended, shall be used only for the administration of the unemployment compensation program, under the direction of the Commission, and shall not be subject to the requirements of § 60.2-305, Code of Virginia. Reed Act funds from the Balanced Budget Act are hereby appropriated (up to $2.2 million, not to exceed the balance of said Reed Act funds) to pay for upgrading the information technology systems at the Commission.

C. There is hereby appropriated out of the funds made available to this state under § 1103 of the Social Security Act (42 U.S.C.) as amended, the balance of the $51,067,866 of Reed Act funds, if any, provided in Item 120 E. of Chapter 847, 2007 Acts of Assembly, for upgrading obsolete information technology systems, to include staff costs. This appropriation is subject to the provisions of § 60.2-305, Code of Virginia. Savings as a result of the new systems shall be retained by the Commission.

D. Notwithstanding any other provision of law, all fees incurred by the Commission with respect to the collection of debts authorized to be collected under § 2.2-4806 of the Code of Virginia, using the Treasury Offset Program of the United States, shall become part of the debt owed the Commission and may be recovered accordingly.

E. The Governor shall have the authority to alter the administration of the provisions of the Virginia Unemployment Compensation Act, Title 60.2 of the Code of Virginia, to meet the exigencies of a health emergency crisis.

F. The Commission shall maintain one dedicated full-time customer service position responsible for investigating and responding to legislative inquiries.

G. Notwithstanding any other provision of law, the Commission shall compute tax rates by excluding pandemic related claim activity. For purposes of this calculation, pandemic related claim activity is defined as all regular Unemployment Insurance claims activity from April 1, 2020, through June 30, 2021. The pool charge shall be computed using this same methodology excluding pandemic related clause for unemployment insurance tax rates and ensure the Commonwealth maintains conformity with federal law.

H. The Commission shall maintain, at a minimum, two dedicated full-time employees to serve in the Office of the Unemployment Compensation Ombudsman. The Commission shall submit a status update on the activities of this office to the House Commerce and Energy Committee, the Senate Commerce and Labor Committee, the Commission on Unemployment Compensation, and the Governor quarterly. The Commission shall publish subsequent updates on its website.

I. The Commission shall regularly collect feedback on the usability of the new Unemployment Insurance benefits information technology system from claimants and employers and make regular improvements to the system that address such feedback. The Commission shall publish this information and subsequent updates on its website.

J.1. Notwithstanding any other provision of law, as of January 1, 2025, tax rates established pursuant to §§ 60.2-531, 60.2-515, 60.2-526, 60.2-527, and 60.2-538, Code of Virginia, are hereby reduced by .05 percent. In addition to these rates, a separate administrative fee equal to .05 percent of taxable wages shall be assessed and paid quarterly. The administrative fee is necessary for the proper and efficient administration of the Virginia Unemployment Compensation Act, § 60.2., Code of Virginia. The administrative fees shall: (i) be deposited to

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the Special Unemployment Compensation Administration Fund pursuant to § 60.2-314 and will be used solely by the Commission for critical technology and staffing requirements; (ii) be due and payable to the Commission by each employer in accordance with such regulation as the Commission may prescribe; (iii) be collected through the same means available for collecting taxes, penalties, and interest. Interest applicable to unpaid taxes will also apply to the administrative fee; (iv) not be used to calculate the employer's amount of state unemployment taxes paid for Federal Unemployment Tax Act (FUTA) tax liability purposes; and, (v) not be deducted, in whole or in part, from employees' wages.

2. Until such time as the revenues collected through the administrative fee authorized in paragraph J.1. are sufficient to support necessary administrative functions, and upon approval of the Secretary of Finance, the Commission is authorized to receive a treasury loan to cover existing necessary administrative functions and processes that cannot be covered due to declining federal funding. The treasury loan shall be repaid within three years from the revenues of the administrative fee.

K. Out of this appropriation, $357,167 the first year and $357,167 the second year from the general fund is provided to effectuate the provisions of Chapter 746, 2024 Acts of Assembly.

L. The Commission shall complete the Unemployment Insurance Wage Data Enhancement project by regularly collecting additional data from employers to share with the Virginia Longitudinal Data System, which will then make it available to the Office of Education and Labor Market Alignment. Additional employee data shall include job title, pay rate, and work location. The commission shall use existing federal and state grant funds and complete the Unemployment Insurance Wage Data Enhancement project by December 31, 2026.

M. The Virginia Employment Commission is hereby authorized to request and receive a treasury loan to fund the necessary start-up costs associated with the implementation of a Paid Family and Medical Leave Program established in Chapters 981 and 1093, 2026 Acts of Assembly. The treasury loan shall be repaid from revenues received from premiums assessed to employers and employees beginning in 2028, and shall be repaid no later than January 1, 2034.

360. For payment to the Secretary of the Treasury of the United States to the credit of the federal unemployment trust fund established by the Social Security Act, to be held for the state upon the terms and conditions provided in the said Social Security Act, there is hereby appropriated the amount remaining in the clearing account of the Unemployment Compensation Fund created by § 60.2-301, Code of Virginia, after deducting the refunds payable therefrom pursuant to § 60.2-301, Code of Virginia, a sum sufficient.

Total for Virginia Employment Commission			**$622,118,012**	**$622,118,012**
General Fund Positions	3.00	3.00		
Nongeneral Fund Positions	520.00	520.00		
Position Level	523.00	523.00		
Fund Sources: General	$357,167	$357,167		
Special	$31,500,000	$31,500,000		
Trust and Agency	$590,260,845	$590,260,845		
TOTAL FOR OFFICE OF LABOR			**$812,318,141**	**$807,753,141**
General Fund Positions	178.90	178.90		
Nongeneral Fund Positions	1,173.10	1,173.10		
Position Level	1,352.00	1,352.00		
Fund Sources: General	$28,974,464	$24,409,464		
Special	$35,569,880	$35,569,880		
Trust and Agency	$713,138,968	$713,138,968		
Dedicated Special Revenue	$27,453,986	$27,453,986		
Federal Trust	$7,180,843	$7,180,843		

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OFFICE OF NATURAL AND HISTORIC RESOURCES

§ 1-106. SECRETARY OF NATURAL RESOURCES (183)

361.	Administrative and Support Services (79900)			$2,895,227	$1,395,227
	General Management and Direction (79901)	$2,895,227	$1,395,227		
	Fund Sources: General	$2,770,980	$1,270,980		
	Federal Trust	$124,247	$124,247		

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. Out of the amounts provided for this item, $500,000 the first year and $500,000 the second year from the general fund and three positions are provided to establish the Office of Commonwealth Resilience.

E.1. The Secretary of Natural and Historic Resources shall convene a workgroup to study the requirements for and historical implementation of the Water Quality Improvement Fund pursuant to § 10.1-2128, Code of Virginia.

2. The workgroup shall review and make recommendations on the Water Quality Improvement Fund including the organizational structure in the Code of Virginia and budget, disposition of funding, feasibility of the incorporation of the Stormwater Local Assistance Fund, grant approval guidelines including cost-effectiveness and co-benefits of practices funded, grant agreement terms, annual reporting requirements, potential improvements to the current funding needs assessments, and outdated or unnecessary requirements.

3. The recommendations on the organizational structure in the Code of Virginia and budget

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shall include streamlining the funding and sub-fund structure, updating terminology and structure to enhance transparency, ensuring consistency with the Commonwealth's commitments to and mandates for water quality, and coordinating Code and budget language. Recommendations shall be made for items appropriate to include in the Code of Virginia and items appropriate to include in the budget.				
4. The review of the allocation of funding shall include mandatory deposits between sectors, discretionary deposits between sectors, the reserve fund and how to best leverage its usage to meet nutrient reduction goals, the use of interest including for administrative costs, and the Natural Resources Commitment Fund including technical assistance funding, the allotment of funding between the Chesapeake Bay and Southern Rivers watersheds, and the redistribution of unobligated funds between watersheds.				
5. The workgroup shall include, but not be limited to, representatives from the Department of Conservation and Recreation, the Department of Environmental Quality, the Virginia Association of Soil and Water Conservation Districts, the Virginia Farm Bureau Federation, Virginia Cattlemen's Association, the Virginia Association of Municipal Wastewater Agencies, the Virginia Municipal Stormwater Association, the Chesapeake Bay Commission, the Chesapeake Bay Foundation, the James River Association, the Virginia Association of Counties, the Virginia Municipal League, and staff of the House Appropriations and Senate Appropriations and Finance Committees.				
6. The workgroup's findings and recommendations shall be reported to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Chairs of the House Agriculture, Chesapeake, and Natural Resources and the Senate Agriculture, Conservation, and Natural Resources Committees, and the Chair of the State Water Commission no later than November 1, 2026.				
F. Out of the appropriation in this item, $1,500,000 the first year from the general fund is provided for the nonfederal match for a United States Army Corps of Engineers study of the causes of and potential solutions to widening in Chincoteague Inlet.				
Total for Secretary of Natural Resources			**$2,895,227**	**$1,395,227**
General Fund Positions	8.00	8.00		
Position Level	8.00	8.00		
Fund Sources: General	$2,770,980	$1,270,980		
Federal Trust	$124,247	$124,247		
§ 1-107. DEPARTMENT OF CONSERVATION AND RECREATION (199)				
362. Land and Resource Management (50300)			$474,950,999	$147,400,581
Soil and Water Conservation (50301)	$318,958,608	$19,155,690		
Dam Inventory, Evaluation and Classification and Flood Plain Management (50314)	$93,231,364	$90,483,864		
Natural Heritage Preservation and Management (50317)	$8,066,936	$8,066,936		
Financial Assistance to Soil and Water Conservation Districts (50320)	$40,144,091	$15,144,091		
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	$223,749,401	$38,332,426		
Special	$1,676,791	$1,426,791		
Dedicated Special Revenue	$243,562,579	$101,679,136		
Federal Trust	$5,962,228	$5,962,228		
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				

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Conservation Districts, $40,044,091 the first year and $15,044,091 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, $12,809,091 the first year and $12,809,091 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; $26,500,000 the first year and $1,500,000 the second year from the general fund for small dam repairs of known or suspected deficiencies; and $267,000 the first year and $267,000 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. Notwithstanding the provisions of § 10.1-611.1, Code of Virginia, the department is authorized to use interest earnings from the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund to support two positions to oversee maintenance, repair, and rehabilitation projects necessary for District-owned dams to be in compliance with the Dam Safety Act (§ 10.1-604 et seq.) and attendant regulations.

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 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 report on or before 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 Best Management Cost-Share Program funds within the Southern Rivers area, and (iv) the amount of Technical Assistance funding.

4. The reporting requirements of A.3 shall be included as part of the reporting requirements in § 62.1-44.118.

C. 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.

D.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

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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.

E.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 361. 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, 10.1-2128.1 and 10.1-2129, Code of Virginia, or any other provision of law, 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 five positions to administer the Virginia Agricultural Best Management Practices Cost-Share Program and provide support to Soil and Water Conservation Districts. At the end of each fiscal year, interest accrued in the Virginia Natural Resources Commitment Fund that exceeds the amount for these five positions shall be transferred to the reserve fund of the Water Quality Improvement Fund established pursuant to paragraph B of Item 361, unless the cash balance in the reserve at the end of the prior fiscal year is at or greater than $70,000,000.

F. 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.

G. 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.

H. 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).

I. 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.

J.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.

K. Out of the appropriation in this Item, $200,000 the first year and $200,000 the second

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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.

L. Out of the appropriation in this Item, $1,093,352 the first year and $1,093,352 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 Natural Area Preserves as identified by the Board of Conservation and Recreation.

M. 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.

N.1. Out of the amounts appropriated for Dam Inventory, Evaluation, and Classification and Flood Plain Management, $1,732,147 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.

O. 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.

P. Notwithstanding the provisions of § 10.1-2132, Code of Virginia, the department shall allow grant funds allocated for the Virginia Cost Share Assistance Program to be committed and disbursed as cost-share funding in conjunction with the planning and construction of livestock and poultry waste facilities and prior to animals being on-site, provided that the project is otherwise eligible for funding and the applicant has a contract for animals to be placed on-site within six months of the project's completion. The department shall provide guidelines for implementation of this provision.

Q. Out of the appropriation in this Item, $350,000 the first year and $350,000 the second year from the general fund is provided for the department to establish (i) a position to expedite the training and certification of Soil and Water Conservation District employees to enable them to provide engineering, agronomic, and technical assistance for the preparation of all conservation practices in the Virginia Agricultural Cost share program; and, (ii) a position to expedite the provision of assistance to Soil and Water Conservation Districts with engineering designs for structural practices.

R.1. In any fiscal year, 50 percent of any funds previously distributed for Agricultural Best Management Practices for the purpose of grants for agriculture best management practices on lands in the Commonwealth that cannot be obligated by June 15 by a soil and water conservation district during such fiscal year, regardless of whether such lands are within or outside of the Chesapeake Bay watershed, may be reallocated by the Virginia Soil and Water Conservation Board to any soil and water conservation district for conservation practices. The Virginia Soil and Water Conservation Board may reallocate the remaining previously distributed funds that cannot be obligated by June 15 to the soil and water conservation districts within the same watershed.

2. Nothing in this section shall prevent any funds distributed to the Virginia Agricultural Best Management Practices Cost-Share Program for the purpose of matching grants for agricultural best management practices on lands in the Commonwealth that cannot be obligated by a soil and water conservation district during a fiscal year to transfer such funds to another soil and water conservation district within the same watershed within the same fiscal year.

S. Out of the appropriation in this Item, $750,000 the first year and $500,000 the second year from the general fund is provided for harmful algal bloom mitigation and remediation efforts at Lake Anna.

T. Notwithstanding § 10.1-2129 A., Code of Virginia, $153,669,475 the first year from the

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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, $7,950,000 shall be appropriated to the Department for the following specified statewide uses: $6,000,000 for nonpoint source projects including direct pay initiatives for nutrient management and resource management plans as well as poultry litter transport; $700,000 for maintenance of the Conservation Application Suite; $500,000 to the Department of Forestry for the Virginia Trees for Clean Water program; $500,000 to the Department of Forestry for water quality grants; and $250,000 for the Commonwealth's match for participation in the Federal Conservation Reserve Enhancement Program (CREP). Notwithstanding Item 361 B., no deposit is designated to the reserve within the Virginia Water Quality Improvement Fund.

2. Of the remaining amount in the first year, $145,719,475 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: $88,743,160 shall be used for matching grants for Agricultural Best Management Practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed, $38,032,783 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 $18,943,532 in addition to the base funding provided in A.1. shall be appropriated for Technical Assistance for Virginia Soil and Water Conservation Districts.

3. The appropriation in this paragraph of this act meets the mandatory deposit requirements associated with the fiscal year 2025 excess general fund revenue collections and discretionary year-end general fund balances.

U. Notwithstanding any other provision of law, $58,000,000 the first year from interest accrued in the Virginia Natural Resources Commitment Fund is hereby appropriated to 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: $35,322,000 shall be used for matching grants for Agricultural Best Management Practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed, $15,138,000 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 $7,540,000 in addition to the base funding provided in A.1. shall be appropriated for Technical Assistance for Virginia Soil and Water Conservation Districts.

V. Notwithstanding any other provision of law, $83,883,443 the first year from the Water Quality Improvement Reserve Fund is hereby appropriated to 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: $51,085,016 shall be used for matching grants for Agricultural Best Management Practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed, $21,893,579 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 $10,904,848 in addition to the base funding provided in A.1. shall be appropriated for Technical Assistance for Virginia Soil and Water Conservation Districts.

W. 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 buoy maintenance and hydrilla mitigation activities at Lake Anna.

X. Out of the amounts in this Item, $1,497,500 the first year from the general fund is provided to the Lake Barcroft Watershed Improvement District for engineering and construction costs related to the Lake Barcroft Dam Flood Mitigation Project.

Y. Out of the appropriation in this item, $4,000,000 the first year from the general fund shall be deposited to the Virginia Water Quality Improvement Fund for the Virginia Conservation Assistance Program administered by the Association of Soil and Water Conservation Districts.

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363.	Leisure and Recreation Services (50400)			$108,021,603	$107,673,735
	Preservation of Open Space Lands (50401)	$26,137,669	$26,137,669		
	Design and Construction of Outdoor Recreational Facilities (50403)	$1,833,283	$1,833,283		
	State Park Management and Operations (50404)	$72,068,989	$71,721,121		
	Natural Outdoor Recreational and Open Space Resource Research, Planning, and Technical Assistance (50406)	$7,981,662	$7,981,662		
	Fund Sources: General	$59,348,152	$58,922,552		
	Special	$38,646,551	$38,674,933		
	Dedicated Special Revenue	$1,807,124	$1,807,124		
	Federal Trust	$8,219,776	$8,269,126		

Authority: Title 10.1, Chapters 1, 2, 3, 4, 4.1, and 17; Title 18.2, Chapters 1 and 5; Title 19.2, Chapters 1, 5, and 7, Code of Virginia.

A.1. Included in the amounts for Preservation of Open Space Lands is $16,000,000 the first year and $16,000,000 the second year from the general fund to be deposited into the Virginia Land Conservation Fund, § 10.1-1020, Code of Virginia. No less than 50 percent of the appropriations remaining after the transfer to the Virginia Outdoors Foundation's Open-Space Lands Preservation Trust fund has been satisfied are to be used for grants for fee simple acquisitions with public access or acquisitions of easements with public access. This appropriation shall be deemed sufficient to meet the provisions of § 2.2-1509.4, Code of Virginia.

2. Included in the amounts for Preservation of Open Space Lands is $1,500,000 the first year and $1,500,000 the second year from nongeneral funds to be deposited into the Virginia Land Conservation Fund to be distributed by the Virginia Land Conservation Foundation pursuant to the provisions of § 58.1-513, Code of Virginia.

B. Included in the amounts for Preservation of Open-Space Lands is $1,752,750 the first year and $1,752,750 the second year from the general fund and $1,900,000 the first year and $1,900,000 the second year from nongeneral funds for the operating expenses of the Virginia Outdoors Foundation (Title 10.1, Chapter 18, Code of Virginia).

C.1. Out of the amounts appropriated for State Parks Management and Operations, up to $775,240 the first year and $649,640 the second year from the general fund shall be paid for the operation and maintenance of Breaks Interstate Park.

2. The Breaks Interstate Park Commission shall submit an annual audit of a fiscal and compliance nature of its accounts and transactions to the Auditor of Public Accounts, the Director, Department of Conservation and Recreation, and the Director, Department of Planning and Budget.

3. The Breaks Interstate Park Commission shall, following the modernization of the Breaks Interstate Park electrical system, enter into negotiations to transfer control of the electrical system serving the park to a local regional electric utility.

D. Notwithstanding the provisions of § 10.1-202, Code of Virginia, amounts deposited to the State Park Conservation Resources Fund may be used for a program of in-state travel advertising. Such travel advertising shall feature Virginia State Parks and the localities or regions in which the parks are located. To the extent possible the department shall enter into cooperative advertising agreements with the Virginia Tourism Authority and local entities to maximize the effectiveness of expenditures for advertising. The department is further authorized to enter into a cooperative advertising agreement with the Virginia Association of Broadcasters.

E. Notwithstanding any other provision of the Code of Virginia, as a condition of the expenditure of all amounts included in this Item, the department shall not initiate or accept by gift, transfer or purchase with nongeneral funds any new lands for use as a State Park without a specific appropriation for such purpose by the General Assembly. However, the department is authorized to acquire land as expressly set out in Items C-27 and C-27.10, Chapter 854, 2019 Acts of Assembly, as well as in-holdings or lands contiguous to an existing State Park as

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expressly set out in Item C-15.2 of this act and as provided for in Section 4-2.01 a.1. of this act provided further that acquisitions authorized in Item C-15.2 of this act will not cause the department to incur additional operating expenses. It is not the intent of these provisions to prohibit any acquisitions resulting from mitigation settlements or to prohibit any additional operating expenses resulting from such acquisitions.

F.1. Included in the amounts for State Park Management and Operations is $590,944 the first year and $590,944 the second year and six positions from the general fund for the initial start-up and ongoing operational costs for Phase I of Widewater State Park in Stafford County. It is the intent of the General Assembly that, as soon as practicable upon completion of Phase 1A, that the Department shall provide public access and proceed to regular revenue generating operations at the Park.

2. The Department of Conservation and Recreation shall collaborate with Stafford County Public Schools, the Friends of Widewater State Park and other interested stakeholders regarding the Science and Environmental Center at Widewater State Park planned to be constructed as part of Phase III in order to ensure the facility is adequate to meet the needs of the community, curriculum collaboration opportunities with local schools, and other needs; determine whether any design changes would further community environmental education goals; determine the availability of any grant, charitable or co-funding opportunities with Stafford County and/or Virginia higher educational institutions; determine the feasibility and costs of any design changes or the necessity of any Master Plan changes; and produce recommendations, if any, relating to such objectives.

G. Included in the amount for this Item is $150,000 the first year and $150,000 the second year from the nongeneral fund amounts appropriated in Item 442 A. for recreational access which shall be used to fabricate and install Supplemental Guide Signs for Virginia State Parks.

H. The department is hereby authorized to enter into an agreement with the United States Forest Service that owns the Longdale Day Use Area to operate the facility as the Green Pastures Unit of Douthat State Park, an extension of Douthat State Park.

I. Out of the amounts appropriated in this Item, $250,000 the first year and $250,000 the second year from the general fund is provided to the department to support two additional staff positions and related expenses for invasive species management.

J. Notwithstanding § 2.2-1156, Code of Virginia, or any other provision of law, the department is authorized to transfer an amount of $2,375,000 received from proceeds of the sale of property located at 6061 Elko Tract Road, Henrico, Virginia, from the State Park Acquisition and Development Fund to the Natural Area Preserve Fund. The department shall ensure that these funds are used solely for the acquisition, stewardship, and management of natural area preserves in accordance with § 10.1-209 through § 10.1-217, Code of Virginia.

K. Out of the amounts appropriated in this Item, $300,000 the first year from the general fund is provided for remediation of the breach at Jones Pond in Caledon State Park.

364.	Administrative and Support Services (59900)			$14,503,851	$14,503,851
	General Management and Direction (59901)	$14,503,851	$14,503,851		
	Fund Sources: General	$14,288,851	$14,288,851		
	Special	$215,000	$215,000		

Authority: Title 2.2, Chapters 37, 40, 41, 43; and Title 10.1, Chapter 1, Code of Virginia.

Total for Department of Conservation and Recreation			**$597,476,453**	**$269,578,167**
General Fund Positions	515.50	515.50		
Nongeneral Fund Positions	70.50	70.50		
Position Level	586.00	586.00		
Fund Sources: General	$297,386,404	$111,543,829		
Special	$40,538,342	$40,316,724		

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	Dedicated Special Revenue	$245,369,703	$103,486,260		
	Federal Trust	$14,182,004	$14,231,354		

§ 1-108. DEPARTMENT OF ENVIRONMENTAL QUALITY (440)

365.	Land Protection (50900)			$33,624,990	$33,624,990
	Land Protection Permitting (50925)	$5,289,767	$5,289,767		
	Land Protection Compliance and Enforcement (50926)	$24,997,520	$24,997,520		
	Land Protection Outreach (50927)	$1,995,332	$1,995,332		
	Land Protection Planning and Policy (50928)	$1,342,371	$1,342,371		
	Fund Sources: General	$3,170,941	$3,170,941		
	Special	$1,776,840	$1,776,840		
	Trust and Agency	$13,079,769	$13,079,769		
	Dedicated Special Revenue	$8,405,988	$8,405,988		
	Federal Trust	$7,191,452	$7,191,452		

Authority: Title 10.1, Chapters 11.1, 11.2, 12.1, 14, and 25; Title 44, Chapter 3.5, Code of Virginia.

A. It is the intent of the General Assembly that balances in the Virginia Environmental Emergency Response Fund be used to meet match requirements for U.S. Environmental Protection Agency Superfund State Support Contracts.

B. Notwithstanding the provisions of § 10.1-1422.3, Code of Virginia, $1,807,575 in the first year and $1,807,575 in the second year from the Waste Tire Trust Fund, and $250,000 in the first year and $250,000 in the second year from the Hazardous Waste Management Permit Fund within the Department shall be used for the costs associated with the Department's land protection and water programs. Such funds may be used for the purposes set forth in § 10.1-1422.3, Code of Virginia, at the Director's discretion and only as available after funding other land protection and water programs.

C. The Department shall revise the Virginia Waste Management Board's Financial Assurance Regulations for Solid Waste Disposal, Transfer and Treatment Facilities, 9VAC20-70. The regulations shall ensure that financial assurance is sufficient for design, construction, and operation of: i) a landfill cap, ii) leachate management, iii) gas collection and management and iv) other activities necessary to maintain the landfill in a manner that protects human health and the environment. The regulations shall also ensure that financial assurance is sufficient to address the possibility of an elevated temperature landfill. The regulations shall allow the Department to review any facility's financial assurance to ensure compliance and shall include enforcement provisions sufficient to enable the Department to achieve compliance. The regulatory actions necessary to effectuate the requirements of this item are hereby exempted from the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia). The Department shall complete such regulatory actions without further action by the Virginia Waste Management Board.

366.	Water Protection (51200)			$65,221,062	$62,772,686
	Water Protection Permitting (51225)	$14,269,195	$14,269,195		
	Water Protection Compliance and Enforcement (51226)	$10,277,682	$10,277,682		
	Water Protection Outreach (51227)	$4,662,480	$4,662,480		
	Water Protection Planning and Policy (51228)	$9,963,948	$9,965,572		
	Water Protection Monitoring and Assessment (51229)	$17,244,567	$14,794,567		
	Water Protection Stormwater Management (51230)	$8,803,190	$8,803,190		
	Fund Sources: General	$37,802,665	$35,354,289		
	Special	$2,070,106	$2,070,106		
	Trust and Agency	$25,500	$25,500		
	Dedicated Special Revenue	$16,005,192	$16,005,192		
	Federal Trust	$9,317,599	$9,317,599		

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Authority: Title 10.1, Chapter 11.1; and Title 62.1, Chapters 2, 3.1, 3.2, 3.6, 5, 6, 20, 22, 24, and 25, Code of Virginia.

A. Out of this appropriation, $54,140 the first year and $55,764 the second year from the general fund is designated for annual membership dues for the Ohio River Valley Water Sanitation Commission.

B.1. The permit fee regulations adopted by the State Water Control Board pursuant to paragraphs B.1. and B.2. of § 62.1-44.15:6, Code of Virginia, shall be set at an amount representing not more than 50 percent of the direct costs for the administration, compliance and enforcement of Virginia Pollutant Discharge Elimination System permits and Virginia Pollution Abatement permits.

2. The regulations adopted by the State Water Control Board to initially implement the provisions of this Item shall be exempt from Article 2 (§ 2.2-4006, et seq.) of Chapter 40 of Title 2.2, Code of Virginia, and shall become effective no later than July 1, 2010. Thereafter, any amendments to the fee schedule described by these acts shall not be exempted from Article 2 (§ 2.2-4006, et seq.) of Chapter 40 of Title 2.2, Code of Virginia.

C. Out of the appropriation for this Item, $205,100 the first year and $205,100 the second year from the general fund is designated for the annual membership dues for the Interstate Commission on the Potomac River Basin.

D. Notwithstanding § 62.1-44.15:56, Code of Virginia, public institutions of higher education, including community colleges, colleges, and universities, shall be subject to project review and compliance for state erosion and sediment control requirements by the local program authority of the locality within which the land disturbing activity is located, unless such institution submits annual specifications to the Department, in accordance with § 62.1-44.15:56 A (i), Code of Virginia.

E. Beginning October 1, 2015, there shall be a $3.75 fee imposed on each dry ton of exceptional quality biosolids cake sewage sludge that is land applied pursuant to § 62.1-44.19:3P, Code of Virginia, until such fee is altered, amended or rescinded by the State Water Control Board.

F. The Department shall work in conjunction with the Virginia Economic Development Partnership to facilitate the development of long-term offsetting methods within the Virginia Nutrient Credit Exchange as set out in Item 310 of this act.

G. Notwithstanding any other provision of law, any Virginia Stormwater Management Program authority is authorized to charge a voluntary fee of $30,000 for review of sites or areas within common plans of development or sale with land-disturbance acreage equal to or greater than 100 acres for an expedited stormwater management program plan review. Any individual or firm electing to pay the voluntary fee shall be guaranteed the total government review time shall not exceed 45 days excluding any applicant's time in responding to questions. Any amounts paid to the Department above the $9,600 fee shall be used by the Department to increase the staffing level of the reviewers of these applications.

H. Out of the amounts in this Item, $797,626 the first year and $797,626 the second year from the general fund is included for the purchase of laboratory and field equipment.

I. Out of the amounts appropriated for this Item, $981,000 the first year and $981,000 the second year is provided for regional water resource planning activities.

J.1. Out of the amounts appropriated for this Item, $1,100,000 the first year and $1,100,000 the second year from the general fund is to be deposited in the Virginia Stormwater Management Fund.

2. Notwithstanding § 62.1-44.15:28, as it is currently effective and as it shall become effective, Code of Virginia, the permit fee regulations adopted by the State Water Control Board pursuant to § 62.1-44.15:28, as it is currently effective and as it shall become effective, Code of Virginia, for the Virginia Pollutant Discharge Elimination System Permit for Discharges of Stormwater from Construction Activities and municipal separate storm sewer system permits shall be set at an amount representing no less than 60 percent,

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not to exceed 62 percent, of the direct costs for the administration, compliance and enforcement of Virginia Pollutant Discharge Elimination System Permit for Discharges of Stormwater from Construction Activities and municipal separate storm sewer system permits. To the extent practicable, the Board shall solicit input from affected stakeholders when establishing the new fee structure.

3. Notwithstanding § 62.1-44.19:20, Code of Virginia, the application fee schedule adopted by the State Water Control Board pursuant to § 62.1-44.19:20, Code of Virginia, shall be set at an amount representing no less than 60 percent, not to exceed 62 percent, of the direct costs for the administration, compliance and enforcement of the nutrient credit certification program. To the extent practicable, the Board shall solicit input from affected stakeholders when establishing the new fee structure.

K. The Director of the Department shall convene a working group for the purpose of developing an annual or project-based fee schedule for the review of erosion and sediment control plans related to solar energy project applications. The working group shall include representatives of (i) private sector companies that own or operate solar energy facilities, (ii) local governments that permit solar facilities, and (iii) other stakeholders determined by the Department to be necessary to the development of the fee schedule.

L. Out of the amounts in this Item, $750,000 the first year and $750,000 the second year to establish a mitigation trading platform and wetland in-lieu fee mitigation program consistent with the provisions of § 62.1-44.15:23.1, Code of Virginia.

M.1. The Department of Environmental Quality (Department) shall amend 9VAC25-780, Local and Regional Water Supply Planning, no later than July 1, 2027, to establish criteria for the Department to determine "Cooling Water Scarcity Areas" where the evaporation of water for cooling purposes could have detrimental reductions in the quality or quantity of water available for other beneficial uses, with a particular focus on the Eastern Virginia Groundwater Management Area, as that term is defined in 9VAC25-600-20(A). The initial promulgation of such regulations is hereby exempted from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia) and the Department shall complete such regulatory action without further action by the State Water Control Board.

2. In a Cooling Water Scarcity Area, prior to July 1, 2032, a data center, as that term is defined in subdivision A 43 of § 58.1-3506, Code of Virginia, shall demonstrate to the satisfaction of the department that it has minimized the use of any type of water for cooling purposes and demonstrated the use of best available water-efficient technologies, including air cooling, closed-loop systems, recycled water, stormwater reuse, non-potable reclaimed water, or other technologies approved by the department. A data center shall only use direct evaporative cooling in conjunction with one of the department’s approved primary technologies. In the Eastern Virginia Groundwater Management Area, a new data center that submits a complete application for a Department of Environmental Quality air permit after January 1, 2027, shall demonstrate to the satisfaction of the department that it has minimized the use of any type of water for cooling purposes and demonstrate the use of best available water-efficient technologies, including air cooling, closed-loop systems, recycled water, stormwater reuse, non-potable reclaimed water, or other technologies approved by the department. A data center shall only use direct evaporative cooling in conjunction with one of the department’s approved primary technologies. The department, by October 15, 2026, shall conduct a study and provide a plan on the retrofitting of existing data centers in the Eastern Virginia Groundwater Management Area to use air cooling systems, 100 percent recycled water and/or stormwater for cooling, or use a closed loop system.

N. The Department of Environmental Quality (the Department) shall study the threats and challenges to the groundwater supply in western Loudoun and Fauquier Counties. In conducting such study, the Department shall (i) provide historical and current data and trends relating to groundwater levels and groundwater quality; (ii) include future projections for groundwater levels and groundwater quality; (iii) evaluate potential future impacts to the groundwater supply as a result of increasing groundwater withdrawals; (iv) evaluate whether a groundwater management area should be established for the region pursuant to Chapter 25 (§ 62.1-254 et seq.) of Title 62.1 of the Code of Virginia; and (v) recommend any statutory or regulatory restrictions to ensure that future development in the region does not endanger the health and safety of the region's residents nor the water needs of existing commercial

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enterprises. Technical assistance shall be provided to the Department by the State Water Control Board. All agencies of the Commonwealth shall provide assistance to the Department for this study, upon request. The Department shall complete its meetings by November 30, 2026, and shall submit to the Chairs of the House Committee on Agriculture, Chesapeake and Natural Resources and the Senate Committee on Agriculture, Conservation and Natural Resources a report of its findings and recommendations no later than December 31, 2026. Out of the amounts in this item, $200,000 the first year is provided to support the activities required by this paragraph.

O. Included in the appropriation for this Item is $300,000 in the first year and $200,000 in the second year from the general fund for the Department of Environmental Quality, in consultation with Virginia Tech, to evaluate the feasibility and cost of aquifer recharge at wastewater treatment facilities in the Eastern Virginia Groundwater Management Area in addition to those facilities already included in the Hampton Roads Sanitation District's Sustainable Water Initiative for Tomorrow (SWIFT) project, as well as an assessment of other beneficial uses of treated wastewater such as for cooling, irrigation, industry, or other gray water uses. The analysis shall be provided to the Chairs of the State Water Commission, House Committee on Agriculture, Chesapeake, and Natural Resources, and Senate Committee on Agriculture, Conservation, and Natural Resources by July 1, 2027.

P. The Department shall conduct a statewide PFAS disposal analysis, including consideration and estimates, as appropriate, of available landfill capacity, future landfill or monofill capacity, incineration or other available and innovative PFAS destruction technologies, environmental impacts of alternatives, costs estimated at the state, locality or utility, and household levels, and loss of biosolids land applications benefits to farmers. The Department shall engage the services of a qualified consulting engineering firm with significant experience in disposal alternatives and shall oversee the analysis with the assistance of the PFAS Advisory Committee. Out of the amounts in this item, $500,000 the first year from the general fund is provided to effectuate the provisions of this paragraph.

Q. Out of the amounts in this Item, $1,150,000 the first year from the general fund is provided for the Department to install up to five additional multi-well research stations to gather additional data to study the upper portions of the Eastern Virginia Groundwater Management Area. Any funding remaining on June 30 shall be carried forward and reappropriated into the next fiscal year for the purposes described in this paragraph.

367.	Air Protection (51300)			$31,789,292	$31,589,292
	Air Protection Permitting (51325)	$7,757,483	$7,757,483		
	Air Protection Compliance and Enforcement (51326)	$7,338,467	$7,338,467		
	Air Protection Outreach (51327)	$1,189,383	$1,189,383		
	Air Protection Planning and Policy (51328)	$9,776,496	$9,576,496		
	Air Protection Monitoring and Assessment (51329)	$5,727,463	$5,727,463		
	Fund Sources: General	$4,324,171	$4,124,171		
	Special	$5,577,181	$5,577,181		
	Enterprise	$11,560,901	$11,560,901		
	Dedicated Special Revenue	$5,762,670	$5,762,670		
	Federal Trust	$4,564,369	$4,564,369		

Authority: Title 10.1, Chapters 11.1 and 13; and Title 46.2, Chapter 10, Code of Virginia.

A. The Department is authorized to use up to $300,000 the first year and $300,000 the second year from the Vehicle Emissions Inspection Program Fund to implement the provisions of Chapter 710, Acts of Assembly of 2002, which authorizes the department to operate a program to subsidize repairs of vehicles that fail to meet emissions standards established by the Air Pollution Control Board when the owner of the vehicle is financially unable to have the vehicle repaired.

B.1. All of the permit program emissions fees collected by the State Air Pollution Control Board pursuant to § 10.1-1322, Code of Virginia, shall be assessed and collected on an

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annual basis notwithstanding the provisions of that section. The State Air Pollution Control Board shall adopt regulations adjusting permit program emissions fees collected pursuant to § 10.1-1322, Code of Virginia, and establish permit application processing fees and permit maintenance fees sufficient to ensure that the revenues collected from fees cover the total direct and indirect costs of the program consistent with the requirements of Title V of the Clean Air Act, except that the initial adjustment to permit program emissions fees shall not be increased by more than 30 percent over current rates. Notwithstanding the provisions of § 10.1-1322, Code of Virginia, the permit application fees collected pursuant to this paragraph shall not be credited towards the amount of annual fees owed pursuant to § 10.1-1322, Code of Virginia. All of the fees adopted pursuant to this section shall be adjusted annually by the Consumer Price Index.

2. The State Air Pollution Control Board shall adopt regulations to prohibit the sale, lease, rent, installation or entry into commerce in Virginia of any products or equipment that use or will use hydrofluorocarbons for the applications and end uses restricted by Appendix U and Appendix V of Subpart G of 40 C.F.R. Part 82, as those read on January 3, 2017. Notwithstanding the foregoing, such regulations shall not prohibit the use of hydrofluorocarbons in the manufacturing process by extruded polystyrene boardstock and billet manufacturers located in Virginia to produce products for sale and distribution outside of the Commonwealth, until the Board has solicited input from such manufacturers in order to determine and set by regulation a feasible date by which such manufacturers must be required to comply. In developing regulations, the Board shall solicit input from a workgroup of relevant stakeholders assembled by the Department.

3. The regulations adopted by the State Air Pollution Control Board to initially implement the provisions of this item shall be exempt from Chapter 40 of Title 2.2, Code of Virginia, and shall become effective no later than July 1, 2021. Thereafter, any amendments to the fee schedule described by these acts shall not be exempted from Chapter 40 of Title 2.2, Code of Virginia.

C. Out of the amounts in this Item, $64,842 the first year and $64,842 the second year from the general fund is included for the purchase of laboratory and field equipment.

D. The State Air Pollution Control Board shall make modifications to its final regulation prohibiting the use of certain hydrofluorocarbons such that these regulations shall not prohibit the use of hydrofluorocarbons in the manufacturing process by aviation and aerospace businesses located in Virginia to produce products for sale and distribution.

E. Notwithstanding any other provision of law, the Department shall adopt and is authorized to enforce regulations for noise at any data center, as that term is defined in subdivision A 43 of § 58.1-3506, Code of Virginia, to be effective no later than December 31, 2029. Such regulations shall: (i) be based on the Department's determination of the lowest achievable noise from a data center; (ii) establish the lowest achievable noise for a data center; (iii) provide that on or after January 1, 2030, any data center that violates such regulations shall be subject to a civil penalty of up to $32,500 per day of violation; and, (iv) authorize and provide for enforcement by the Department or the locality in which the data center is located. The initial promulgation of such regulations is hereby exempted from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia). This item and such regulations shall not be construed to limit the authority of any locality to adopt a more restrictive local ordinance regulating noise.

F. Notwithstanding any other provision of law, beginning July 1, 2026, an amount equal to 45 percent of all revenue collected pursuant to a program established under § 10.1-1330 of the Code of Virginia, shall be remitted by the Commonwealth to any Phase I or Phase II Utility, as those terms are defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, which has a rate adjustment clause petition approved or pending approval by the State Corporation Commission (the “Commission") pursuant to subdivision A 5 e of § 56-585.1 of the Code of Virginia for recovery of the costs of emissions allowances, or an entity organized pursuant to Chapter 9.1 of Title 56 for distribution permitted only to Virginia customers and reflected as a line item on the customer bill labeled RGGI Credit. Each Phase I or Phase II Utility shall subsequently distribute such funds received from the Commonwealth as a credit to its customers in the residential, Small General Service, and church classes in a manner approved by the Commission, including that such credit shall be reflected as a line item on the customer

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	bill labeled RGGI Credit. Such credit shall only be distributed to Virginia customers. The remaining 55 percent of the revenue collected shall be distributed consistent with § 10.1-1330 C. of the Code of Virginia.				
368.	Environmental Financial Assistance (51500)			$512,954,018	$66,890,865
	Financial Assistance for Environmental Resources Management (51502)	$120,464,259	$11,842,731		
	Virginia Water Facilities Revolving Fund Loans and Grants (51503)	$31,604,757	$23,588,877		
	Financial Assistance for Coastal Resources Management (51507)	$1,924,500	$1,924,500		
	Litter Control and Recycling Grants (51509)	$4,200,000	$4,200,000		
	Virginia Water Quality Improvement Fund (51510)	$329,425,745	$0		
	Petroleum Tank Reimbursement (51511)	$25,334,757	$25,334,757		
	Fund Sources: General	$451,517,269	$5,454,116		
	Trust and Agency	$25,334,757	$25,334,757		
	Dedicated Special Revenue	$28,355,097	$28,355,097		
	Federal Trust	$7,746,895	$7,746,895		

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.1. Grants awarded from the Stormwater Local Assistance Fund, as established in §62.1-44.15:29.1, Code of Virginia 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.

2. Out of amounts in this Item, $43,494,528 the first year from the general fund is provided for deposit in the Stormwater Local Assistance Fund.

C. 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.

D. 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.

E. 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.

F. Out of the amounts in this Item, $8,015,880 the first 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

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result of the Infrastructure Investment and Jobs Act.

G.Grantee owners of Enhanced Nutrient Removal Certainty (ENRC) Program and other Water Quality Improvement Fund (WQIF) 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.

H. From amounts in this Item, $140,550,000 the first year from the general fund is provided for deposit into the WQIF. This amount is provided for the Hampton Roads Sanitation District Enhanced Nutrient Removal Certainty Program projects.

I.1. The Department shall continue to conduct an annual WQIF needs assessment in accordance with §10.1-2134.1, Code of Virginia, to determine the expected need for WQIF grant funds for a period of five fiscal years. The Department shall complete the WQIF needs assessment no later than June 30 of each year beginning with the June 30, 2027 assessment.

2. By January 1, 2027, the Department shall establish an annual WQIF solicitation period for receipt of grant applications. The application process shall be designed to assist the Department in determining total project costs, WQIF eligible costs, estimated WQIF grant amount, other planned funding sources, project readiness, and estimated project implementation and grant disbursement schedules. Beginning with the annual WQIF solicitation in calendar year 2028, the solicitation process shall be limited to grant applications for eligible projects that were reported to the Department in the preceding calendar year or a prior year as part of the annual WQIF needs assessment pursuant to §10.1-2134.1, Code of Virginia.

3. By October 1, 2026, and annually thereafter, the Department shall report to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees the amount of (a) funds expected to be requested by eligible applicants for WQIF projects, by fiscal year, for active executed grant agreements, for pending grant applications, and for anticipated grant applications based on the WQIF needs assessment, (b) the amount of previously appropriated funds that remain available to meet such requests, and (c) the amount of additional funds, by fiscal year, needed to meet such requests. For each project, the report shall identify project type and eligibility under §62.1-44.19:14 G (Enhanced Nutrient Removal Certainty Program), §10.1-1186.01 B, and §10.1-2131.

J. Notwithstanding § 62.1-44.19:14 G. 1., Code of Virginia, the compliance schedule deadline for the Spotsylvania Co.-FMC WWTF and Spotsylvania Co.-Massaponax WWTF projects shall be January 1, 2027, and for the Fredericksburg WWTF project shall be January 1, 2030. For each compliance year from January 1, 2026, until such deadline that each project does not achieve the nutrient removal technology concentration specified in § 62.1-44.19:14 G. 1., Code of Virginia, the facility owner shall be responsible for acquiring sufficient point source credits to comply with its total nitrogen and total phosphorus waste load allocations applicable to that compliance year. In addition, for the Fredericksburg WWTF project, the City of Fredericksburg shall commence construction by July 1, 2025, report its progress to the Department on February 1 and August 1 each year until completion, and place nutrient removal technology in service as soon as practical prior to January 1, 2030. By July 1, 2025, or as soon as possible thereafter, the Department of Environmental Quality shall (a) modify the Virginia Pollutant Discharge Elimination System permits for each facility consistent with the deadlines and requirements of this paragraph and (b) amend any existing water quality improvement agreement pursuant to § 10.1-2131, Code of Virginia, for each project in a manner consistent with the requirements and deadlines of this paragraph.

K. The authorization of $20,000,000 from the general fund for a pay-for-outcomes pilot program in the Chesapeake Bay Watershed provided in Item 365, paragraph L, Chapter 725, 2025 Acts of Assembly shall continue, including all conditions set forth in the prior authorization. Any balances from this amount that remain unexpended at year-end shall not revert to the general fund but shall be carried forward and reappropriated.

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L. 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.

M. Out of the amounts in this Item, $50,000,000 the first year from the general fund is provided to the City of Richmond to pay a portion of the costs of its combined sewer overflow control project. Any balances for the purposes specified in this paragraph which are unexpended at year-end shall not revert to the general fund but shall be carried forward and reappropriated.

N. Out of the amounts in this item, $1,000,000 the first year from the general fund is provided for the County of Prince William to assist with the connection of Bristow Manor to the Prince William County wastewater collection system.

O. All agencies or authorities of the Commonwealth with responsibilities identified in § 10.1-1330 of the Code of Virginia, shall take all actions necessary to rejoin the Regional Greenhouse Gas Initiative, as defined in § 10.1-1329 of the Code of Virginia, and resume participation therein. Such required actions include (i) repealing or otherwise nullifying the final regulation titled 9VAC5-140, Regulation for Emissions Trading Programs, published in the Virginia Register of Regulations on July 31, 2023, no later than 90 days from the effective date of this act; (ii) reissuing or otherwise reinstating the final regulation titled 9VAC5-140, Regulation for Emissions Trading Programs, published in the Virginia Register of Regulations on August 3, 2020, including any amendments necessary to account for the time such regulation was not in effect, no later than 90 days from the effective date of this act; (iii) no later than January 1, 2027, updating, amending, or revising the regulation to align with the latest Regional Greenhouse Gas Initiative program review and revised model rule; (iv) entering into a contractual agreement with the Regional Greenhouse Gas Initiative, Inc. to rejoin the program, which the Director shall sign, and selling the allowances generated by the reissued regulatory program through auctions run by the Regional Greenhouse Gas Initiative, Inc.; (v) transferring auction proceeds, and any interest thereon, in accordance with subsection B of § 10.1-1330 of Code of Virginia with the responsible agencies disbursing such funds as expeditiously as possible; and, (vi) providing annual reporting in accordance with subsection C of § 10.1-1330 of Code of Virginia. Any regulatory actions necessary to effectuate the requirements of this item are hereby exempted from the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia). The Department of Environmental Quality shall complete such regulatory actions without further action by the State Air Pollution Control Board.

P. Any Enhanced Nutrient Removal Certainty (ENRC) Program priority project with a completion date no later than January 1, 2030, pursuant to § 62.1-44.19:14 G, Code of Virginia, or pursuant to Chapter 725 of the Acts of Assembly of 2025 may apply Water Quality Improvement Fund (WQIF) grant funds to costs to complete the ENRC Program priority project that are not WQIF eligible costs up to the amount of any American Rescue Plan Act (ARPA) grant funds that the ENRC Program priority project documents have been used to pay for WQIF eligible costs on or before December 31, 2026. The ENRC Program priority project shall not (i) charge any single expenditure to more than one grant, (ii) receive grant funds in excess of the total costs that have been incurred as of the time reimbursement is requested from the Department, (iii) receive WQIF reimbursement at any point during the project in excess of the amount of WQIF eligible costs that have been incurred at the time reimbursement is requested, or (iv) receive total reimbursement from the WQIF in excess of the total approved WQIF grant amount.

Q. Of the amounts in this Item, $3,500,000 the first year from the general fund is provided to King George County Service Authority to implement the needed repairs to the Dahlgren Wastewater Treatment Plant Facility as identified in the Condition Assessment Report completed in June 2025.

R.1. Out of the amounts in this Item, $10,627,000 the first year from the general fund is provided to the Department to, in collaboration with Chesterfield County, assist with resolving ongoing environmental issues at the Shoosmith Landfill, including: i) supporting operations and monitoring, including leachate testing and collection, hauling, and

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treatment and gas management; and ii) completing closure of the facility. The Department may: disburse such funds as reimbursements to the trustee for the landfill bankruptcy estate, contract directly with any private contractor or local government to fulfill such activities, or use such funds as reimbursement for any successor entity to the bankruptcy trustee. However, the Department is not obligated to disburse such funds, and at all times such funds shall be deemed the sole property of the Department. Any balances from this amount that remain unexpended at year-end shall not revert to the general fund but shall be carried forward and reappropriated. Notwithstanding the provisions of § 10.1-2500 through 2503, Code of Virginia, the Department is authorized to transfer up to $3,000,000 the first year from the balances of the Virginia Environmental Emergency Response Fund for the purposes enumerated in this paragraph should the general fund amount provided be exhausted.

2. The Secretary of Natural Resources, in consultation with the Secretary of Finance, Department of Environmental Quality, and Department of Planning and Budget, shall evaluate options and funding mechanisms to resolve ongoing issues associated with closing the Shoosmith Landfill. The evaluation shall include (i) determining the appropriate level of state and Chesterfield County resources to address immediate and future costs associated with resolving environmental issues at Shoosmith Landfill; (ii) other funding options for response activities to include federal funding opportunities; and, (iii) legislative and regulatory options to ensure sufficient oversight of landfills, including a formal, regulatory review of the finance assurance criteria and allowable financial mechanisms for safely closing landfills and landfill inspection criteria. The Secretary shall submit a written report detailing its evaluation and recommendations to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees, and the Chairs of the Senate Agriculture, Conservation, and Natural Resources and House Agriculture, Chesapeake, and Natural Resources Committees no later than October 5, 2026.

S. From amounts in this Item, $188,870,745 the first year from the general fund is provided for deposit into the Water Quality Improvement Fund for matching grants for eligible wastewater projects for Chesapeake Bay nutrient reductions under §§ 10.1-1186.01.F., 10.1-2131.C., and 62.1-44.19:14.G.1., Code of Virginia.

369.	Administrative and Support Services (59900)			$34,777,421	$34,777,421
	General Management and Direction (59901)	$24,207,203	$24,207,203		
	Information Technology Services (59902)	$10,570,218	$10,570,218		
	Fund Sources: General	$19,211,348	$19,211,348		
	Special	$6,426,359	$6,426,359		
	Enterprise	$3,325,278	$3,325,278		
	Trust and Agency	$1,225,000	$1,225,000		
	Dedicated Special Revenue	$1,117,146	$1,117,146		
	Federal Trust	$3,472,290	$3,472,290		

Authority: Title 10.1, Chapters 11.1, 13 and 14 and Title 62.1, Chapter 3.1, Code of Virginia.

A. Notwithstanding the provisions of Title 10.1, Chapter 25, Code of Virginia, the department is authorized to expend funds from the balances in the Virginia Environmental Emergency Response Fund for costs associated with its waste management, air, and water programs.

B. Notwithstanding the provisions of Title 10.1, Chapter 25, Code of Virginia, the department is authorized to expend up to $600,000 the first year and $600,000 the second year from the balances in the Virginia Environmental Emergency Response Fund to further develop and implement eGovernment services.

Total for Department of Environmental Quality			**$678,366,783**	**$229,655,254**
General Fund Positions	423.50	423.50		
Nongeneral Fund Positions	564.50	564.50		
Position Level	988.00	988.00		
Fund Sources: General	$516,026,394	$67,314,865		
Special	$15,850,486	$15,850,486		
Enterprise	$14,886,179	$14,886,179		
Trust and Agency	$39,665,026	$39,665,026		

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	Dedicated Special Revenue	$59,646,093	$59,646,093		
	Federal Trust	$32,292,605	$32,292,605		

§ 1-109. DEPARTMENT OF WILDLIFE RESOURCES (403)

370.	Wildlife and Freshwater Fisheries Management (51100)			$60,154,586	$59,740,934
	Wildlife Information and Education (51102)	$5,369,270	$5,369,270		
	Enforcement of Recreational Hunting and Fishing Laws and Regulations (51103)	$18,806,056	$18,392,404		
	Wildlife Management and Habitat Improvement (51106)	$35,979,260	$35,979,260		
	Fund Sources: General	$204,545	$204,545		
	Dedicated Special Revenue	$44,741,248	$44,327,596		
	Federal Trust	$15,208,793	$15,208,793		

Authority: Title 29.1, Chapters 1 through 6, Code of Virginia.

A. Out of the amounts appropriated for this Item, $20,000 the first year and $20,000 the second year from nongeneral funds is provided for the Smith Mountain Lake Water Quality Monitoring Program.

B. Out of the amounts appropriated in this item, $10,000 the first year and $10,000 the second year from nongeneral funds is provided for the Back Bay Submerged Aquatic Vegetation Restoration Project.

C. Out of the amounts appropriated in this item, $204,545 in the first year and $204,545 in the second year from the general fund is provided to the department to support two staff biologists to develop and administer a statewide plan to protect and restore native freshwater mussel species. The department is authorized to enter into cooperative agreements with qualified nonprofit and private entities to assist in mussel restoration planning and implementation.

D. Any unexpended general fund balances designated for payment to the Army Corps of Engineers for the seabird habitat project on the last day of each fiscal year shall be reappropriated for expenditure for the same purpose.

E.1. Subject to review and approval by the Secretary of Natural and Historic Resources, the Director of the Department of Wildlife Resources may issue to the Department of Transportation an interim permit to relocate the nest and eggs of any state listed threatened bird species from critical areas of the Hampton Roads Bridge Tunnel Expansion Project's South Island associated with the ingress and egress to the island; the delivery, assembly, and immediate operations of the tunnel boring machine; or other project critical locations as mutually agreed to by the Commissioner of Highways and the Director, which, if not relocated, would effectively require all substantial construction activities to cease.

2. Prior to the issuance of an interim permit as described in section 1, (i) the Director must determine that the Department of Transportation and its design-build contractor have taken all reasonable steps to prevent birds from nesting on the South Island, in accordance with the Colonial Nesting Bird Management Plan dated March 27, 2020, (ii) the Commissioner of Highways must determine that substantial construction activities will have to cease if the nest and eggs are not relocated, and (iii) the Director shall require as a condition of the interim permit that the nest and any eggs will be relocated under the supervision of the Department of Wildlife Resources to a location acceptable to the Director that is as close as possible to the original nesting location while allowing construction activities to continue.

3. Within 30 days of the adoption by the Board of Wildlife Resources of any regulation governing the take of migratory birds or threatened and endangered species, the Department of Transportation shall apply for a permit covering such take for the Hampton Roads Bridge-Tunnel expansion project.

371.	Boating Safety and Regulation (62500)			$9,047,935	$9,047,935

ITEM 371.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Boat Registration and Titling (62501)	$2,860,163	$2,860,163		
	Boating Safety Information and Education (62502)	$769,850	$769,850		
	Enforcement of Boating Safety Laws and Regulations (62503)	$5,417,922	$5,417,922		
	Fund Sources: Dedicated Special Revenue	$6,928,156	$6,928,156		
	Federal Trust	$2,119,779	$2,119,779		
	Authority: Title 29.1, Chapters 7 and 8, Code of Virginia.				
372.	Administrative and Support Services (59900)			$15,027,187	$15,027,187
	General Management and Direction (59901)	$9,516,400	$9,516,400		
	Information Technology Services (59902)	$5,510,787	$5,510,787		
	Fund Sources: Dedicated Special Revenue	$13,524,252	$13,524,252		
	Federal Trust	$1,502,935	$1,502,935		
	Authority: Title 29.1, Chapter 1, Code of Virginia.				
	A. The department 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 department.				
	B. Funds previously appropriated to the Lake Anna Advisory Committee for hydrilla control and removal may be used at the discretion of the Lake Anna Advisory Committee upon issues related to maintaining the health, safety, and welfare of Lake Anna.				
	C. Pursuant to § 4-3.02 of this act, the Governor has authorized an operating deficit loan for the Department of up to $6,900,000.				
373.	A. Pursuant to §§ 29.1-101, 58.1-638, and 58.1-1410, Code of Virginia, deposits to the Game Protection Fund include an estimated $21,091,948 the first year and $20,678,296 the second year from revenue originating from the general fund.				
	B. Pursuant to § 29.1-101.01, Code of Virginia, the Department of Planning and Budget shall transfer such funds as designated by the Board of Wildlife Resources from the Game Protection Fund (§ 29.1-101) to the Capital Improvement Fund (§ 29.1-101.01) up to an amount equal to 50 percent or less of the revenue deposited to the Game Protection Fund by § 3-1.01, subparagraph M, of this act.				
	C. Out of the amounts transferred pursuant to § 3-1.01, subparagraph K, of this act, $881,753 the first year and $881,753 the second year from the Game Protection Fund shall be used for the enforcement of boating laws, boating safety education, and for improving boating access.				
	Total for Department of Wildlife Resources			**$84,229,708**	**$83,816,056**
	General Fund Positions	2.00	2.00		
	Nongeneral Fund Positions	498.00	498.00		
	Position Level	500.00	500.00		
	Fund Sources: General	$204,545	$204,545		
	Dedicated Special Revenue	$65,193,656	$64,780,004		
	Federal Trust	$18,831,507	$18,831,507		
	§ 1-110. DEPARTMENT OF HISTORIC RESOURCES (423)				
374.	Historic and Commemorative Attraction Management (50200)			$24,771,742	$15,308,942
	Financial Assistance for Historic Preservation (50204)	$16,611,900	$7,149,100		
	Historic Resource Management (50205)	$8,159,842	$8,159,842		
	Fund Sources: General	$21,115,696	$11,652,896		
	Special	$1,222,587	$1,222,587		
	Commonwealth Transportation	$226,807	$226,807		

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Dedicated Special Revenue.....	$50,000	$50,000		
Federal Trust.....	$2,156,652	$2,156,652		

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, 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 $226,807 the first year and $226,807 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 sell or lease a devise of certain real property previously accepted under the will of Elizabeth Rust Williams known as Clermont Farm located on Route 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, notwithstanding the provisions of § 2.2-1156, Code of Virginia, and 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. Included in this appropriation is $5,250,000 the first year and $5,250,000 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. This appropriation shall be deemed sufficient to meet the provisions of § 2.2-1509.4, Code of Virginia. The Department is authorized to expend up to five percent of the amounts allocated in this paragraph for costs related to the administration of the Fund.

G. 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.

H. 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. The Department is authorized to expend up to five percent of the amounts allocated in this paragraph for costs related to the administration of this program.

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

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and the Evergreen Cemetery in Richmond, Virginia.

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.

I. 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.,

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Code of Virginia.

J. 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.

K. 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.

L. 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 historic resources through grants, consultation, trainings, and paid internships. Included within the amounts in this item, $50,000 the first year and $50,000 the second year from the general fund is provided for grants, consultation, trainings, and paid internships related to the identification and protection of indigenous cultural properties and historic resources.

M. Out of the amounts in this item, $500,000 the first year and $500,000 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.

N. Out of the amounts in this item, $250,000 the first year and $250,000 the second year from the general fund is provided to the County of Fairfax to support Black Women United for Action in the creation of an African American Research Fellowship to be undertaken at the George Washington Presidential Library at Mount Vernon.

O. Out of the amounts in this item, $500,000 the first year from the general fund is provided to the City of Virginia Beach to support the renovations and preservation of the historic Nimmo United Methodist Church.

P. Out of the amounts in this item, $500,000 the first year from the general fund is provided to the County of Fairfax to support the installation of temporary heating and cooling equipment at the historic Fairfax Courthouse building.

Q. Out of the amounts in this item, $2,500,000 the first year from the general fund is provided to the County of Botetourt to support project costs related to the Fincastle Museum.

R. Out of the amounts in this Item, $1,000,000 the first year from the general fund is provided to the Town of Vienna to support the Washington and Old Dominion Trail Visitors Center.

S. Out of the amounts in this Item, $1,000,000 the first year from the general fund is provided to the City of Alexandria for the Freedom House Museum for preservation and accessibility improvements. The funding will be matched dollar-for-dollar.

T. Out of the amounts in this item, $100,000 the first year from the general fund is provided to the City of Roanoke to support commemoration activities.

U. Out of the amounts in this item, $250,000 the first year from the general fund is provided to the County of Loudoun to support the construction of the Ethical Leadership Development Center at General George C. Marshall's Dodona Manor.

V. Out of the amounts in this item, $295,000 the first year from the general fund is provided to the County of Giles to support repairs and improvements at the historic Andrew Johnston House.

W. Out of the amounts in this item, $107,800 the first year from the general fund is provided to the County of Tazewell to support repairs and improvements at the historic Pocahontas Fuel building.

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	X. Out of the amounts in this item, $160,000 the first year from the general fund is provided for the County of Arlington to support the September 11th National Memorial Trail Alliance.				
	Y. Out of the amounts in this item, $50,000 the first year from the general fund is provided to the City of Richmond to support preservation of the historic Moore Street School.				
	Z. Out of the amounts in this item, $1,000,000 the first year from the general fund is provided to the County of Arlington to support the construction of a visitor education center at the National 9/11 Pentagon Memorial located in Arlington National Cemetery.				
	AA. Out of the amounts in this item, $2,000,000 the first year from the general fund shall be deposited in the Virginia Black, Indigenous, and People of Color Historic Preservation Fund, as established in § 10.1-2202.5, Code of Virginia. Such funds and funding authorized in paragraph M, Item 386, Chapter 1, 2024 Acts of Assembly, Special Session I, may be used for the preservation of historic sites. Notwithstanding the provisions of § 10.1-2202.5 Paragraph F, Code of Virginia, 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. The Department is authorized to expend up to five percent of the amounts allocated in this Paragraph for costs related to the administration of the Fund.				
375.	Administrative and Support Services (59900)			$1,857,678	$1,857,678
	General Management and Direction (59901)	$1,857,678	$1,857,678		
	Fund Sources: General	$1,551,918	$1,551,918		
	Special	$124,776	$124,776		
	Federal Trust	$180,984	$180,984		
	Authority: Title 10.1, Chapters 10.1, 22 and 23, Code of Virginia.				
	Out of the amounts for Administrative and Support Services, the department shall administer state grants to nonstate agencies pursuant to Item 494 of this act.				
	Total for Department of Historic Resources			**$26,629,420**	**$17,166,620**
	General Fund Positions	42.00	42.00		
	Nongeneral Fund Positions	19.00	19.00		
	Position Level	61.00	61.00		
	Fund Sources: General	$22,667,614	$13,204,814		
	Special	$1,347,363	$1,347,363		
	Commonwealth Transportation	$226,807	$226,807		
	Dedicated Special Revenue	$50,000	$50,000		
	Federal Trust	$2,337,636	$2,337,636		
	§ 1-111. MARINE RESOURCES COMMISSION (402)				
376.	Marine Life Management (50500)			$28,018,943	$28,018,943
	Marine Life Information Services (50501)	$1,555,673	$1,555,673		
	Marine Life Regulation Enforcement (50503)	$11,647,053	$11,647,053		
	Artificial Reef Construction (50506)	$83,278	$83,278		
	Chesapeake Bay Fisheries Management (50507)	$7,487,949	$7,487,949		
	Shellfish Management (50509)	$7,244,990	$7,244,990		
	Fund Sources: General	$14,962,707	$14,962,707		
	Special	$4,447,424	$4,447,424		
	Commonwealth Transportation	$363,743	$363,743		
	Dedicated Special Revenue	$4,869,996	$4,869,996		
	Federal Trust	$3,375,073	$3,375,073		
	Authority: Title 18.2, Chapters 1 and 5; Title 19.2, Chapters 1, 5 and 7; Title 28.2, Chapters 1 through 10; Title 29.1, Chapter 7; Title 32.1, Chapter 6; Title 33.2, Chapter 1; and Title 62.1, Chapters 18 and 20, Code of Virginia.				
	A. Out of this appropriation, $54,611 the first year and $54,611 the second year from the				

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general fund is provided for annual membership dues to the Atlantic States Marine Fisheries Commission.

B. Out of this appropriation, $148,750 the first year and $148,750 the second year from the general fund is provided for annual membership dues to the Potomac River Fisheries Commission.

C. Out of the amounts for Marine Life Regulation Enforcement shall be paid into the Marine Patrols Fund, $196,205 the first year and $196,205 the second year, pursuant to § 28.2-108, Code of Virginia. For this purpose, cash shall be transferred from the Commonwealth Transportation Fund.

D. Pursuant to § 58.1-2289 D, Code of Virginia, $167,538 the first year and $167,538 the second year shall be transferred to Marine Life Regulation Enforcement from the Commonwealth Transportation Fund from unrefunded motor fuel taxes for boats and paid into the Marine Patrols Fund.

E.1. Out of this appropriation, $4,000,000 the first year and $4,000,000 the second year from the general fund is provided to support oyster replenishment and oyster restoration activities. From these amounts $1,500,000 the first year and $1,500,000 the second year shall be used to provide support for oyster restoration.

2. Any unexpended general fund balances designated by the agency for oyster remediation activities remaining in this Item on June 30, 2027, and on June 30, 2028, shall be reappropriated and reallotted to the Marine Resources Commission for expenditure.

F. Authorization provided in paragraph F. of Item 373, Chapter 725, 2025 Acts of Assembly, for the non-federal share of costs of an Army Corps of Engineers environmental restoration project at Money Point in the Elizabeth River in the City of Chesapeake, shall continue. Any remaining balance at year-end shall be carried forward to the subsequent fiscal year.

G.1. Out of amounts in this Item, $4,000,000 the first year and $4,000,000 the second year from amounts transferred to this Item pursuant to § 3-1.01 M. of this act shall support the Virginia Waterway Maintenance Grant Program established in § 28.2-108.2, Code of Virginia. Projects for which the Commission may award grant funding include (i) feasibility and cost evaluations, pre-project engineering studies, and project permitting and contracting costs for a waterway project conducted by the Commonwealth; (ii) the state portion of a nonfederal sponsor funding requirement for a federal project, which may include the beneficial use of dredged materials that are not covered by federal funding; (iii) the Commonwealth's maintenance of shallow-draft navigable waterway channel maintenance dredging and the design, lease, or purchase of upland containment areas where the material can be selectively excavated and used beneficially for environmental restoration or for mitigation of coastal erosion; and (iv) the beneficial use, for environmental restoration and the mitigation of coastal erosion or flooding, of dredged materials from approved waterway dredging projects conducted by the Commonwealth. Special consideration shall be given to any locality which provides a three-to-one match for any requested funding. Any funding remaining at the end of the fiscal year shall be carried forward for the same purpose.

2. Out of the amounts in this paragraph, the Commission may use up to $150,000 each year for administration of the grant program.

3. Out of the amounts in this paragraph, $600,000 the first year shall be provided to the Jamestown-Yorktown Foundation to complete a dredging project in the James River. Such funds shall be provided on a quarterly reimbursement basis.

4. Out of the amounts in this paragraph, $2,000,000 the first year from nongeneral funds is provided to the Northern Neck Planning District Commission for emergency dredging of the Little Wicomico River.

H. Notwithstanding § 28.2-1209, Code of Virginia, any city or county duly authorized by the Commission or other state agency to install an underground or underwater utility or facility, shall be deemed to possess a legal interest in the lawful use of state-owned waters, bottoms, or subsurface soils sufficient to qualify for any reimbursement for costs

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associated with relocation, removal, or abandonment of said utility or facility as a result of the construction or maintenance of any Congressionally approved navigation and flood control project undertaken by the Army Corps of Engineers, or other federal agency, to regulate navigable waters or flood control that requires relocation, removal, or abandonment of a permitted utility located on or under state-owned waters, bottoms, or subsurface soils of the Commonwealth.

I. 1. For purposes of Item 376, Paragraph I, "Phase I" means the following drawings: (i) "Norfolk CSRM State-Owned Bottom and Right-of-Way Map," Map Number – 68 Phase IA, dated October 8, 2025, prepared by TKY; (ii) Drawing entitled "Grandy Village Living Shoreline Preliminary Bottom Impacts WSSI #36556.01," Exhibit 1, prepared by Wetland Studies and Solutions, Inc., a Davey Company; (iii) Drawing entitled "Richmond and Surrey Crescent Shoreline State Bottom Impacts"; (iv) "Wetlands Impact Analysis Phase 1A-WS-1," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO; (v) "Wetlands Impact Analysis Phase 1A-WS-2," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO; (vi) "Wetlands Impact Analysis Phase 1A-PS-HP1," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO; (vii) "Wetlands Impact Analysis Phase 1A-FD-1,"Map: Wetlands Impact Analysis (JPA)DDwithExcludedPermitAreaTable, dated August 28, 2025, revised January 22, 2026, developed by JAO; (viii) "Wetlands Impact Analysis Phase 1A-HP," Map: Wetlands Impact Analysis (JPA)DDwithExcludedPermitAreaTable, dated August 28, 2025, revised January 27, 2026, developed by JAO; (ix) "Wetlands Impact Analysis Phase 1A-RR-1," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO; (x) "Wetlands Impact Analysis Phase 1A-PS-NC-1," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO; (xi) "Wetlands Impact Analysis Phase 1A-Sub-1," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO; (xii) "Wetlands Impact Analysis Phase 1A-Sub-2," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO; and (xiii) "Wetlands Impact Analysis Phase No Impact," Map: Wetlands Impact Analysis (JPA), dated August 28, 2025, revised January 15, 2026, developed by JAO.

2. That, in consideration of the mutual promises of the parties and the payment of $1, and on terms otherwise acceptable to the Marine Resources Commission (the Commission), the Commission is hereby authorized to convey to the City of Norfolk, in locations acceptable to the Commission, the following real property interests in subaqueous land that are necessary for Phase I, as generally shown on the Phase I drawings: permanent easement interests; temporary construction easements; and fee simple interests subject to a reverter clause acceptable to the Commonwealth, pursuant to quitclaims.

3. That, in consideration of the mutual promises of the parties and the payment of $1, and on terms otherwise acceptable to the Commission, the Commission is hereby authorized to quitclaim to the City any interest that the Commonwealth may have in and to the property known as Newton Canal, a/k/a Mahone's Canal, a/k/a Brambleton Canal, which property is located within the boundaries of City of Norfolk GPIN 1437339770, subject to a reverter clause acceptable to the Commonwealth.

4. That the conveyances authorized herein shall be made in consultation with the Chief Resilience Officer of the Commonwealth and the Office of the Attorney General. The conveyances authorized herein shall be approved by the Governor and made in a form approved by the Office of the Attorney General. The appropriate officials of the Commonwealth are hereby authorized to prepare, execute, and deliver such deeds and other documents as may be necessary to accomplish the conveyances.

5. The General Assembly deems that the conveyances of the property interests, set forth in this Item 376, Paragraph I, may be undertaken without substantial impairment of the interest of the public in the waters of the Commonwealth.

377.	Coastal Lands Surveying and Mapping (51000)				$2,841,296	$2,950,744
	Coastal Lands and Bottomlands Management (51001)	$2,841,296	$2,950,744			
	Fund Sources: General	$1,576,817	$1,686,265			
	Special	$1,527	$1,527			

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	Dedicated Special Revenue	$1,027,507	$1,027,507		
	Federal Trust	$235,445	$235,445		
	Authority: Title 28.2, Chapters 12, 13, 14, 15 and 16; Title 62.1, Chapters 16 and 19, Code of Virginia.				
378.	Tourist Promotion (53600)			$237,584	$237,584
	Virginia Saltwater Sport Fishing Tournament (53601)	$237,584	$237,584		
	Fund Sources: Special	$237,584	$237,584		
	Authority: Title 28.2, Chapter 2, Code of Virginia				
	Pursuant to the provisions of §28.2-206, Code of Virginia, the Virginia Marine Resources Commission shall conduct the Virginia Saltwater Sport Fishing Tournament in both years of the biennium.				
379.	Administrative and Support Services (59900)			$3,287,775	$3,287,775
	General Management and Direction (59901)	$3,287,775	$3,287,775		
	Fund Sources: General	$2,989,526	$2,989,526		
	Special	$129,737	$129,737		
	Dedicated Special Revenue	$168,512	$168,512		
	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.				
	Total for Marine Resources Commission			**$34,385,598**	**$34,495,046**
	General Fund Positions	142.50	143.50		
	Nongeneral Fund Positions	30.00	30.00		
	Position Level	172.50	173.50		
	Fund Sources: General	$19,529,050	$19,638,498		
	Special	$4,816,272	$4,816,272		
	Commonwealth Transportation	$363,743	$363,743		
	Dedicated Special Revenue	$6,066,015	$6,066,015		
	Federal Trust	$3,610,518	$3,610,518		
	TOTAL FOR OFFICE OF NATURAL AND HISTORIC RESOURCES			**$1,423,983,189**	**$636,106,370**
	General Fund Positions	1,133.50	1,134.50		
	Nongeneral Fund Positions	1,182.00	1,182.00		
	Position Level	2,315.50	2,316.50		
	Fund Sources: General	$858,584,987	$213,177,531		
	Special	$62,552,463	$62,330,845		
	Commonwealth Transportation	$590,550	$590,550		
	Enterprise	$14,886,179	$14,886,179		
	Trust and Agency	$39,665,026	$39,665,026		
	Dedicated Special Revenue	$376,325,467	$234,028,372		

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	Federal Trust.....	$71,378,517	$71,427,867		

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OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY				
§ 1-112. SECRETARY OF PUBLIC SAFETY AND HOMELAND SECURITY (187)				
380. Administrative and Support Services (79900)			$958,120	$958,120
General Management and Direction (79901)	$958,120	$958,120		
Fund Sources: General	$958,120	$958,120		
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 Courts of Justice 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.				
381. Disaster Planning and Operations (72200)			$633,910	$633,910
Emergency Planning and Homeland Security (72210)	$633,910	$633,910		
Fund Sources: Federal Trust	$633,910	$633,910		
Total for Secretary of Public Safety and Homeland Security			**$1,592,030**	**$1,592,030**
General Fund Positions	6.00	6.00		
Nongeneral Fund Positions	3.00	3.00		
Position Level	9.00	9.00		
Fund Sources: General	$958,120	$958,120		
Federal Trust	$633,910	$633,910		
§ 1-113. COMMONWEALTH'S ATTORNEYS' SERVICES COUNCIL (957)				
382. Adjudication Training, Education, and Standards (32600)			$2,526,835	$2,526,835
Prosecutorial Training (32604)	$2,526,835	$2,526,835		
Fund Sources: General	$877,808	$877,808		
Special	$1,425,238	$1,425,238		
Federal Trust	$223,789	$223,789		
Authority: Title 2.2, Chapter 26, Article 7, Code of Virginia.				
The Commonwealth's Attorneys' Services Council shall provide to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, no later than November 15, 2026, a report with options, including associated costs and any necessary statutory changes, for establishing shared infrastructure for electronic storage and dissemination of discovery materials, including approaches and funding strategies used in the other states, with the goal of leveraging economies of scale and improving the				

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	uniformity of IT infrastructure and discovery practices in Commonwealth's Attorneys' offices across the state.				
	Total for Commonwealth's Attorneys' Services Council			**$2,526,835**	**$2,526,835**
	General Fund Positions	7.00	7.00		
	Position Level	7.00	7.00		
	Fund Sources: General	$877,808	$877,808		
	Special	$1,425,238	$1,425,238		
	Federal Trust	$223,789	$223,789		
	§ 1-114. DEPARTMENT OF CORRECTIONS (799)				
383.	Instruction (19700)			$34,377,444	$34,377,444
	Career and Technical Instructional Services for Youth and Adult Schools (19712)	$13,633,115	$13,633,115		
	Adult Instructional Services (19713)	$13,299,098	$13,299,098		
	Instructional Leadership and Support Services (19714)	$7,445,231	$7,445,231		
	Fund Sources: General	$33,859,920	$33,859,920		
	Federal Trust	$517,524	$517,524		
	Authority: §§ 53.1-5 and 53.1-10, Code of Virginia.				
384.	Supervision of Offenders and Re-entry Services (35100)			$139,004,039	$139,004,039
	Probation and Parole Services (35106)	$127,350,626	$127,350,626		
	Community Residential Programs (35108)	$6,008,897	$6,008,897		
	Administrative Services (35109)	$5,644,516	$5,644,516		
	Fund Sources: General	$135,504,271	$135,504,271		
	Dedicated Special Revenue	$3,090,718	$3,090,718		
	Federal Trust	$409,050	$409,050		
	Authority: §§ 53.1-67.2 through 53.1-67.6 and §§ 53.1-140 through 53.1-176.3, Code of Virginia.				

A. By September 1 of each year, the Department of Corrections shall provide a status report on the Statewide Community-Based Corrections System for State-Responsible Offenders to the Chairs of the House Courts of Justice and Health and Human Services Committees, the Chairs of the Senate Courts of Justice and Senate Rehabilitation and Social Services Committees, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and to the Director of Department of Planning and Budget. The report shall include a description of the department's progress in implementing evidence-based practices in probation and parole districts, and its plan to continue expanding this initiative into additional districts. The section of the status report on evidence-based practices shall include an evaluation of the effectiveness of these practices in reducing recidivism and how that effectiveness is measured.

B. Included in the appropriation for this Item is $150,000 the first year and $150,000 the second year from nongeneral funds to support the implementation of evidence-based practices in probation and parole districts. The source of the funds is the Drug Offender Assessment Fund.

C. The Department of Corrections shall coordinate with the Department of Motor Vehicles (DMV) to provide identification cards to inmates through the DMV Connect program.

D.1. The Department of Corrections (Department) shall determine appropriate program assignments to include, in addition to the assignments listed in § 53.1-32.1, Code of Virginia, group and individual counseling, alcohol and substance abuse recovery training, technological literacy training, socioemotional development, mental health and wellness support, health literacy, relationship skills, social capital skills development, financial literacy, and such

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related activities as may be necessary to assist prisoners in the successful transition and reintegration into and ability to thrive in free society and the broader community with gainful employment. The Department shall actively incorporate peer support programs, group classes, and other classes or programs provided by external organizations, to the extent that resources are available.

2. The Department shall assess, train, and enlist prisoners in developing, facilitating, mentoring, and otherwise serving in leadership roles in peer and group educational programs for which such prisoners are qualified to lead or help facilitate. The Department shall, to the extent practicable and within existing resources, ensure that such peer and group educational programs are available without a waitlist. Time spent participating in such programs, including leading such programs as described in this subsection, and participating in programs offered by external organizations, shall count toward a prisoner's required weekly participation hours under § 53.1-32.1, Code of Virginia.

3. That the Department shall convene a work group consisting of relevant stakeholders to develop practical policy and legislative recommendations in order to meet the following goals: (i) develop robust networks of external organizations to provide regular programming at Department facilities across the Commonwealth, (ii) maximize the benefits and utilization of peer and group programming led or facilitated by Department inmates, (iii) establish a robust set of programs to broaden the range of offered programming types, and (iv) develop specific guidelines to safely minimize programming disruptions. The work group shall provide an initial report of its progress and initial findings and suggestions to the General Assembly and the Governor by November 1, 2026. The work group shall report its final findings and specific legislative and policy recommendations to the General Assembly and the Governor by July 1, 2027.

385. A. The following process shall be applicable in order for any county, city, or regional jail authority (hereinafter referred to as “the locality”) to receive state reimbursement for a portion of the costs of the construction, expansion, or renovation of a jail as provided in §§ 53.1-80 and 53.1-81, Code of Virginia:

1. The locality shall file with the Department of Corrections, by January 1 of the year in which it wishes its request to be considered, the following information in a format specified by the department:

a. the information and documents required by § 53.1-82.1, Code of Virginia;

b. specifications for the proposed construction or renovation; and

c. detailed cost estimates.

2. The Department of Corrections shall review the request and make its comments and recommendations to the State Board of Local and Regional Jails.

3. The Departments of Corrections and Criminal Justice Services shall review the community-based corrections plan and jail population forecast submitted by the locality and make their comments and recommendation concerning them to the State Board of Local and Regional Jails.

4. The State Board of Local and Regional Jails shall review and take action on the request, after reviewing the comments and recommendations of the Departments of Corrections and Criminal Justice Services. It may modify any aspect of the request before approving it. The Board shall not approve any request unless the following conditions have been met:

a. the project is consistent with the projected number of local and state responsible offenders to be housed in such facility;

b. the project meets the design criteria set out in the State Board of Local and Regional Jails' Standards for Planning, Design, Construction and Reimbursement of Local Correctional Facilities;

c. the project is proposed to be built using standards for a minimum security facility, as adopted by the Board, unless the use of more expensive construction standards is justified,

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based on a documented projection of offender populations that would require a higher level of security;

d. the project can be completed and operated in a cost-efficient manner; and

e. any other criteria established by the Board.

5.a. For those projects with a total cost exceeding $12,000,000 for which the State Board of Local and Regional Jails (the Board) approves a request, the Board shall (i) submit to the Department of General Services (DGS) as soon as is practicable after Board approval, but no later than July 1, all documents and information requested by DGS to perform a design and cost review of the project at the completion of preliminary design; and (ii) submit to the Department of Planning and Budget by no later than September 15, a summary of the project and a detailed list of the Board-approved costs. Using the project information provided by the Board and the localities, DGS shall provide a cost review of the Board-approved project no later than October 15 and shall inform the Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees of the outcome of its review.

b. The State Board of Local and Regional Jails, in consultation with DGS, shall evaluate and amend, if necessary, its Standards for Planning, Design, Construction, and Reimbursement of Local Correctional Facilities, to enable the Board to collect detailed data necessary for DGS to conduct a cost review process of projects approved by the Board.

6. If the State Board of Local and Regional Jails approves a request, the Department of Criminal Justice Services shall submit to the Department of Planning and Budget by October 1 a summary of the alternatives to incarceration included in the community-based corrections plan approved for the project, along with a projection of the state funds needed to implement these programs.

7. The Department of Planning and Budget shall submit to the Governor, for consideration for inclusion in the budget bill to be submitted by the Governor to the General Assembly, its recommendations concerning the approval of the request for reimbursement of jail construction or renovation costs and whether state funding is appropriate to support the alternatives to incarceration included in the community-based corrections plan.

B. The Department of Corrections shall provide an annual report on the status of jail construction and renovation projects as approved for funding by the General Assembly. The report shall be limited to those projects which increase bed capacity. The report shall include a brief summary description of each project, the total capital cost of the project and the approved state share of the capital cost, the number of beds approved, along with the net number of new beds if existing beds are to be removed, and the closure of any existing facilities, if applicable. The report shall include the six-year population forecast, as well as the double-bunking capacity compared to the rated capacity for each project listed. The report shall also include the general fund impact on community corrections programs as reported by the Department of Criminal Justice Services, and the recommended financing arrangements and estimated general fund requirements for debt service as provided by the State Treasurer. Copies of the report shall be provided by October 1 of each year to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees and to the Director, Department of Planning and Budget.

C.1. No city, county, town or regional jail shall authorize the construction, remodeling, renovation or rehabilitation of any facility to house any inmate in secure custody which results in increased jail capacity without the prior approval of the State Board of Local and Regional Jails.

2. Any facility operated by any local or regional jail in the Commonwealth which houses any inmate in secure custody shall be subject to the operational provisions of §§ 53.1-5 and 53.1-68, Code of Virginia, as well as all rules, regulations, and inspections established by the State Board of Local and Regional Jails.

D. The State Board of Local and Regional Jails shall include within its reporting formats on the capacity of each local and regional jail, a measure of the actual jail capacity, which shall include double-bunking, with exceptions as appropriate, in the judgment of the Board, for

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isolation, segregation, or medical cells, or similar units which would not normally be double-bunked. Exceptions to this measure of capacity may also be made for jails which were constructed prior to 1980. A report including the double-bunking capacity, as well as the standard State Board of Local and Regional Jails measure of rated capacity, for each jail shall be presented to the Secretary of Public Safety and Homeland Security and the Chairs of the Senate Finance and Appropriations and House Appropriations Committees by October 1 of each year.

E. The Commonwealth shall reimburse localities or regional jail authorities up to 25 percent of the cost of constructing, enlarging, or renovating local or regional jails, for projects approved by the Governor on or after July 1, 2017.

386.	Financial Assistance for Confinement of Inmates in Local and Regional Facilities (35600)			$1,515,243	$0
	Financial Assistance for Construction of Local and Regional Jails (35603)	$1,515,243	$0		
	Fund Sources: General	$1,515,243	$0		

Authority: §§ 53.1-80 and 53.1-81, Code of Virginia

The appropriation in this Item shall be used to pay the Commonwealth's share of the costs to construct, renovate, or expand a local correctional facility. After reviewing requests for reimbursement, the Department of Corrections shall reimburse the Commonwealth's share of costs approved by the Board of Corrections for the following facilities, not to exceed the amount shown:

Roanoke County Jail – Renovation Project	$5,024
Piedmont Regional Jail – Upgrade Project	$279,827
Prince William-Manassas Regional Adult Detention Center - Renovation Project	$275,400
Western Tidewater Regional Jail - Upgrade Project	$954,992

387.	Operation of State Residential Community Correctional Facilities (36100)			$17,890,912	$17,890,912
	Community Facility Management (36101)	$1,824,804	$1,824,804		
	Supervision and Management of Probates (36102)	$11,000,413	$11,000,413		
	Rehabilitation and Treatment Services - Community Residential Facilities (36103)	$1,877,752	$1,877,752		
	Medical and Clinical Services - Community Residential Facilities (36104)	$1,033,729	$1,033,729		
	Food Services - Community Residential Facilities (36105)	$931,231	$931,231		
	Physical Plant Services - Community Residential Facilities (36106)	$1,222,983	$1,222,983		
	Fund Sources: General	$16,990,912	$16,990,912		
	Special	$900,000	$900,000		

Authority: §§ 53.1-67.2 through 53.1-67.6, Code of Virginia.

A. Included within this appropriation is $700,000 the first year and $700,000 the second year from nongeneral funds to be used for operating expenses of diversion centers operated by the Department of Corrections. The nongeneral funds are to come from the fees collected from probationers assigned to the diversion centers to cover a portion of the cost of housing them, pursuant to § 19.2-316.4 D, Code of Virginia.

B. Included in the appropriation for this Item is $1,019,010 the first year and $1,019,010 the second year from the general fund for the establishment of opioid treatment programs in the detention and diversion centers. The department shall report annually to the Governor, the Chairs of the House Appropriations and the Senate Finance and Appropriations Committees, and the Director of the Department of Planning and Budget on the status of the program, including recidivism and illegal drug relapse of participants

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	in the program.				
388.	Operation of Secure Correctional Facilities (39800)			$941,699,456	$941,699,456
	Supervision and Management of Inmates (39802)	$630,483,482	$630,483,482		
	Rehabilitation and Treatment Services - Prisons (39803)	$58,559,240	$58,559,240		
	Prison Management (39805)	$52,454,703	$52,454,703		
	Food Services - Prisons (39807)	$43,437,300	$43,437,300		
	Agribusiness (39811)	$14,392,404	$14,392,404		
	Correctional Enterprises (39812)	$53,886,122	$53,886,122		
	Physical Plant Services - Prisons (39815)	$88,486,205	$88,486,205		
	Fund Sources: General	$884,188,334	$884,188,334		
	Special	$57,511,122	$57,511,122		

Authority: §§ 53.1-1, 53.1-5, 53.1-8, and 53.1-10, Code of Virginia.

A. Included in this appropriation is $1,920,000 the first year and $1,920,000 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. $1,625,000 the first year and $1,625,000 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 a Cure 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 61 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.

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

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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 $242,923 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 November 2020 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 $2,425,245 the first year and $2,425,245 the second year and 33 positions from the general fund to reduce the ratio of mental health clinicians to inmates in correctional facilities.

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	O. The Department of Corrections shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees at least 60 days before any relocation of a unit, including a general population or special purpose unit, to another facility. However, if temporary relocation of the unit is necessary due to extenuating emergency circumstances, the Department shall notify the Chairs no more than seven days after the temporary relocation.				
389.	Prison Medical and Clinical Services (39700)			$309,966,171	$311,874,997
	Offsite Healthcare Costs (39702)	$78,412,068	$79,012,094		
	Pharmaceutical Costs (39703)	$64,078,597	$65,112,071		
	Department of Corrections-managed Facility Healthcare Costs (39704)	$167,475,506	$167,750,832		
	Fund Sources: General	$307,092,706	$309,001,532		
	Special	$566,137	$566,137		
	Federal Trust	$2,307,328	$2,307,328		
	Authority: §§ 53.1-1, 53.1-5, 53.1-8, and 53.1-10, Code of Virginia.				
	A. Out of this appropriation, $2,300,040 the first year and $2,300,040 the second year from nongeneral funds is included for inmate medical costs. The source of the nongeneral funds is an award from the State Criminal Alien Assistance Program, administered by the U.S. Department of Justice.				
	B. The Department of Corrections shall continue to coordinate with the Department of Medical Assistance Services and the Department of Social Services to enroll eligible inmates in Medicaid. To the extent possible, the Department of Corrections shall work to identify potentially eligible inmates on a proactive basis, prior to the time inpatient hospitalization occurs. Procedures shall also include provisions for medical providers to bill the Department of Medical Assistance Services, rather than the Department of Corrections, for eligible inmate inpatient medical expenses. Due to the multiple payor sources associated with inpatient and outpatient health care services, the Department of Corrections and the Department of Medical Assistance Services shall consult with the applicable provider community to ensure that administrative burdens are minimized and payment for health care services is rendered in a prompt manner.				
	C. Included in the appropriation for this item is funding for the first year and the second year from the general fund for six medical contract monitors. The persons filling these positions shall have the responsibility of closely monitoring the adequacy and quality of inmate medical services in Department of Corrections' facilities.				
	D. The workgroup convened pursuant to Item 390, Paragraph R of Chapter 854, 2019 Acts of Assembly, shall be continued. The workgroup shall annually report on the progress and outcomes of the university medical pilots authorized in this Item. The workgroup shall also examine the feasibility and costs of establishing partnerships with academic medical centers to: (i) perform utilization management review for evaluating the need for specialty medical care; and (ii) provide onsite care using medical center students and residents. The report shall be provided to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than October 15 of each year.				
	E. The Department shall report on potential options for medical release or secure external nursing home options for elderly or high-cost claimants, including any associated fiscal impacts and public safety considerations, including eligible offenses, as well as practices used in other states. The Department shall provide its options and recommendations to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 15, 2026.				
390.	Administrative and Support Services (39900)			$223,664,716	$211,004,665
	General Management and Direction (39901)	$43,253,519	$35,116,519		
	Information Technology Services (39902)	$89,540,405	$86,872,901		
	Accounting and Budgeting Services (39903)	$7,055,551	$7,055,551		
	Architectural and Engineering Services (39904)	$21,450,781	$20,350,781		
	Jail Regulation, Inspections, and Investigations (39905)	$1,313,776	$1,313,776		
	Human Resources Services (39914)	$16,543,088	$16,543,088		

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Planning and Evaluation Services (39916)	$2,358,851	$2,358,851		
Procurement and Distribution Services (39918)	$17,351,820	$17,351,820		
Training Academy (39929)	$12,187,318	$12,187,318		
Offender Classification and Time Computation Services (39930)	$12,609,607	$11,854,060		
Fund Sources: General	$212,223,543	$199,563,492		
Special	$10,256,624	$10,256,624		
Dedicated Special Revenue	$165,918	$165,918		
Federal Trust	$1,018,631	$1,018,631		

Authority: §§ 53.1-1 and 53.1-10, Code of Virginia.

A.1. Any plan to modernize and integrate the automated systems of the Department of Corrections shall be based on developing the integrated system in phases, or modules. Furthermore, any such integrated system shall be designed to provide the department the data needed to evaluate its programs, including that data needed to measure recidivism.

2. The appropriation in this Item includes $600,000 the first year and $600,000 the second year from the Contract Prisoners Special Revenue Fund to defray a portion of the costs of maintaining and enhancing the offender management system.

B. Included in this appropriation is $550,000 the first year and $550,000 the second year from nongeneral funds to be used for installation and operating expenses of the telemedicine program operated by the Department of Corrections. The source of the funds is revenue from inmate fees collected for medical services.

C. Included in this appropriation is $3,000,000 the first year and $3,000,000 the second year from nongeneral funds to be used by the Department of Corrections for the operations of its Corrections Construction Unit. The State Comptroller shall continue the Corrections Construction Unit Special Operating Fund on the books of the Commonwealth to reflect the activities of contracts between the Corrections Construction Unit and (i) institutions within the Department of Corrections for work not related to a capital project and (ii) agencies without the Department of Corrections for work performed for those agencies.

D. Notwithstanding the provisions of § 53.1-20 A. and B., Code of Virginia, the Director, Department of Corrections, shall receive offenders into the state correctional system from local and regional jails at such time as he determines that sufficient, secure and appropriate housing is available, placing a priority on receiving inmates diagnosed and being treated for HIV, mental illnesses requiring medication, or Hepatitis C. The director shall maximize, consistent with inmate and staff safety, the use of bed space in the state correctional system. The director shall report monthly to the Secretary of Public Safety and Homeland Security and the Director of the Department of Planning and Budget on the number of inmates housed in the state correctional system, the number of inmate beds available, and the number of offenders housed in local and regional jails that meet the criteria set out in § 53.1-20 A. and B.

E. Notwithstanding any requirement to the contrary, any building, fixture, or structure to be placed, erected or constructed on, or removed or demolished from the property of the Commonwealth of Virginia under the control of the Department of Corrections shall not be subject to review and approval by the Art and Architectural Review Board as contemplated by § 2.2-2402, Code of Virginia. However, if the Department of Corrections seeks to construct a facility that is not a secure correctional facility or a structure located on the property of a secure correctional facility, then the Department of Corrections shall submit that structure to the Art and Architectural Review Board for review and approval by that board. Such other structures could include probation and parole district offices or regional offices.

F. Notwithstanding the provisions of § 58.1-3403, Code of Virginia, the Department of Corrections shall be exempt from the payment of service charges levied in lieu of taxes by any county, city, or town.

G. The Department of Corrections shall serve as the Federal Bonding Coordinator and

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shall work with the Virginia Community College System and its workforce development programs and services to provide fidelity bonds to those offenders released from jails or state correctional centers who are required to provide fidelity bonds as a condition of employment. The department is authorized to use funds from the Contract Prisoners Special Revenue Fund to pay the costs of this activity.

H. In the event the Department of Corrections closes a correctional facility for which it has entered into an agreement with any locality to pay a proportionate share of the debt service for the establishment of utilities to serve the facility, the department shall continue to pay its agreed upon share of the debt service, subject to the schedule previously agreed upon.

I. Included in the appropriation for this Item is $1,000,000 the first year and $1,000,000 the second year from the general fund for the costs of security technology and hardware for the inmate telephone system.

J. From the appropriation in this Item, $500,000 the first year and $500,000 the second year from the general fund shall be used to present seminars on overcoming obstacles to re-entry and to promote family integration in the correctional centers designated for intensive re-entry programs. The department shall submit a report by October 15 of each year to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Secretary of Public Safety and Homeland Security, and the Director of the Department of Planning and Budget on the use of this funding.

K. Included in the appropriation for this Item is $426,832 the first year and $426,832 the second year from the general fund and four positions to assist the State Board of Local and Regional Jails in carrying out its duties under the authority of § 53.1-69.1, Code of Virginia, to review deaths of inmates in local correctional facilities. One of the positions provided is for an Executive Director.

L. By September 1 of each year, the Department of Corrections shall remit data to the Director of the Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees regarding medical treatment provided to offenders at each facility. The data shall include, as a proportion of average daily population at each facility, the levels of inmates who received care, including: the specific proportions of inmates from each facility who were treated as inpatients, the specific proportion of inmates from each facility who were treated as outpatients, data on prescription drug administration, and the proportion of inmates from each facility who received other discrete services. When negotiating contracts with healthcare vendors, the Department of Corrections shall include the reporting of data required under this paragraph as a requirement within the contract.

M. Included within the appropriation for this item is $1,988,000 the first year and $1,988,000 the second year from the general fund and $2,000,000 the first year and $2,000,000 the second year from the Contract Prisoners Special Revenue Fund for implementation of an electronic health records system in all facilities. The Department shall utilize its nongeneral funds appropriated for this purpose prior to using the general fund appropriation.

N. Included in the appropriation for this item is $8,125,783 in the first year and $8,125,783 in the second year and 105 positions from the general fund for the Department to implement the earned-sentence-credit structure set forth in Chapters 50 and 52 of the 2020 Acts of Assembly, Special Session.

O. The Department may not transfer appropriated amounts from program 197 (Instruction) to other programs. The Department of Planning and Budget is directed to reappropriate any unexpended balances at the end of the fiscal year so that the Department may use such balances for one-time expenditures to support correctional education, such as equipment.

P. Included in the appropriation for this item is $7,837,000 the first year from the general fund to provide a bonus of $1,000 for each employee assigned to a facility, with $500 per employee provided in July 2026 and $500 provided in December 2026.

Q. The Department shall contract with an independent entity to conduct a comprehensive reevaluation of the Department's post audits to realign existing posts to meet the current needs, as recommended in the "Security Staff Assessment and Relief Factor Recalculation -

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R. Included in the appropriation for this item is $1,100,000 the first year from the general fund for the estimated net increase in the operating cost of adult correctional facilities resulting from the enactment of sentencing legislation as listed below. This amount shall be paid into the Corrections Special Reserve Fund, established pursuant to § 30-19.1:4, Code of Virginia.

1. House Bill 19 and Senate Bill 160 -- $50,000

2. House Bill 40 and Senate Bill 323 -- $50,000

3. House Bill 124 and Senate Bill 144 -- $50,000

4. House Bill 217 and Senate Bill 749 -- $50,000

5. House Bill 229 and Senate Bill 173 -- $50,000

6. House Bill 250 and Senate Bill 55 -- $50,000

7. House Bill 317 and Senate Bill 743 -- $50,000

8. House Bill 626 and Senate Bill 272 -- $50,000

9. House Bill 662 and Senate Bill 444 -- $50,000

10. House Bill 1524 and Senate Bill 727 -- $50,000

11. House Bill 238 -- $50,000

12. House Bill 629 -- $50,000

13. House Bill 1015 -- $50,000

14. House Bill 1103 -- $50,000

15. House Bill 1414 -- $50,000

16. House Bill 1492 -- $50,000

17. House Bill 1525 -- $50,000

18. Senate Bill 47 -- $50,000

19. Senate Bill 673 -- $50,000

20. Senate Bill 778 -- $50,000

21. Senate Bill 794 -- $50,000

22. Provisions of Item 4-14 of this act.

S. Included in the appropriation for this item is $300,000 the first year from the general fund for a contract to provide law-enforcement specific recruitment and retention training to employees to improve hiring practices and strategies to increase the number of successful recruitments.

Total for Department of Corrections			**$1,668,117,981**	**$1,655,851,513**
General Fund Positions	12,683.25	12,683.25		
Nongeneral Fund Positions	218.50	218.50		
Position Level	12,901.75	12,901.75		
Fund Sources: General	$1,591,374,929	$1,579,108,461		
Special	$69,233,883	$69,233,883		
Dedicated Special Revenue	$3,256,636	$3,256,636		
Federal Trust	$4,252,533	$4,252,533		

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	§ 1-115. DEPARTMENT OF CRIMINAL JUSTICE SERVICES (140)				
391.	Criminal Justice Training and Standards (30300)			$6,771,772	$6,909,576
	Criminal Justice Training Services (30303)	$3,180,962	$3,318,766		
	Standards and Training (30304)	$2,444,040	$2,444,040		
	Criminal Justice Academy Inspections and Audit Services (30307)	$1,146,770	$1,146,770		
	Fund Sources: General	$6,520,037	$6,657,841		
	Special	$251,735	$251,735		

Authority: Title 9.1, Chapter 1, Code of Virginia.

A. The Director of the Department of Criminal Justice Services (the Director) and the Board of Criminal Justice Services (the Board) shall, in conjunction with the relevant stakeholders, review all of the compulsory minimum training standards which are applicable to law-enforcement officers and update them as needed. The Director and the Board shall ensure that the training standards appropriately educate law-enforcement officers in the areas of mental health, community policing, and serving individuals who are disabled. The updated compulsory minimum training standards shall, where appropriate, include consideration of, but not be limited to, the recommendations of the President's Task Force on 21st Century Policing. The Director shall identify current resources available to officers in dealing with situations related to mental health and identify what resources are needed.

B. Included in the amounts appropriated for this item is $280,000 the first year and $280,000 the second year from the general fund for the Department to provide annual trainings on active shooter scenarios to school and community personnel.

C. Included in the amounts appropriated for this item is $427,630 the first year and $427,630 the second year from the general fund for oversight and management of the school resource officer and school security officer certification and training programs, the provision of basic training courses for school resource officers and school personnel, and development and update Virginia-specific training resources for school resource officers and school security officers.

D.1. Included in the amounts appropriated for this item is $595,630 the first year and $595,630 the second year from the general fund for the purpose of expanding training provided to members of threat assessment teams.

2. Included in the amounts appropriated for this item is $125,000 the first year and $125,000 the second year from the general fund for the development of a case management tool for use by threat assessment teams, consistent with the provisions of Chapter 456, 2019 Acts of Assembly.

E. Included in the amounts appropriated for this item is $871,890 the first year and $871,890 the second year from the general fund to enhance school safety training provided to Virginia school personnel, to include hosting live trainings and conferences, developing online training and curricula, and developing Virginia-specific school safety resources.

F. Included in the appropriation for this item is $249,695 the first year and $249,695 the second year from the general fund and two positions to support proposed legislation in the 2020 Special Session I of the General Assembly related to the decertification of law-enforcement officers.

G. Included in the appropriation for this item is $113,790 the first year and $113,790 the second year from the general fund and one position to support proposed legislation in the 2020 Special Session I of the General Assembly related to the expansion of the decertification process of law-enforcement personnel.

H. Included in the appropriation for this item is $50,000 the first year and $50,000 the second year from the general fund to support proposed legislation in the 2020 Special Session I of the General Assembly related to the development of a statewide officer database for purposes of sharing information between law-enforcement agencies.

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I. Included in the appropriation for this item is $727,122 the first year and $727,122 the second year from the general fund and six positions to support proposed legislation in the 2020 Special Session I of the General Assembly to establish statewide mandatory minimum training standards for law–enforcement training academies.

J. Notwithstanding the provisions of §§ 2.2-5515, 15.2-1721.1, and 52-11.3, a waiver from the Criminal Justice Services Board is only required for the continued use of rifles of .50 caliber or higher or ammunition of .50 caliber or higher for use in such rifles and not for other types of firearms or ammunition of .50 caliber or higher.

K. Included within the appropriation for this item is $123,250 the first year and $123,250 the second year from the general fund to establish statewide best practices and training on the provision of security consistent with the provisions of Chapter 667, 2025 Acts of Assembly.

L. Notwithstanding § 19.2-83.6:1 of the Code of Virginia, any law enforcement officer engaged in (i) special weapons and tactics (SWAT) teams or other specialized tactical teams or units while engaged in the performance of official SWAT team duties, or (ii) undercover, drug, gang, executive protection, or surveillance units where protection of such law-enforcement officers' identities is necessary, is exempt from subsection D of § 19.2-83.6:1 of the Code of Virginia.

392.	Criminal Justice Research, Planning and Coordination (30500)			$3,835,987	$3,405,987
	Criminal Justice Research, Statistics, Evaluation, and Information Services (30504)	$3,835,987	$3,405,987		
	Fund Sources: General	$3,835,987	$3,405,987		

Authority: Title 9.1, Chapter 1; Title 19.2, Chapter 23.1, Code of Virginia.

A. Included in the amounts appropriated for this item is $400,000 the first year and $400,000 the second year from the general fund for the ongoing costs of conducting the School Climate Survey.

B. Included in the appropriation for this item is $515,101 the first year and $515,101 the second year from the general fund and three positions for the sex trafficking response coordination activities of the Department, pursuant to the provisions of Chapter 514 and Chapter 486, 2019 Acts of Assembly.

C. Out of this appropriation, $149,174 the first year and $149,174 the second year from the general fund is provided to establish the Virginia sexual assault forensic examiner coordination program, pursuant to Chapter 274 and Chapter 276, 2020 Acts of Assembly.

D. Included in the appropriation for this item is $1,622,405 the first year and $1,622,405 the second year from the general fund and three positions for crisis intervention team training to law-enforcement officers and dispatchers, and to provide technical assistance in support of the Mental Health Awareness Response and Community Understanding Services (MARCUS) alert system.

E. Included within the appropriation for this item is $132,254 in the first year and $132,254 in the second year from the general fund and one position to support a data analyst to analyze data from the Community Policing Database.

F. Included within the appropriation for this item is $232,898 the first year and $232,898 the second year from the general fund to provide an online human trafficking recognition training course to hotel employees consistent with the provisions of §§ 9.1-102 and 35.1-15.1, Code of Virginia.

G. Included within the appropriation for this item is $400,000 the first year from the general fund for the Demand Reduction and Safe Harbor for Domestic Minor Sex Trafficked Youth pilot program, consistent with the provisions of Chapter 556 of the 2023 Session of the General Assembly.

H. Included within the appropriation for this item is $56,516 the first year and $56,516 the second year from the general fund to provide human trafficking awareness to Alcoholic

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	Beverage Control licensees consistent with the provisions of Chapter 231, 2025 Acts of Assembly.				
393.	Asset Forfeiture and Seizure Fund Management and Financial Assistance Program (30600)			$6,226,895	$6,226,895
	Coordination of Asset Seizure and Forfeiture Activities (30602)	$6,226,895	$6,226,895		
	Fund Sources: Special	$6,226,895	$6,226,895		
	Authority: Title 19.2, Chapter 22.1, Code of Virginia.				
394.	Financial Assistance for Administration of Justice Services (39000)			$246,820,032	$239,620,032
	Criminal Justice Assistance Grants (39002)	$231,947,855	$224,747,855		
	Criminal Justice Grants Fiscal Management Services (39003)	$1,256,178	$1,256,178		
	Criminal Justice Policy and Program Services (39004)	$13,615,999	$13,615,999		
	Fund Sources: General	$140,471,101	$140,471,101		
	Special	$6,624	$6,624		
	Trust and Agency	$4,298,130	$4,298,130		
	Dedicated Special Revenue	$20,805,820	$13,605,820		
	Federal Trust	$81,238,357	$81,238,357		
	Authority: Title 9.1, Chapter 1, Code of Virginia.				

A.1. This appropriation includes an estimated $4,800,000 the first year and an estimated $4,800,000 the second year from federal funds pursuant to the Omnibus Crime Control Act of 1968, as amended. Of these amounts, ten percent is available for administration, and the remainder is available for grants to state agencies and local units of government. The remaining federal funds are to be passed through as grants to localities, with a required 25 percent local match. Also included in this appropriation is $452,128 the first year and $452,128 the second year from the general fund for the required matching funds for state agencies.

2. The Department of Criminal Justice Services shall provide a summary report on federal anti-crime and related grants which will require state general funds for matching purposes during FY 2013 and beyond. The report shall include a list of each grant and grantee, the purpose of the grant, and the amount of federal and state funds recommended, organized by topical area and fiscal period. The report shall indicate whether each grant represents a new program or a renewal of an existing grant. Copies of this report shall be provided to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees and the Director, Department of Planning and Budget by January 1 of each year.

B. The Department of Criminal Justice Services is authorized to make grants and provide technical assistance out of this appropriation to state agencies, local governments, regional, and nonprofit organizations for the establishment and operation of programs for the following purposes and up to the amounts specified:

1.a. Regional training academies for criminal justice training, $1,527,859 the first year and $1,527,859 the second year from the general fund and an estimated $1,122,530 the first year and an estimated $1,122,530 the second year from nongeneral funds. The Criminal Justice Services Board shall adopt such rules as may reasonably be required for the distribution of funds and for the establishment, operation and service boundaries of state-supported regional criminal justice training academies.

b. The Board of Criminal Justice Services, consistent with § 9.1-102, Code of Virginia, and § 6VAC-20-90-60 of the Administrative Code, shall not approve or provide funding for the establishment of any new criminal justice training academy from July 1, 2026, through June 30, 2028.

2. Virginia Crime Victim-Witness Fund, $5,692,738 the first year and $5,692,738 the second year from dedicated special revenue, and $9,888,807 the first year and $9,888,807 the second

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year from the general fund. The Department of Criminal Justice Services shall provide a report on the current and projected status of federal, state and local funding for victim-witness programs supported by the Fund. Copies of the report shall be provided annually to the Secretary of Public Safety and Homeland Security, the Department of Planning and Budget, and the Chairs of the Senate Finance and Appropriations and House Appropriations Committees by October 16 of each year.

3.a. Court Appointed Special Advocate (CASA) programs, $4,000,000 the first year and $4,000,000 the second year from the general fund.

b. In the event that the federal government reduces or removes support for the CASA programs, the Governor is authorized to provide offsetting funding for those impacted programs out of the unappropriated balances in this Act.

4. Domestic Violence Fund, established pursuant to § 9.1-116.1, Code of Virginia, $3,000,000 the first year and $3,000,000 the second year from the dedicated special revenue fund, and $1,400,000 the first year and $1,400,000 the second year from the general fund, to provide grants to local programs and prosecutors that provide services to victims of domestic violence. Of this amount, at least $500,000 the first year and at least $500,000 the second year is provided to support sexual assault service providers and hospitals as described in clause (iii) of § 9.1-116.1 B, Code of Virginia, as amended by the 2022 Session of the General Assembly.

5. Pre and Post-Incarceration Services (PAPIS), $3,786,144 the first year and $3,786,144 the second year from general fund to support pre- and post-incarceration professional services and guidance that increase the opportunity for, and the likelihood of, successful reintegration into the community by adult offenders upon release from prisons and jails.

6. To the Department of Behavioral Health and Developmental Services for the following activities and programs: (i) a partnership program between a local community services board and the district probation and parole office for a jail diversion program; (ii) forensic discharge planners; (iii) advanced training on veterans' issues to local crisis intervention teams; and (iv) cross systems mapping targeting juvenile justice and behavioral health.

7. To the Department of Corrections for the following activities and programs: (i) community residential re-entry programs for female offenders; (ii) establishment of a pilot day reporting center; and (iii) establishment of a pilot program whereby non-violent state offenders would be housed in a local or regional jail, rather than a prison or other state correctional facility, with rehabilitative services provided by the jail.

8. To Drive to Work, $75,000 the first year and $75,000 the second year from the general fund and $75,000 the first year and $75,000 the second year from such federal funds as may be available to provide assistance to low income and previously incarcerated persons to restore their driving privileges so they can drive to work and keep a job.

C.1. Out of this appropriation, $28,411,628 the first year and $28,411,628 the second year from the general fund is authorized to make discretionary grants and to provide technical assistance to cities, counties or combinations thereof to develop, implement, operate and evaluate programs, services and facilities established pursuant to the Comprehensive Community Corrections Act for Local-Responsible Offenders (§§ 9.1-173 through 9.1-183 Code of Virginia) and the Pretrial Services Act (§§ 19.2-152.2 through 19.2-152.7, Code of Virginia). Out of these amounts, the Director, Department of Criminal Justice Services, is authorized to expend no more than five percent per year for state administration of these programs.

2. The Department of Criminal Justice Services, in conjunction with the Office of the Executive Secretary of the Supreme Court and the Virginia Criminal Sentencing Commission, shall conduct information and training sessions for judges and other judicial officials on the programs, services and facilities available through the Pretrial Services Act and the Comprehensive Community Corrections Act for Local-Responsible Offenders.

3. Out of this appropriation, $94,750 the first year and $94,750 the second year from the general fund is provided for the expansion of pretrial services to the Counties of Botetourt and Alleghany.

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D.1. Out of this appropriation, $225,000 the first year and $225,000 the second year from the general fund is provided for Comprehensive Community Corrections and Pretrial Services Programs for localities that belong to the Central Virginia Regional Jail Authority. These amounts are 75 percent of the costs projected in the community-based corrections plan submitted by the Authority. The localities shall provide the remaining 25 percent as a condition of receiving these funds.

2. Out of this appropriation, $600,000 the first year and $600,000 the second year from the general fund is provided for Comprehensive Community Corrections and Pretrial Services Programs for localities that belong to the Southwest Virginia Regional Jail Authority. These amounts are 75 percent of the costs projected in the community-based corrections plan submitted by the Authority. The localities shall provide the remaining 25 percent as a condition of receiving these funds.

E. In the event the federal government should make available additional funds pursuant to the Violence Against Women Act, the department shall set aside 33 percent of such funds for competitive grants to programs providing services to domestic violence and sexual assault victims.

F.1. Out of this appropriation, $15,862,525 the first year and $15,862,525 the second year from the general fund and $1,710,000 the first year and $1,710,000 the second year from such federal funds as are available shall be deposited to the School Resource Officer Incentive Grants Fund established pursuant to § 9.1-110, Code of Virginia.

2.a. The Director, Department of Criminal Justice Services, is authorized to expend $410,877 the first year and $410,877 the second year from the School Resource Officer Incentive Grants Fund to operate the Virginia Center for School Safety, pursuant to § 9.1-110, Code of Virginia.

b. The Center for School Safety shall provide a grant of $130,000 in the first year and $130,000 in the second year to the York County-Poquoson Sheriff's Office for the statewide administration of the Drug Abuse Resistance Education (DARE) program.

c. The Director, Department of Criminal Justice Services, is authorized to establish a digital mapping program for Virginia public universities and community colleges, in addition to the existing digital mapping program for local school divisions, which may provide grants to public universities, two-year colleges, and community colleges to support technology that provides visual communication and collaboration tools to coordinate emergency response, such as floor plans that are available on cell phones and enhanced communication during an emergency. Out of nongeneral fund cash balances in the School Resource Officer Incentive Grants Fund, up to $6,200,000 the first year, dependent on grant applications, is designated for this purpose.

3. Subject to the development of criteria for the distribution of grants from the fund, including procedures for the application process and the determination of the actual amount of any grant issued by the department, the department shall award grants to either local law-enforcement agencies, where such local law-enforcement agencies and local school boards have established a collaborative agreement for the employment of school resource officers, as such positions are defined in § 9.1-101, Code of Virginia, for the employment of school resource officers, or to local school divisions for the employment of school security officers, as such positions are defined in § 9.1-101, Code of Virginia, for the employment of school security officers in any public school. The application process shall provide for the selection of either school resource officers, school security officers, or both by localities. The department shall give priority to localities requesting school resource officers, school security officers, or both where no such personnel are currently in place. Localities shall match these funds based on the composite index of local ability-to-pay. To the extent nongeneral fund cash balances are available in the School Resource Officer Incentive Grants Fund after accounting for existing commitments, projected new awards, and digital mapping grants, the Department may award one-time fifth-year continuation grants, prioritized to localities with a low local composite index.

4. Included in this appropriation is $202,300 the first year and $202,300 the second year from the general fund for the implementation of a model critical incident response training program for public school personnel and others providing services to public schools, and the

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maintenance of a model policy for the establishment of threat assessment teams for each public school, including procedures for the assessment of and intervention with students whose behavior poses a threat to the safety of public school staff or other students.

5. Included in the amounts appropriated for this item is $132,254 the first year and $132,254 the second year from the general fund for the purposes of collection and analysis of data related to school resource officers, pursuant to Chapter 1039, 2020 Acts of Assembly.

G. Included in the amounts appropriated in this item is $13,068,114 the first year and $13,068,114 the second year from the general fund for grants to local sexual assault crisis centers (SACCs) and domestic violence programs to provide core and comprehensive services to victims of sexual and domestic violence, including ensuring such services are available and accessible to victims of sexual assault and dating violence committed against college students on- and off-campus.

H.1. Out of the amounts appropriated for this item, $1,646,547 the first year and $1,646,547 the second year from the general fund and $2,658,420 the first year and $2,658,420 the second year from nongeneral funds is provided, to be distributed as follows: for the Southern Virginia Internet Crimes Against Children Task Force, $3,096,547 the first year and $3,096,547 the second year; and, for the creation of a grant program to law enforcement agencies for the prevention of internet crimes against children, $1,208,420 the first year and $1,208,420 the second year.

2. The Southern Virginia and Northern Virginia Internet Crimes Against Children Task Forces shall each provide an annual report, in a format specified by the Department of Criminal Justice Services, on their actual expenditures and performance results. Copies of these reports shall be provided to the Secretary of Public Safety and Homeland Security, the Chairs of the Senate Finance and Appropriations and House Appropriations Committees, and Director, Department of Planning and Budget prior to the distribution of these funds each year.

3. Subject to compliance with the reports and distribution thereof as required in paragraph 2 above, the Governor shall allocate all additional funding, not to exceed actual collections, for the prevention of Internet Crimes Against Children, pursuant to § 17.1-275.12, Code of Virginia.

I. Out of the amounts appropriated for this item, $50,000 the first year and $50,000 the second year from the general fund is provided for training to local law enforcement to aid in their identifying and interacting with individuals suffering from Alzheimer's and/or dementia.

J.1. Included in the appropriation for this item is $2,153,600 the first year and $2,153,600 the second year from the general fund to support the pilot programs authorized in Item 398, Chapter 836, 2017 Acts of Assembly. The Department shall establish, in consultation with the Department of Behavioral Health and Developmental Services, criteria to select additional grantees. Current grantees of the model addiction recovery program shall receive priority consideration for funding under the jail mental health pilot program. Grantees may not be funded through this pilot for more than two years, and the Department shall ensure grantees develop a plan to sustain program operations beyond the period of state funding.

2. The funding provided to each pilot site shall supplement, not supplant, existing local spending on these services. Distribution of grant amounts shall be made quarterly pursuant to the conditions of paragraph J.3. of this item.

3. The Department shall collect on a quarterly basis qualitative and quantitative data of pilot site performance, to include: (i) mental health screenings and assessments provided to inmates, (ii) mental health treatment plans and services provided to inmates, (iii) jail safety incidents involving inmates and jail staff, (iv) the provision of appropriate services after release, (v) the number of inmates re-arrested or re-incarcerated within 90 days after release following a positive identification for mental health disorders in jail or the receipt of mental health treatment within the facility. The Department shall provide a report on its findings to the Chairs of the House Appropriations and Senate Finance and Appropriations

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Committees no later than October 15 each year.

4. The department is authorized to expend up to $125,000 per year out of the amounts allocated in Paragraph J.1. of this item for costs related to the administration of the jail mental health pilot program.

K. Included in the appropriations for this item is $300,000 the first year and $300,000 the second year from the general fund for the Department of Criminal Justice Services to make competitive grants to nonprofit organizations to support services for law enforcement including post critical incident seminars and peer-supported critical incident stress management programs to promote officer safety and wellness, under guidelines to be established by the Department.

L. Included in the appropriation for this item is $916,066 in the first year and $916,066 in the second year from the general fund for the Virginia Beach Correctional Center for the Jail and Re-entry Service Coordination Pathway, which is a joint operation between the Virginia Beach Department of Human Services and the Virginia Beach Sheriff's Office. The program consists of diversion, screening, assessment, treatment, and re-entry services for all incarcerated individuals with an active mental illness or substance use disorder diagnosis.

M. Included in the appropriation for this item, $193,658 the first year and $193,658 the second year from the general fund and four positions to support evidence-based gun violence intervention and prevention services.

N.1.a. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Firearm Violence Intervention and Prevention Fund (the Fund). The Fund shall be established on the books of the Comptroller. All moneys accruing to the Fund, including funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf, shall be paid into the state treasury and credited to the Fund. Interest earned on 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. Moneys in the Fund shall be used for the purpose of supporting gun violence intervention and prevention programs. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director of the Department.

b. The Firearm Violence Intervention and Prevention Fund shall be administered by the Department, and the Department shall adopt guidelines and make funds available to agencies of local government, community-based organizations, and hospitals for the purpose of supporting implementation of evidence-informed gun violence intervention and prevention efforts, including street outreach, hospital-based violence intervention, and other violence intervention programs. Grant funds shall also support firearm suicide prevention and safe firearm removal practices from persons prohibited from possessing a firearm, including subjects of domestic violence protective orders, persons convicted of prohibitory crimes, and persons subject to substantial risk orders. The Department shall establish a grant procedure to govern funds awarded for this purpose.

c. Out of the amounts appropriated for this item, $16,000,000 the first year and $16,000,000 the second year from the general fund shall be deposited into the Firearm Violence Intervention and Prevention Fund. At least $1,500,000 each year shall be provided to localities with disproportionate firearm-related homicides to support crime intervention and prevention through community engagement, including youth programs. At least $500,000 the first year shall be provided to the City of Chesapeake and at least $500,000 the first year shall be provided to the City of Virginia Beach. In addition, at least $6,000,000 the first year and $7,000,000 the second year shall be provided for awarding grants to local agencies and nonprofit organizations that are engaged in group violence intervention efforts.

d. The Department shall ensure that all entities that are grantees of the Operation Ceasefire program as of June 26, 2026, shall be provided sufficient funding to complete their current grant cycle.

2. Out of the amounts in section N of this item, the Director, Department of Criminal Justice Services, is authorized to expend no more than three percent per year for state administration

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of these programs.

3.a. Out of the amounts appropriated for this item, $22,000,000 the first year and $22,000,000 the second year from the general fund is provided for the Safer Communities Program to support holistic, community-based strategies that address the root causes and conditions of community violence. Such strategies shall be evidence-informed and/or community-driven and shall include: (i) afterschool programs and mentorships; (ii) connections to education and economic opportunities; (iii) trauma-informed mental health care; (iv) credible messengers and violence interrupters; and (v) strategies to build trust between law enforcement agencies and community stakeholders. Out of this amount, at least $19,500,000 the first year and at least $19,500,000 the second year shall be provided to the City of Norfolk, the City of Portsmouth, the City of Roanoke, the City of Hampton, the City of Newport News, and the City of Richmond, with a minimum award of $2,500,000 each year per locality and the remainder allocated to each of the six localities based on population. At least $1,500,000 the first year and at least $1,500,000 the second year shall be provided to the City of Danville, the City of Hopewell, and the City of Petersburg, with a minimum of $500,000 each year per locality. Recipient localities shall (i) use grant funds to employ a full-time position dedicated to planning, implementation, and coordination of community violence reduction strategies, including utilizing existing violence reduction grants and pursuing additional grant opportunities, and (ii) provide quarterly reports to the Department detailing expenditures to date to ensure alignment with the requirements established in this paragraph.

b. There is hereby established the Office of Safer Communities ("the Office") in the Department. The Office shall serve as a resource for research, evidence, and best practices for community-based violence intervention, including: (i) providing consultation to the Board of Criminal Justice Services as it administers the Firearm Violence Intervention and Prevention Grant Fund and the Operation Ceasefire Grant Fund; (ii) liaising with Safer Communities Program recipient localities to ensure collection of the expenditure reports required by the preceding paragraph; (iii) conducting outreach to current and potential recipients of violence intervention and prevention grants; and (iv) summarizing violence reduction grantees' use of funds, including any available outcome measures, noting alignment with national promising practices.

c. The Office shall provide quarterly updates to the Virginia Crime Commission and submit an annual report by November 1 of each year to the Chairs of the Virginia Crime Commission, House Courts of Justice Committee, Senate Courts of Justice, House Appropriations Committee, and Senate Finance and Appropriations Committee. The updates and annual reports shall summarize the efforts of the Office, to include information collected pursuant to provision (iv) of the preceding paragraph and the findings of the Office's research on best practices.

d. Out of the amounts in subsection N.4.a of this item, $900,000 the first year and $900,000 the second year is provided to support the Office, to include positions and support services for research, outreach, and reporting. The Office shall employ at least one position focused on coordination and outreach and at least one position focused on research and evidence. In addition, existing administrative funding and positions authorized under paragraphs M. and N. of this item shall support the Office. Of these amounts designated to support the Office, at least $400,000 the first year and at least $400,000 the second year shall be used for a contract with the Virginia Commonwealth University L. Douglas Wilder School of Government and Public Affairs (the School) for the School to collaborate with local entities who have received grant funding appropriated pursuant to subsection N. of this item, including local law enforcement agencies, to provide strategic planning, program evaluation, and data-driven innovations to improve the public sector's response to community violence. The School may collaborate with faculty and students from Virginia State University and Norfolk State University as needed.

e. Grant funding provided pursuant to this subsection N. of this item that is used for law-enforcement equipment may solely be used for forensic and analytical purposes, in addition to other requirements set forth in this subsection N.

O.1. Out of the appropriation in this item, $1,500,000 the first year and $1,500,000 the

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second year from the general fund is allocated for the Department of Criminal Justice Services to make competitive grants to combat hate crimes, including but not limited to target hardening activities, contractual security services, critical technology infrastructure, cybersecurity resilience activities, monitoring, inspection and screening systems; security-related training for employed or volunteer security staff; and terrorism awareness training for employees. Eligible grant applicants include institutions or nonprofit organizations that have been targets of or are at risk of being targeted for hate crimes, localities applying on behalf of or in partnership with such institutions or nonprofit organizations, and regional, multi-jurisdictional, or nonprofit entities, including planning district commissions, councils of governments, or nonprofit intermediaries, that provide security, training, technical assistance, or coordinated services to institutions or nonprofit organizations at risk of hate crimes. The Department shall establish grant guidelines to implement these provisions and shall provide one annual request for funding, based on the guidelines. The Department may issue additional funding rounds as resources and conditions warrant. For each grant requested, the application shall document the demonstrated or anticipated risk, goals, and budget expenditure of these funds and any other sources that may be committed by institutions or nonprofit organizations to combat hate crimes. Funding provided in this item may be awarded directly to an eligible grant recipient or, where appropriate, to a locality or regional entity serving as a fiscal agent for distribution to the grant recipient, and shall not be used to supplant any other funding provided by localities to combat hate crimes. In awarding grants, the Department shall seek to ensure that funding is distributed equitably across the Commonwealth, including consideration of geographic diversity, population density, and planning district regions. In periods of heightened threat, credible risk, or following a significant hate-motivated incident, the Department is authorized to implement an expedited application and award process, including shortened timelines and accelerated fund disbursement, consistent with grant guidelines.

2. The Department shall disseminate information about the opportunity to stakeholders in order to ensure awareness of the grant process and timeline for application among interested institutions and nonprofit organizations. The Department may use up to $50,000 out of the appropriation in this item for the dissemination of such information.

P. Included in the appropriation for this item is $400,000 the first year and $400,000 the second year from the general fund to support the Virginia Victim Assistance Network.

Q. Out of the amounts appropriated in this item, $95,000 the first year and $95,000 the second year from the general fund is provided for a contract with Impact Living Services for the Impact First Responders program in Virginia to provide education and training related to trauma, resiliency, and critical incidence stress management, as well as peer and mental health support to first responders.

R. Included in the appropriation for this item is $1,200,000 the first year and $1,200,000 the second year from the general fund for a witness protection program. Subject to the development of criteria for the distribution of grants, including procedures for the application process and determination of the actual amount of any grant issued by the department, the Director shall award grants to local law enforcement agencies, Commonwealth's Attorneys' offices, and other local government agencies as appropriate to provide temporary assistance to help alleviate potential intimidation of witnesses. The purpose of the grant program is to support witnesses and their families who may be in danger because of their cooperation with the investigation and prosecution of serious crimes. Grant awards shall be used to provide time-limited assistance of up to 90 days to witnesses to defray the costs associated with their ability to safely serve as a witness including, but not limited to, lodging, medical, transportation, food, and relocation expenses. The department shall work with the Virginia State Police, Office of the Attorney General, Virginia Sheriffs' Association, Virginia Association of the Chiefs of Police, Virginia Association of Commonwealth's Attorneys, and other appropriate stakeholders to establish an application process for awarding grants, to include criteria and procedures to determine the amount of the grant, eligible expenses, a reasonable maximum amount for witness assistance during the 90-day period, and a verification process to ensure funding is used for eligible witness expenses. The department, in consultation with stakeholders, may also recommend options for potential extensions of the 90-day period in extenuating circumstances for consideration by the General Assembly. Of this amount, the department is authorized to expend up to $400,000 for a position and other expenses related to state administration of this program. Any remaining balance at year-end

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shall be carried forward to the subsequent fiscal year.

S. Included in the appropriation for this item is $30,000 the first year and $30,000 the second year from the general fund for the Community Resource Opportunity Project.

T. Included in this appropriation for this item is $5,000,000 the first year and $5,000,000 the second year from the general fund for youth development programs including: (i) $3,000,000 the first year and $3,000,000 the second year for the Big Heroes of Minority in Every Society (Big H.O.M.I.E.S.) program; and (ii) $2,000,000 the first year and $2,000,000 the second year for the Cleaning Up the Streets Youth Employment Program (C.U.T.S).

U. Included in the appropriation for this item is $175,000 the first year and $175,000 the second year from the general fund to support the Help Me Help You program.

V. Included in the appropriation for this item is $500,000 the first year and $500,000 the second year from the general fund to support the REAL LIFE Initiative.

W. Included in the appropriation for this item is $2,500,000 the first year and $2,500,000 the second year from the general fund to increase competitive grants awarded through the Victim Services Grant Program. The Department shall prioritize grants to victim services agencies that did not receive a dedicated appropriation in Chapter 1, 2023 Special Session I Acts of Assembly. This amount shall be in addition to nongeneral funds available through federal grants and special revenue included in this item.

X. Included in the appropriation for this item is $1,000,000 from the Commonwealth Opioid Abatement and Remediation Fund for deposit in the Jail-Based Substance Use Disorder Treatment and Transition Fund.

395.	Regulation of Professions and Occupations (56000)			$3,662,569	$3,662,569
	Towing Licensing Oversight Services (56035)	$302,150	$302,150		
	Licensure, Certification, and Registration of Professions and Occupations (56046)	$1,881,040	$1,881,040		
	Enforcement of Licensing, Regulating and Certifying Professions and Occupations (56047)	$1,479,379	$1,479,379		
	Fund Sources: Special	$3,662,569	$3,662,569		

Authority: Title 9.1, Chapter 1, Article 4, §§ 9.1-141, 9.1-139, 9.1-143, and 9.1-149, Code of Virginia.

396.	Financial Assistance to Localities - General (72800)			$229,650,081	$229,650,081
	Financial Assistance to Localities Operating Police Departments (72813)	$229,650,081	$229,650,081		
	Fund Sources: General	$229,650,081	$229,650,081		

Authority: Title 9.1, Chapter 1, Article 8, Code of Virginia.

A. The funds appropriated in this Item shall be distributed to localities with qualifying police departments, as defined in §§ 9.1-165 through 9.1-172, Code of Virginia (House Bill 599), except that, in accordance with the requirements of § 15.2-1302, Code of Virginia, such funds shall also be distributed to a city without a qualifying police force that was created by the consolidation of a city and a county subsequent to July 1, 2011, pursuant to the provisions of § 15.2-3500 et seq. of the Code of Virginia. Notwithstanding the provisions of §§ 9.1-165 through 9.1-172, Code of Virginia, the total amount to be distributed to localities shall be $229,650,081 the first year and $229,650,081 the second year. The amount to be distributed to such a city created by consolidation shall equal the sum distributed to the city during the year prior to the effective date of the consolidation, net of any additional funds allocated by the Compensation Board to the sheriff of the consolidated city as a result of such consolidation, as adjusted in proportion to the increase or decrease in the total amount distributed to all localities during the applicable year. Notwithstanding the provisions of § 9.1-165, Code of Virginia, the amount to be distributed to each locality in each year shall be proportionate to the amount distributed to

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that locality in FY 2018.

B. For purposes of receiving funds in accordance with this program, it is the intention of the General Assembly that the Town of Boone's Mill shall be considered to have had a police department in operation since the 1980-82 biennium and is therefore eligible for financial assistance under Title 9.1, Chapter 1, Article 8, Code of Virginia (House Bill 599).

C.1. It is the intent of the General Assembly that state funding provided to localities operating police departments be used to fund local public safety services. Funds provided in this item shall not be used to supplant the funding provided by localities for public safety services.

2. To ensure that state funding provided to localities operating police departments does not supplant local funding for public safety services, all localities shall annually certify to the Department of Criminal Justice Services the amount of funding provided by the locality to support public safety services and that the funding provided in this item was used to supplement that local funding. This certification shall be provided in such manner and on such date as determined by the department. The department shall provide this information to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 30 days following the submission of the local certifications.

D. The Director of the Department of Criminal Justice Services is authorized to withhold reimbursements due a locality under Title 9.1, Chapter 1, Article 8, Code of Virginia, upon notification from the Superintendent of State Police that there is reason to believe that crime data reported by the locality to the Department of State Police in accordance with § 52-28, Code of Virginia, is missing, incomplete or incorrect. Upon subsequent notification by the superintendent that the data is accurate, the director shall make reimbursement of withheld funding due the locality when such corrections are made within the same fiscal year that funds have been withheld.

E. The Director of the Department of Criminal Justice Services is authorized to withhold reimbursements due to a locality under Title 9.1, Chapter 1, Article 8, Code of Virginia, upon notification from the Superintendent of State Police that there is reason to believe the police department within a locality is not registering sex offenders as required in § 9.1-903, Code of Virginia. Upon subsequent notification by the Superintendent that the local law enforcement agency is compliant with the requirements of § 9.1-903, Code of Virginia, the Director shall make reimbursement of withheld funding due to the locality in the same fiscal year in which the local law enforcement agency comes into compliance.

397.	Administrative and Support Services (39900)			$6,277,010	$6,277,010
	General Management and Direction (39901)	$2,571,744	$2,571,744		
	Information Technology Services (39902)	$1,778,270	$1,778,270		
	Accounting and Budgeting Services (39903)	$1,926,996	$1,926,996		
	Fund Sources: General	$5,902,296	$5,902,296		
	Special	$374,714	$374,714		
	Authority: Title 9.1, Chapter 1, Code of Virginia.				
	Total for Department of Criminal Justice Services			**$503,244,346**	**$495,752,150**
	General Fund Positions	104.50	105.50		
	Nongeneral Fund Positions	81.50	81.50		
	Position Level	186.00	187.00		
	Fund Sources: General	$386,379,502	$386,087,306		
	Special	$10,522,537	$10,522,537		
	Trust and Agency	$4,298,130	$4,298,130		
	Dedicated Special Revenue	$20,805,820	$13,605,820		
	Federal Trust	$81,238,357	$81,238,357		

§ 1-116. DEPARTMENT OF EMERGENCY MANAGEMENT (127)

398.	Emergency Preparedness (77500)			$32,839,556	$32,874,078

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Financial Assistance for Emergency Management and Response (77501)	$20,674,843	$20,544,843		
Emergency Training and Exercises (77502)	$3,796,886	$3,796,886		
Emergency Planning Preparedness Assistance (77503)	$3,416,708	$3,416,708		
Emergency Preparedness and Response (77504)	$2,955,072	$3,119,594		
Emergency Management Regional Coordination (77506)	$1,996,047	$1,996,047		
Fund Sources: General	$6,642,707	$6,586,948		
Special	$2,207,635	$2,297,916		
Federal Trust	$23,989,214	$23,989,214		

Authority: Title 44, Chapters 3.2, 3.3, 3.4, §§ 44-146.13 through 44-146.28:1 and 44-146.31 through 44-146.40, Code of Virginia.

A. Included within this appropriation is the continuation of $160,810 the first year and $160,810 the second year from the Fire Programs Fund to support the department's hazardous materials training program.

B. This appropriation includes $500,000 in the first year and $500,000 in the second year from the general fund for the Department of Emergency Management to conduct multidisciplinary training, regional training and exercises related to man-made and natural disaster preparedness, including training consistent with the National Incident Management System (NIMS). Training shall involve, but is not to be limited to, local and state law enforcement, fire services, emergency medical services, public health agencies, and affected private and nonprofit entities, including colleges and universities. Training may be conducted with a state, local or federal agency or agencies having the capability or responsibility to coordinate or assist in emergency preparedness.

C.1. The Virginia Department of Emergency Management is directed to identify, review and maintain a comprehensive list of state owned supplies, equipment, commodities, and other resources that may be required in the event of state shelter activation and coordinate the use of such state assets and resources in support of shelter activation.

2. Notwithstanding any other provision of law, the State Coordinator, in consultation with all affected state agencies, shall review all statewide plans related to state shelters, including but not limited to plans developed by the Department of Social Services, institutions of higher education, and all other state agencies. The State Coordinator is responsible for ensuring all plans support a comprehensive and uniform approach to emergency response, are regularly updated, and are aligned with the Commonwealth of Virginia Emergency Operations Plan.

3. Following receipt of procurement orders from the Department of Social Services, pursuant to Item 337, paragraph B of this act, the Virginia Department of Emergency Management shall be responsible for all logistics functions as outlined in the Commonwealth of Virginia Emergency Operations Plan in support of emergency response and recovery related to state shelter activation, including but not limited to tracking and monitoring; personnel assistance; managing of resources; and delivery of equipment, goods and services to state activated shelters. The Department shall perform these logistics functions in coordination with all other state agencies, local government, federal government, and private sector partners.

D. Out of this appropriation, $2,500,000 the first year and $2,500,000 the second year from the general fund shall be transferred to the Emergency Shelter Upgrade Assistance Fund, created pursuant to Chapter 819, 2020 Acts of Assembly, to aid local governments in proactively preparing for emergency sheltering situations.

E. Out of this appropriation, $96,000 the first year and $96,000 the second year from the general fund to establish the Partners in Preparedness Program.

F. The Department shall issue a request for proposals from providers of wireless services that utilize satellites to provide communications capabilities for local first responders and emergency managers in rural areas to enhance resiliency during situations where other

ITEM 398.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	communication sources fail.				
399.	Emergency Response and Recovery (77600)			$26,947,676	$26,722,676
	Emergency Response and Recovery Services (77601)	$4,750,701	$4,525,701		
	Financial Assistance for Emergency Response and Recovery (77602)	$20,089,470	$20,089,470		
	Emergency Response Direct Support (77603)	$102,604	$102,604		
	Disaster Recovery Services (77604)	$2,004,901	$2,004,901		
	Fund Sources: General	$2,084,375	$1,859,375		
	Special	$206,340	$206,340		
	Commonwealth Transportation	$1,347,340	$1,347,340		
	Federal Trust	$23,309,621	$23,309,621		

Authority: Title 44, Chapters 3.2 through 3.5, §§ 44-146.17, 44-146.18(c), 44-146.22, 44-146.28(a) Code of Virginia.

A. Subject to authorization by the Governor, the Department of Emergency Management may employ persons to assist in response and recovery operations for emergencies or disasters declared either by the President of the United States or by the Governor of Virginia. Such employees shall be compensated solely with funds authorized by the Governor or the federal government for the emergency, disaster, or other specific event for which their employment was authorized. The Director, Department of Planning and Budget, is authorized to increase the agency's position level based on the number of positions approved by the Governor.

B. The Secretary of Finance, consistent with any Executive Order signed by the Governor, may provide the department anticipation loans in such amounts as may be needed to appropriately reimburse localities and state agencies for costs associated with Emergency Management Assistance Compact (EMAC) mission assignments. Such loans shall be based on the reimbursements anticipated under the Emergency Management Assistance Compact (EMAC) and, notwithstanding the provisions of § 4-3.02 b of this act, may be extended for a period longer than twelve months.

C.1. Localities receiving reimbursements from the Department of Emergency Management for Emergency Management Assistance Compact (EMAC) mission costs shall reimburse the Department of Emergency Management for any overpayments within sixty (60) days of written notification of such overpayment.

2. Overpayment amounts shall be based on the difference between the amount reimbursed to the locality by the Department of Emergency Management and the amount reimbursed to the Department of Emergency Management by the state requesting emergency aid under the Compact.

3. If the locality does not reimburse the Department of Emergency Management the overpaid amount within sixty (60) days of being notified, the Comptroller is authorized to withhold from any funds to be transferred to the locality the amount overpaid to the locality and transfer such withheld funds to the Department of Emergency Management.

E. Consistent with any Executive Order signed by the Governor, the Secretary of Finance or his designee may provide the Department of Emergency Management anticipation loans in such amounts as may be needed to appropriately reimburse the Department for disaster related costs. Such loans shall be based on the federal reimbursements anticipated in accordance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act and, notwithstanding the provisions of § 4-3.02 b of this act, may be extended for a period longer than twelve months, if necessary.

F. The Department of General Services, in consultation with the Virginia Department of Emergency Management, shall identify options for regional storage and deployment of the Commonwealth's disaster supplies, including options for colocation with other state agencies where possible, and whether the Virginia Distribution Center can be leveraged for such storage and deployment. DGS shall submit a report with its findings to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by May 1, 2027.

ITEM 400.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
400.	Virginia Emergency Operations Center (77800)			$4,173,265	$4,173,265
	Emergency Communications and Warning Point (77801)	$4,173,265	$4,173,265		
	Fund Sources: General	$1,907,882	$1,907,882		
	Special	$1,442,414	$1,442,414		
	Federal Trust	$822,969	$822,969		

Authority: Title 44 and § 52-47, Code of Virginia.

A. Included within this appropriation is $424,874 the first year and $424,874 the second year from the general fund to support the Integrated Flood Observation and Warning System (IFLOWS) program.

B. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the general fund is provided for evaluating, upgrading, and maintaining the Integrated Flood Observation and Warning System (IFLOWS).

401.	Administrative and Support Services (79900)			$14,204,087	$14,204,087
	General Management and Direction (79901)	$5,256,953	$5,256,953		
	Information Technology Services (79902)	$5,373,903	$5,373,903		
	Accounting and Budgeting Services (79903)	$2,232,754	$2,232,754		
	Public Information Services (79919)	$324,705	$324,705		
	Telecommunications (79930)	$1,015,772	$1,015,772		
	Fund Sources: General	$5,587,784	$5,587,784		
	Special	$567,504	$567,504		
	Commonwealth Transportation	$63,762	$63,762		
	Federal Trust	$7,985,037	$7,985,037		

Authority: Title 44, Chapters 3.2, 3.3, 3.4, Code of Virginia.

A.1. By September 1 of each year, the State Coordinator of Emergency Management shall assess emergencies and disasters that have been authorized sum sufficient funding by the Governor and provide to the Department of Planning and Budget and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees written justification to support continuing sum sufficient funding longer than one year for a locally declared emergency (or disaster), three years for a state declared disaster, and five years for a nationally declared disaster. At the same time, the state coordinator shall identify any disasters that can be closed due to fulfillment of the state's obligations.

2. The Department shall report on annual disaster expenditures and contracting. The report shall at minimum i) specify by event and state agency or locality, the amount spent per year from the Disaster Recovery Fund separate from any other state, local, federal or private contributions; ii) identify any Federal Emergency Management Agency (FEMA) reimbursements received during the previous fiscal year, itemizing for which event such reimbursements were made; iii) any contracts executed during a disaster and the expenditures and purposes for which they were executed. The State Coordinator shall provide the report to the Governor; Director, Department of Planning and Budget; and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1 of each year.

B.1. Localities and eligible private non-profit organizations that have received cost reimbursement through state and/or federal assistance programs to support homeland security and eligible recovery and mitigation projects and initiatives associated with disaster events, that are subsequently notified that either a portion or all of the funds provided are to be returned, shall reimburse the Virginia Department of Emergency Management for such overpayments, including any interest accrued on such funds, within sixty (60) days of being notified and receiving the request for reimbursement.

2. Overpayment amounts shall be based on the difference between the amount reimbursed or prepaid to the entity involved by the Department of Emergency Management and the final amount approved by the granting agency. Localities and eligible private non-profit organizations shall certify that no interest was earned on overpaid funds if no interest is

ITEM 401.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

included in the remittance.

3. If the entity does not reimburse the Virginia Department of Emergency Management within 60 days of being notified, the Comptroller is authorized to withhold the amount of overpayment from any eligible funds to be transferred to the locality or organization and redirect the funds withheld to the Virginia Department of Emergency Management to satisfy the outstanding liability.

4. The Department of Emergency Management shall not provide future prepayments to any locality or eligible private non-profit organization once the Comptroller has been required to withhold funding.

C. Included within this appropriation is $570,901 the first year and $570,901 the second year from the general fund that shall only be used for costs associated with transforming the agency's information systems to conform with standards of the Virginia Information Technologies Agency.

D. Out of this appropriation, $396,123 the first year and $470,364 the second year from the general fund is included for the financing costs of purchasing vehicles through the state's master equipment lease purchase program. It is the intent that the Department of Emergency Management establish a schedule for replacing emergency response vehicles using the master equipment lease purchase program.

E. Included in this appropriation is $90,000 in the first year and $90,000 in the second year from the general fund to support regional satellite communications used by the agency in the event of an emergency.

F. Included in this appropriation is $42,000 the first year and $42,000 the second year from the general fund to replace radios for regional coordinators, hazardous materials officers, disaster response and recovery officers, and other regional staff. The radios shall be inter-operable with the State Agencies Radio System (STARS), and shall be acquired through the master equipment lease program.

402. A. All funds transferred to the Department of Emergency Management pursuant to the Governor's authority under § 44-146.28, Code of Virginia, shall be deposited into a special fund account to be used only for Disaster Recovery.

B. Included in the Federal Trust appropriation are amounts estimated at $34,592 the first year and $34,592 the second year, to pay for statewide indirect cost recoveries of this agency. Actual recoveries of statewide indirect costs up to the level of these estimates shall be exempt from payment into the general fund, as provided by § 4-2.03 of this act. Amounts recovered in excess of these estimates shall be deposited to the general fund.

403.	Information Systems Management and Direction (71100)		$2,755,882	$2,755,882
	Geographic Information Access Services (71105)	$2,755,882	$2,755,882	
	Fund Sources: Dedicated Special Revenue	$2,755,882	$2,755,882	

Authority: Title 2.2, Chapter 20.1, Code of Virginia.

A.1. All state and nonstate agencies receiving an appropriation in Part 1 shall comply with the guidelines and related procedures issued by Department of Emergency Management for effective management of geographic information systems in the Commonwealth.

2. All state and nonstate agencies identified in paragraph A.1. that have a geographic information system, shall assist the department by providing any requested information on the systems including current and planned expenditures and activities, and acquired resources.

3. The State Corporation Commission, the Virginia Employment Commission, the Department of Game and Inland Fisheries, and other nongeneral fund agencies are encouraged to use their own fund sources for the acquisition of hardware and development of data for the spatial data library in the Virginia Geographic Information Network.

B. The Department of Emergency Management, through its Geographic Information Network

ITEM 403.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

Division (VGIN), or its counterpart, shall acquire on a four-year cycle high-resolution digital orthophotography of the land base of Virginia pursuant to VGIN's Virginia Base Mapping Program (VBMP) and digital road centerline files. VGIN shall administer the maintenance of the VBMP and appropriate addressing and standardized attribution in collaboration with local governments. All digital orthophotography, Digital Terrain Models and ancillary data produced by the VBMP, but not including digital road centerline files, shall be the property of the Commonwealth of Virginia and administered by VGIN. The VGIN, or its counterpart, will be responsible for protecting the data through appropriate license agreements and establishing appropriate terms, conditions, charges and any limitations on use of the data. VGIN will license the data at no charge (other than media / transfer costs) to Virginia governmental entities or their agents. Such data shall not be subject to release by such entities under the Freedom of Information Act or similar laws. VGIN in its discretion may release certain data by posting to the Internet. Distribution of the data for commercial or private use or to users outside the Commonwealth will be the sole responsibility of VGIN or its agent(s) and shall require payment of a license fee to be determined by VGIN. All fees collected as a result will be added to the GIS Fund as established in the Code of Virginia § 44-146.18:7. Collected fees and grants are hereby appropriated for future data updates or to cover the costs of existing digital ortho acquisition or for other purposes authorized in § 44-146.18:7.

C. Funding in this item shall be used to support the efforts of the Virginia Geographic Information Network which provides for the development and use of spatial data to support E-911 wireless activities in partnership with Enhanced Emergency Communications Services. Funding is to be earmarked for major updates of the VBMP and digital road centerline files.

D. Notwithstanding the provisions of Article 7, Chapter 15, Title 56, Code of Virginia, $1,750,000 the first year and $1,750,000 the second year from Emergency Response Systems Development Technology Services dedicated special revenue shall be used to support the efforts of the Virginia Geographic Information Network, or its counterpart, for providing the development and use of spatial data to support E-911 wireless activities in partnership with Enhanced Emergency Communications Services.

404.	Emergency Response Systems Development Technology Services (71200)		$23,290,775	$23,290,775
	Emergency Communication Systems Development Services (71201)	$7,314,167	$7,314,167	
	Financial Assistance to Localities for Enhanced Emergency Communications Services (71202)	$10,984,640	$10,984,640	
	Financial Assistance to Service Providers for Enhanced Emergency Communications Services (71203)	$4,991,968	$4,991,968	
	Fund Sources: Dedicated Special Revenue	$23,290,775	$23,290,775	

Authority: Title 2.2, Chapter 20.1, and Title 56, Chapter 15, Code of Virginia.

A.1.a. Out of the amounts for Emergency Communication Systems Development Services, $1,000,000 the first year and $1,000,000 the second year from dedicated special revenue shall be used for development and deployment of improvements to the statewide E-911 network.

b. These funds shall remain unallotted until their expenditure has been approved by the Wireless E-911 Services Board.

2. Out of the amounts for Emergency Communication Systems Development Services, $4,000,000 the first year and $4,000,000 the second year from dedicated special revenue shall be used for wireless E-911 service costs as determined by the Wireless E-911 Services Board.

B. The operating expenses, administrative costs, and salaries of the employees of the Public Safety Communications Division shall be paid from the Wireless E-911 Fund created pursuant to § 56-484.17.

C. During next generation 911 service planning and deployment, the 911 Services Board

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may reimburse a provider for its wireless E-911 CMRS costs, in lieu of reimbursing the provider's costs to deliver 911 calls to the ESInet points of interconnection pursuant to § 56-484.17(D), Code of Virginia. The 911 Services Board may establish the process, criteria, and duration for such reimbursement of CMRS costs but shall continue to ensure that necessary 911 service and ESInet objectives are achieved.				
Total for Department of Emergency Management			**$104,211,241**	**$104,020,763**
General Fund Positions	73.85	73.85		
Nongeneral Fund Positions	155.15	155.15		
Position Level	229.00	229.00		
Fund Sources: General	$16,222,748	$15,941,989		
Special	$4,423,893	$4,514,174		
Commonwealth Transportation	$1,411,102	$1,411,102		
Dedicated Special Revenue	$26,046,657	$26,046,657		
Federal Trust	$56,106,841	$56,106,841		

§ 1-117. DEPARTMENT OF FIRE PROGRAMS (960)

405.	Fire Training and Technical Support Services (74400)			$11,885,997	$11,672,826
	Fire Services Management and Coordination (74401)	$5,650,609	$5,437,438		
	Virginia Fire Services Research (74402)	$202,274	$202,274		
	Fire Services Training and Professional Development (74403)	$4,654,858	$4,654,858		
	Technical Assistance and Consultation Services (74404)	$338,128	$338,128		
	Emergency Operational Response Services (74405)	$107,073	$107,073		
	Public Fire and Life Safety Educational Services (74406)	$933,055	$933,055		
	Fund Sources: General	$291,900	$103,800		
	Special	$11,594,097	$11,569,026		

Authority: Title 9.1, Chapter 2 and § 38.2-401, Code of Virginia.

A. Notwithstanding the provisions of § 38.2-401, Code of Virginia, up to 25 percent of the revenue available from the Fire Programs Fund, after making the distributions set out in § 38.2-401 D, Code of Virginia, may be used by the Department of Fire Programs to pay for the administrative costs of all activities assigned to it by law.

B. Included in the amounts appropriated for this item is $123,100 the first year and $123,100 the second year from the Fire Programs Fund to implement a modular training program for volunteer firefighters in accordance with Chapter 403, 2018 Acts of Assembly.

406.	Financial Assistance for Fire Services Programs (76400)			$55,829,008	$55,829,008
	Fire Programs Fund Distribution (76401)	$50,382,527	$50,382,527		
	Live Fire Training Structure Grant (76402)	$2,500,000	$2,500,000		
	Categorical Grants (76403)	$2,946,481	$2,946,481		
	Fund Sources: General	$2,121,481	$2,121,481		
	Special	$53,457,527	$53,457,527		
	Federal Trust	$250,000	$250,000		

Authority: §§ 38.2-401, Code of Virginia.

A.1. Out of the appropriation provided in Item 406 A., Chapter 725, 2025 Acts of Assembly, the Department of Fire Programs, in conjunction with the Virginia Fire Services Board, is authorized to provide grants to localities with qualifying fire departments or fire companies, as defined in §§ 27-6.01 and 27-6.02, Code of Virginia, to purchase protective equipment for firefighters. Funds allocated to localities pursuant to this subsection shall not be used directly

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or indirectly to supplant or replace funding provided to localities through the Fire Programs Fund (§ 38.2-401, Code of Virginia). Such funds shall solely be used for the purpose of purchasing breathing apparatus equipment and other non-vehicular equipment necessary for the protection of firefighters responding to a fire. Any remaining unexpended balance at year-end shall be reappropriated in the subsequent fiscal year.

2. The Department of Fire Programs and the Virginia Fire Services Board shall develop policies and procedures for the distribution of funds from this grant. The allocation shall prioritize localities that (i) score both above average or high on the Virginia Department of Housing and Community Development's (DHCD) fiscal stress index and double-distressed according to the Virginia Economic Development Partnership's (VEDP) Commonwealth Opportunity Funds Distressed Localities Assessment, and (ii) demonstrate the need for such protective non-vehicular equipment. Each receiving locality shall report to the Department on the use of the funds allocated to it.

B. Out of the appropriation provided in this Item, $2,000,000 the first year and $2,000,000 the second year from the general fund to establish the Firefighter Cancer Screening Grant program for the purpose of awarding grants to localities with qualifying fire departments or fire companies, as defined in §§ 27-6.01 and 27-6.02, Code of Virginia, for costs incurred in providing eligible cancer screening tests to career firefighters in an amount less than or equal to $350 per eligible screening. The Department of Fire Programs and the Virginia Fire Services Board shall develop policies and procedures for the distribution of funds from this grant

407.	Regulation of Structure Safety (56200)			$4,570,040	$4,595,111
	State Fire Prevention Code Administration (56203)	$4,570,040	$4,595,111		
	Fund Sources: General	$3,802,297	$3,802,297		
	Special	$767,743	$792,814		

Authority: §§ 9.1-201, 9.1-206, and 27-94 through 27-99, Code of Virginia.

A. The State Fire Marshal may charge no fee for any permits or inspections of any school, whether it be public or private.

B. The Department of Fire Programs, in cooperation with the State Fire Marshal's Office, the Virginia Fire Services Board, the Department of Housing and Community Development, and the Board of Housing and Community Development, shall conduct an assessment of the fees charged by the State Fire Marshal's Office to conduct fire safety inspections. The assessment shall include a review of (i) existing inspection fees, (ii) the number of inspections conducted by fee category, (iii) the cost of conducting each inspection, and (iv) the total revenue from each fee category to determine whether there is a need to adjust the fees based on the market cost of conducting inspections. The Department of Fire Programs shall submit a report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director of the Department of Planning and Budget, no later than October 17, 2026, that outlines the findings of the assessment and a joint recommendation from the Virginia Fire Services Board and the Board of Housing and Community Development on whether the fees should be adjusted or not, including a description of which fees, if any, are recommended for an increase based on the market cost and the projected additional fee revenue that would result from such recommended increase.

	Total for Department of Fire Programs			**$72,285,045**	**$72,096,945**
	General Fund Positions	32.25	32.25		
	Nongeneral Fund Positions	63.75	63.75		
	Position Level	96.00	96.00		
	Fund Sources: General	$6,215,678	$6,027,578		
	Special	$65,819,367	$65,819,367		
	Federal Trust	$250,000	$250,000		

§ 1-118. DEPARTMENT OF FORENSIC SCIENCE (778)

ITEM 408.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
408.	Law Enforcement Scientific Support Services (30900)			$67,823,555	$67,874,591
	Biological Analysis Services (30901)	$17,354,558	$17,405,594		
	Chemical Analysis Services (30902)	$15,841,295	$15,841,295		
	Toxicology Services (30903)	$13,833,437	$13,833,437		
	Physical Evidence Services (30904)	$11,372,046	$11,372,046		
	Training Services (30905)	$767,516	$767,516		
	Administrative Services (30906)	$8,654,703	$8,654,703		
	Fund Sources: General	$64,966,190	$65,017,226		
	Federal Trust	$2,857,365	$2,857,365		

Authority: §§ 9.1-1100 through 9.1-1113, Code of Virginia.

A. Notwithstanding the provisions of § 58.1-3403, Code of Virginia, the Department of Forensic Science shall be exempt from the payment of service charges levied in lieu of taxes by any county, city, or town.

B.1. The Forensic Science Board shall ensure that all individuals who were convicted due to criminal investigations, for which its case files for the years between 1973 and 1988 were found to contain evidence possibly suitable for DNA testing, are informed that such evidence exists and is available for testing. To effectuate this requirement, the Board shall prepare two form letters, one sent to each person whose evidence was tested, and one sent to each person whose evidence was not tested. Copies of each such letter shall be sent to the Chair of the Forensic Science Board and to the respective Chairs of the House Courts of Justice and the Senate Courts of Justice committees. The Department of Corrections shall assist the board in effectuating this requirement by providing the addresses for all such persons to whom letters shall be sent, whether currently incarcerated, on probation, or on parole. In cases where the current address of the person cannot be ascertained, the Department of Corrections shall provide the last known address. The Chair of the Forensic Science Board shall report on the progress of this notification process at each meeting of the Forensic Science Board.

2. Upon a request pursuant to the Virginia Freedom of Information Act for a certificate of analysis that has been issued in connection with the Post Conviction DNA Testing Program and that reflects that a convicted person's DNA profile was not indicated on items of evidence tested, the Department of Forensic Science shall make available for inspection and copying such requested record after all personal and identifying information about the victims, their family members, and consensual partners has been redacted, except where disclosure of the information contained therein is expressly prohibited by law or the Commonwealth's Attorney to whom the certificate was issued states that the certificate is critical to an ongoing active investigation and that disclosure jeopardizes the investigation.

C. Out of the appropriation for this Item, $403,250 the first year and $403,250 the second year from the general fund is provided for the ongoing financing costs of scientific equipment in the toxicology, controlled substances, breath alcohol, and DNA sections through the state's master equipment lease purchase program.

D. Included in the appropriation for this item is $144,336 the first year and $144,336 the second year from the general fund for the estimated costs of materials needed for the additional DNA testing required pursuant to Chapters 543 and 544 of the 2018 Session of the General Assembly.

E. Notwithstanding § 9.1-1101.1, Code of Virginia, the Department of Forensic Science shall not enter into contracts or agreements for forensic laboratory services that i) require additional general fund resources for laboratory services that can otherwise be procured at lower costs, or ii) impose additional regulatory burdens on the staff of the Department to implement.

F. Included in the appropriation for this item is $641,200 the first year and $641,200 the second year from the general fund for four additional toxicology positions and associated equipment and supplies to support the Department's tetrahydrocannabinol (THC) data collection initiative. Of the four positions, no fewer than one shall be assigned to the Western Laboratory in the City of Roanoke.

G. Beginning January 1, 2025, the Department of Forensic Science shall identify all blood

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	samples submitted in driving under the influence cases that it analyzed for alcohol and tetrahydrocannabinol content but did not screen for the presence of drugs within a drug class. If eligible for destruction pursuant to subsection B of § 18.2-268.7, any personal or case identifying information shall be removed from the identified blood samples and such blood samples shall be screened for the presence of drugs within a drug class. On at least an annual basis based on the calendar year, the Department of Forensic Science shall report the results of such drug screenings, including the number of blood samples screened, the types of drug classes detected, and the judicial districts in which the related driving under the influence cases arose, to the Department of Motor Vehicles in an aggregate manner. Beginning January 1, 2025, the Department of Forensic Science shall provide for the analysis of all blood samples of drivers killed in motor vehicle and commercial motor vehicle accidents, as submitted by the Office of the Chief Medical Examiner, for both alcohol and drug content and shall report such content to the Office of the Chief Medical Examiner.				
	Total for Department of Forensic Science			**$67,823,555**	**$67,874,591**
	General Fund Positions	349.00	349.00		
	Nongeneral Fund Positions	27.00	27.00		
	Position Level	376.00	376.00		
	Fund Sources: General	$64,966,190	$65,017,226		
	Federal Trust	$2,857,365	$2,857,365		
	§ 1-119. DEPARTMENT OF JUVENILE JUSTICE (777)				
409.	Instruction (19700)			$18,943,878	$18,943,878
	Youth Instructional Services (19711)	$14,802,331	$14,802,331		
	Career and Technical Instructional Services for Youth and Adult Schools (19712)	$1,259,226	$1,259,226		
	Instructional Leadership and Support Services (19714)	$2,882,321	$2,882,321		
	Fund Sources: General	$16,478,893	$16,478,893		
	Special	$8,142	$8,142		
	Federal Trust	$2,456,843	$2,456,843		
	Authority: § 66-13.1, Code of Virginia.				
410.	Operation of Community Residential and Nonresidential Services (35000)			$4,262,358	$4,262,358
	Community Residential and Non-residential Custody and Treatment Services (35008)	$4,262,358	$4,262,358		
	Fund Sources: General	$4,189,931	$4,189,931		
	Special	$50,000	$50,000		
	Federal Trust	$22,427	$22,427		
	Authority: §§ 16.1-246 through 16.1-258, 16.1-286, 16.1-291 through 16.1-295, 66-13, 66-14, 66-22 and 66-24, Code of Virginia.				
	A. Services funded out of this appropriation may include intensive supervision, day treatment, boot camp, and aftercare services, and should be integrated into existing services for juveniles.				
	B. Included in the appropriation for this Item is $3,862,065 in the first year and $3,862,065 in the second year from the general fund for a Juvenile Community Placement Program, in which the department may contract with local juvenile detention centers to house juveniles committed to the department prior to their release. The funding provided shall support a minimum of 40 juvenile detention center beds. The department shall develop program guidelines that at a minimum will include which juveniles qualify for placement, length of stay, level of security, mental health services, alcohol and substance abuse services, as well as other services that will be provided to the juvenile while in the detention center.				

ITEM 411.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
411.	Supervision of Offenders and Re-entry Services (35100)			$96,243,605	$96,243,605
	Juvenile Probation and Aftercare Services (35102)	$14,299,224	$14,299,224		
	Probation and Parole Services (35106)	$75,145,542	$75,145,542		
	Community Residential Programs (35108)	$2,445,400	$2,445,400		
	Administrative Services (35109)	$4,353,439	$4,353,439		
	Fund Sources: General	$95,461,656	$95,461,656		
	Special	$45,000	$45,000		
	Federal Trust	$736,949	$736,949		

Authority: §§ 16.1-233 through 16.1-238, 16.1-274, 16.1-294, 16.1-322.1 and 66-14, Code of Virginia.

A. Notwithstanding the provisions of § 16.1-273 of the Code of Virginia, the Department of Juvenile Justice, including locally-operated court services units, shall not be required to provide drug screening and assessment services in conjunction with investigations ordered by the courts.

B. Included in the appropriation for this Item is $1,626,575 in the first year and $1,626,575 in the second year from the general fund to support mental health and substance abuse evaluation and treatment services for juveniles under state probation or parole. Out of this item, up to $325,315 each year may be used for the provision of inpatient mental health treatment by private providers for residents committed to the Department and found to be in need of mental health treatment pursuant to § 66-20 of the Code of Virginia. The department shall develop a plan to ensure continuation of mental health and substance abuse treatment services, including contracting with local providers as necessary.

C. Included in the appropriation for this Item is $240,000 in the first year and $240,000 in the second year from the general fund that shall be used for emergency housing upon release from department custody. The department shall develop guidelines which at a minimum includes a juvenile selection process for placement and maximum lengths of stay.

412.	Financial Assistance to Local Governments for Juvenile Justice Services (36000)			$59,814,678	$59,814,678
	Financial Assistance for Juvenile Confinement in Local Facilities (36001)	$44,088,928	$44,088,928		
	Financial Assistance for Probation and Parole - Local Grants (36002)	$4,896,212	$4,896,212		
	Financial Assistance for Community based Alternative Treatment Services (36003)	$10,829,538	$10,829,538		
	Fund Sources: General	$58,004,999	$58,004,999		
	Federal Trust	$1,809,679	$1,809,679		

Authority: §§ 16.1-233 through 16.1-238, 16.1-274, 16.1-322.1 and 66-14, Code of Virginia.

A. From July 1, 2026 to June 30, 2028, the Board of Juvenile Justice shall not approve or commit additional funds for the state share of the cost of construction, enlargement or renovation of local or regional detention centers, group homes or related facilities. The board may grant exceptions only to address emergency maintenance projects needed to resolve immediate life safety issues. For such emergency projects, approval by both the Board of Juvenile Justice and the Secretary of Public Safety and Homeland Security is required. Any emergency projects must also comply with Board of Juvenile Justice standards.

B. Each emergency resolution adopted by the Board of Juvenile Justice approving reimbursement of the state share of the cost of construction, maintenance, or operation of local or regional detention centers, group homes, or related facilities or programs shall include a statement noting that such approval is subject to the availability of funds and approval by the General Assembly at its next regular session.

C. The Department of Juvenile Justice shall reimburse localities, pursuant to § 66-15, Code of Virginia, at the rate of $50 per day for housing juveniles who have been committed to the department, for each day after the department has received a valid commitment order and

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other pertinent information as required by § 16.1-287, Code of Virginia.

D. Notwithstanding the provisions of § 16.1-322.1 of the Code of Virginia, the department shall apportion to localities the amounts appropriated in this Item.

E.1. The appropriation for Financial Assistance for Community Based Alternative Treatment Services includes $10,379,926 the first year and $10,379,926 the second year from the general fund for the implementation of the financial assistance provisions of the Juvenile Community Crime Control Act (VJCCCA), §§ 16.1-309.2 through 16.1-309.10, Code of Virginia. Notwithstanding § 16.1-309.6, Code of Virginia, localities participating in this program and contributing through their local match an amount of local funds which is greater than they receive from the Commonwealth under this program are authorized, but not required, to provide a contribution greater than the state general fund contribution. In no case shall their local match be less than their state share.

2. Notwithstanding the provisions of §§ 16.1-309.2 through 16.1-309.10, Code of Virginia, the Board of Juvenile Justice shall establish guidelines for use in determining the types of programs for which VJCCCA funding may be expended. The department shall establish a format to receive biennial or annual requests for funding from localities, based on these guidelines. For each program requested, the plan shall document the need for the program, goals, and measurable objectives, and a budget for the proposed expenditure of these funds and any other resources to be committed by localities.

3.a. Notwithstanding the provisions of § 16.1-309.7 B, Code of Virginia, unobligated VJCCCA funds must be returned to the department by each grantee locality no later than October 1 of the fiscal year following the fiscal year in which they were received, or a similar amount may be withheld from the current fiscal year's periodic payments designated by the department for that locality. The Director, Department of Planning and Budget, may increase the general fund appropriation for this Item up to the amount of unobligated VJCCCA funds returned to the Department of Juvenile Justice.

b. All such unobligated and reappropriated balances shall be used by the department for the purpose of awarding short-term supplementary grants to localities, for programs and services which have been demonstrated to improve outcomes, including reduced recidivism, of juvenile offenders. Such programs and services must augment and support current VJCCCA-funded programs within each affected locality. The grantee locality shall submit an outcomes report to the department, in accord with a written memorandum of agreement which shall accompany the supplementary grant award. This provision shall apply to funds obligated to and in the possession of the department and its grant recipients. The entity which returns unobligated funds under this provision shall not have a presumptive entitlement to a supplementary grant.

c. The Department of Juvenile Justice, with the assistance of the Department of Corrections, the Virginia Council on Juvenile Detention, juvenile court service unit directors, juvenile and domestic relations district court judges, and juvenile justice advocacy groups, shall provide a report on the types of programs supported by the Juvenile Community Crime Control Act and whether the youth participating in such programs are statistically less likely to be arrested, adjudicated or convicted, or incarcerated for either misdemeanors or crimes that would otherwise be considered felonies if committed by an adult.

F. The department shall consolidate the annual reporting requirements in §§ 2.2-222 and 66-13 and in Chapters 755 and 914 of the 1996 Acts of the General Assembly concerning juvenile offender demographics. The consolidated annual report shall address the progress of Virginia Juvenile Community Crime Control Act programs including the requirements in Article 12.1 of Chapter 11 of Title 16.1 (§ 16.1-309.2 et seq.) relating to the number of juveniles served, the average cost for residential and nonresidential services, the number of employees, and descriptions of the contracts entered into by localities. Notwithstanding any other provisions of the Code of Virginia, the consolidated report shall be submitted to the Governor, the General Assembly, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Secretary of Public Safety and Homeland Security, and the Department of Planning and Budget by the first day of the regular General Assembly session.

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413.	Operation of Secure Correctional Facilities (39800).....			$70,178,748	$70,178,748
	Juvenile Corrections Center Management (39801).....	$12,255,171	$12,255,171		
	Food Services - Prisons (39807).....	$2,621,675	$2,621,675		
	Medical and Clinical Services - Prisons (39810).....	$6,578,780	$6,578,780		
	Physical Plant Services - Prisons (39815).....	$8,792,105	$8,792,105		
	Offender Classification and Time Computation Services (39830).....	$7,080,330	$7,080,330		
	Juvenile Supervision and Management Services (39831).....	$28,328,147	$28,328,147		
	Juvenile Rehabilitation and Treatment Services (39832).....	$4,522,540	$4,522,540		
	Fund Sources: General.....	$67,663,393	$67,663,393		
	Special.....	$1,070,067	$1,070,067		
	Federal Trust.....	$1,445,288	$1,445,288		

Authority: §§ 16.1-278.8, 16.1-285.1, 66-13, 66-16, 66-18, 66-19, 66-22 and 66-25.1, Code of Virginia.

A. The Department of Juvenile Justice shall retain all funds paid for the support of children committed to the department to be used for the security, care, and treatment of said children.

B.1. The Department shall reallocate any savings from the reduced cost of operating state juvenile correctional centers to support the goals of the transformation plan that was directed in Item B., Chapter 780, 2016 Acts of Assembly, including, but not limited to: (a) increasing the number of male and female local placement options, and post-dispositional treatment programs and services; (b) ensuring that appropriate placements and treatment programs are available across all regions of the Commonwealth; and (c) providing appropriate levels of educational, career readiness, rehabilitative, and mental health services for these juveniles in state, regional, or local programs and facilities, including but not limited to, community placement programs, independent living programs, and group homes. The goals of such transformation services shall be to reduce the risks for reoffending for juveniles supervised or committed to the Department and to improve and promote the skills and resiliencies necessary for the juveniles to lead successful lives in their communities.

2. No later than November 1 of each year, the Department of Juvenile Justice shall provide a report to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Secretary of Public Safety and Homeland Security and the Director, Department of Planning and Budget, assessing the impact and results of the transformation plan that was directed in Item 415 B., Chapter 780, 2016 Acts of Assembly and its related actions. The report shall include, but is not limited to, assessing juvenile offender recidivism rates, fiscal and operational impact on detention homes; changes (if any) in commitment orders by the courts; and use of the savings redirected as a result of transformation, including the amount expended for contracted programs and treatment services, including the number of juveniles receiving each specific service. The report should also include the average length of stay for juveniles in each placement option.

3. The Director, Department of Planning and Budget, is authorized to transfer appropriations between items and programs within the Department of Juvenile Justice to reallocate any savings achieved through transformation to accomplish the goals of transformation.

4. If the Department of Juvenile Justice deems it necessary, due to facility population decline, efficient use of resources, and the need to further reduce recidivism, to close a state juvenile correctional center, the Department shall (i) work cooperatively with the affected localities to minimize the effect of the closure on those communities and their residents, and (ii) implement a general closure plan, preferably not less than 12 months from announcement of the closure, to create opportunities to place affected state employees in existing departmental vacancies, assist affected employees with placement in other state agencies, create training opportunities for affected employees to increase their qualifications for additional positions, and safely reduce the population of the facility facing closure, consistent with public safety.

C. Included in the appropriation for this item is $1,037,381 the first year and $1,037,381 the second year from the general fund to provide a $2,231 salary increase for security positions.

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414.	Administrative and Support Services (39900)			$26,151,541	$25,871,728
	General Management and Direction (39901)	$5,362,412	$5,082,599		
	Information Technology Services (39902)	$3,933,229	$3,933,229		
	Accounting and Budgeting Services (39903)	$3,047,139	$3,047,139		
	Architectural and Engineering Services (39904)	$407,328	$407,328		
	Food and Dietary Services (39907)	$666,484	$666,484		
	Human Resources Services (39914)	$6,710,654	$6,710,654		
	Planning and Evaluation Services (39916)	$6,024,295	$6,024,295		
	Fund Sources: General	$24,876,483	$24,596,670		
	Special	$779,387	$779,387		
	Federal Trust	$495,671	$495,671		

Authority: §§ 66-3 and 66-13, Code of Virginia.

A. Included in the appropriation for this Item is $376,000 the first year from the general fund to provide a bonus of $1,000 for each employee assigned to Bon Air Juvenile Correctional Center, with $500 per employee provided in July 2026 and $500 provided in December 2026.

B. Included in the appropriation for this Item is $96,187 the second year from the general fund to be used to implement recommendations in the Office of the State Inspector General audit issued on December 5, 2025, to improve records and retention processes at Bon Air Juvenile Correctional Center.

	Total for Department of Juvenile Justice			**$275,594,808**	**$275,314,995**
	General Fund Positions	2,149.50	2,150.50		
	Nongeneral Fund Positions	14.00	14.00		
	Position Level	2,163.50	2,164.50		
	Fund Sources: General	$266,675,355	$266,395,542		
	Special	$1,952,596	$1,952,596		
	Federal Trust	$6,966,857	$6,966,857		

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415.	Information Technology Systems, Telecommunications and Records Management (30200)			$136,644,085	$136,098,222
	Information Technology Systems and Planning (30201)	$50,440,009	$49,909,853		
	Criminal Justice Information Services (30203)	$29,663,459	$29,651,724		
	Telecommunications and Statewide Agencies Radio System (STARS) (30204)	$21,555,835	$21,555,835		
	Firearms Purchase Program (30206)	$3,320,113	$3,320,113		
	Sex Offender Registry Program (30207)	$17,191,929	$17,187,957		
	Concealed Weapons Program (30208)	$397,650	$397,650		
	Dispatch and Telecommunications Support (30209)	$14,075,090	$14,075,090		
	Fund Sources: General	$110,932,009	$110,390,118		
	Special	$19,436,726	$19,432,754		
	Dedicated Special Revenue	$3,716,561	$3,716,561		
	Federal Trust	$2,558,789	$2,558,789		

Authority: §§ 18.2-308.2:2, 19.2-387, 19.2-388, 27-55, 52-4, 52-4.4, 52-8.5, 52-12, 52-13, 52-15, 52-16, 52-25 and 52-31 through 52-34, Code of Virginia.

A.1. It is the intent of the General Assembly that wireless 911 calls be delivered directly by the Commercial Mobile Radio Service (CMRS) provider to the local Public Safety Answering Point (PSAP), in order that such calls be answered by the local jurisdiction within which the call originates, thereby minimizing the need for call transfers whenever

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possible.

2. Notwithstanding the provisions of Article 7, Chapter 15, Title 56, Code of Virginia, $3,700,000 the first year and $3,700,000 the second year from the Wireless E-911 Fund is included in this appropriation for telecommunications to offset dispatch center operations and related costs incurred for answering wireless 911 telephone calls.

B. Out of the Motor Carrier Special Fund, $900,000 the first year and $900,000 the second year shall be disbursed on a quarterly basis to the Department of State Police.

C.1. This appropriation includes $9,175,535 the first year and $9,175,535 the second year from the general fund for maintaining the Statewide Agencies Radio System (STARS).

2. The Secretary of Public Safety and Homeland Security, in conjunction with the STARS Management Group and the Superintendent of State Police, shall provide a status report on (1) annual operating costs; (2) the status of site enhancements to support the system; (3) the project timelines for implementing the enhancements to the system; and (4) other matters as the secretary may deem appropriate. This report shall be provided to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than October 1 of each year.

3. Any bond proceeds authorized for the STARS project that remain after the full implementation of the STARS network shall be made available for the STARS equipment needs of the Department of Military Affairs.

4. Any general fund appropriation given for STARS operating and maintenance under the service area 30204, is designated for such purposes. If the Department of State Police cannot expend its STARS appropriation within a given fiscal year, there shall remain an appropriation balance at the end of the fiscal year. The Department may request a discretionary re-appropriation in the subsequent year as provided in § 4-1.05 of this act if necessary for the payment of preexisting obligations for the purchase of goods or services.

D. The department shall deposit to the general fund an amount estimated at $100,000 the first year and $100,000 the second year resulting from fees generated by additional criminal background checks of local job applicants and prospective licensees collected pursuant to § 15.2-1503.1 of the Code of Virginia.

E. Notwithstanding the provisions of §§ 19.2-386.14, 38.2-415, 46.2-1167 and 52-4.3, Code of Virginia, the Department of State Police may use revenue from the State Asset Forfeiture Fund, the Insurance Fraud Fund, the Drug Investigation Trust Account – State, and the Safety Fund to modify, enhance or procure automated systems that focus on the Commonwealth's law enforcement activities and information gathering processes.

F. The Superintendent of State Police is authorized to and shall establish a policy and reasonable fee to contract for the bulk transmission of public information from the Virginia Sex Offender Registry. Any fees collected shall be deposited in a special account to be used to offset the costs of administering the registry. The State Superintendent of State Police shall charge no fee for the transfer of any information from the Virginia Sex Offender Registry to the Statewide Automated Victim Notification (SAVIN) system.

G.1. The Virginia State Police shall, upon request, provide to the Department of Behavioral Health and Developmental Services any information it possesses as a result of carrying out the provisions of §§ 19.2-389, 37.2-819 and 64.2-2014, Code of Virginia, to enable the Department to make anonymous the data held pursuant to those provisions and link it with other relevant data held by the Commonwealth for the purpose of evaluating the impact of carrying out these provisions on the public health and safety, pursuant to a grant from the National Science Foundation to Duke University and a subcontract with the University of Virginia.

2. The Department of State Police shall, upon request, provide to the Department of Juvenile Justice any information it possesses as a result of carrying out the provisions of §§ 16.1-337.1, 19.2-389, 19.2-389.1, 37.2-819 and 64.2-2014, Code of Virginia, to enable the Department to link the data held pursuant to those provisions with other relevant data held by the Commonwealth, and then to de-identify it, for the purpose of evaluating the impact of carrying out these provisions on the public health and safety, pursuant to a research grant to

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Duke University and a subcontract with the University of Virginia.

3. The Department of State Police shall, upon request, provide to the Department of Health any information it possesses as a result of carrying out the provisions of §§ 16.1-337.1, 19.2-389, 19.2-389.1, 37.2-819, 19.2-182.2 and 64.2-2014, Code of Virginia, to enable the Department of Health to link the data held pursuant to those provisions with other relevant data held by the Commonwealth. Once received, the Department of Health will provide the linked data to the Department of Juvenile Justice for de-identification and for the purpose of evaluating the impact of carrying out these provisions on the public health and safety, pursuant to a research grant to Duke University and a subcontract with the University of Virginia.

H. Included within this appropriation is $350,200 the first year and $350,200 the second year from the general fund to support maintenance costs of the state's Commonwealth Link to Interoperable Communications (COMLINC) system.

I. Included within this appropriation is $300,000 the first year and $300,000 the second year and four positions to support the COMLINC system.

J. Included within the amounts for this item is $211,947 the first year and $211,947 the second year and three positions from the general fund for the Department to address the recommendation of the Crime Commission to provide a reference to the "Hold File" for criminal history records checks.

K. Included in the amounts appropriated in this item is $1,479,302 the first year and $1,479,302 the second year from the general fund to comply with and implement the provisions of the Community Policing Act pursuant to Chapter 1165 of the 2020 Acts of Assembly.

L. Included in the appropriation for this Item is $19,509,045 the first year and $19,509,045 the second year from the general fund to implement Phase II transformation of select components of the department's information technology in order to comply with § 2.2-2011 of the Code of Virginia and to cover costs arising as systems are brought into the network.

M. Included in the appropriation for this item is $438,464 the first year and $438,464 the second year from the general fund and four positions for the ongoing costs of operating an automatic expungement process pursuant to legislation adopted by the 2021 Session of the General Assembly.

N. Out of this appropriation, $301,194 the first year and $301,194 the second year from the general fund is provided to the Department of State Police for three positions for cold case investigators to support efforts to resolve such cases.

O.1. The department shall coordinate monitoring and verification activities related to registry requirements with other state and local law enforcement agencies that have responsibility for monitoring or supervising individuals who are also required to comply with the requirements of the Sex Offender Registry.

2. The Secretary of Public Safety and Homeland Security, in conjunction with the Superintendent of State Police, shall report on the implementation of the monitoring of offenders required to comply with the Sex Offender Registry requirements. The report shall include at a minimum: (1) the number of verifications conducted; (2) the number of investigations of violations; (3) the status of coordination with other state and local law enforcement agencies activities to monitor Sex Offender Registry requirements; and (4) an update of the sex offender registration and monitoring section in the department's current "Manpower Augmentation Study." This report shall be provided to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees each year by January 1.

P. Effective July 1, 2015, the Superintendent of State Police shall provide training to all local law enforcement agencies on the proper method to register and re-register persons required to be registered with the Sex Offender and Crimes Against Minors Registry. Should the Superintendent have reason to believe that any local law enforcement agency is not registering sex offenders as required by § 9.1-903, Code of Virginia, the

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Superintendent shall notify the local law enforcement agency, as well as the Executive Secretary of the Compensation Board and the Director of the Department of Criminal Justice Services.				
Q. The Department of State Police shall develop a mobile phone application that integrates data from multiple missing persons alerting systems and provides a centrally accessible portal to receive alerts for missing persons and review the information associated with each alert.				
416. Law Enforcement and Highway Safety Services (31000)			$428,542,927	$457,795,127
Aviation Operations (31001)	$12,741,664	$12,741,664		
Commercial Vehicle Enforcement (31002)	$5,961,073	$5,961,073		
Counter-Terrorism (31003)	$8,461,759	$8,461,759		
Help Eliminate Auto Theft (HEAT) (31004)	$4,588,810	$4,588,810		
Drug Enforcement (31005)	$30,832,608	$30,832,608		
Crime Investigation and Intelligence Services (31006)	$55,104,169	$55,104,169		
Uniform Patrol Services (Highway Patrol) (31007)	$263,361,024	$292,613,224		
Insurance Fraud Program (31009)	$10,324,022	$10,324,022		
Vehicle Safety Inspections (31010)	$37,167,798	$37,167,798		
Fund Sources: General	$333,806,483	$363,058,683		
Special	$51,237,182	$51,237,182		
Commonwealth Transportation	$9,205,530	$9,205,530		
Dedicated Special Revenue	$18,986,443	$18,986,443		
Federal Trust	$15,307,289	$15,307,289		
Authority: §§ 27-56, 33.2-1726, 46.2-1157 through 46.2-1187, 52-1, 52-4, 52-4.2, 52-4.3, 52-8, 52-8.1, 52-8.2, and 52-8.4, Code of Virginia.				
A. Included in this appropriation is $810,687 the first year and $810,687 the second year from Commonwealth Transportation Funds for the personal and associated nonpersonal services costs for eight positions. These positions will be dedicated to patrolling the I-95/395/495 Interchange.				
B. Included in this appropriation is $4,831,625 the first year and $4,831,625 the second year from the Commonwealth Transportation Fund to support enforcement operations at weigh stations statewide.				
C. Included in this appropriation is $1,631,282 the first year and $1,631,282 the second year from Commonwealth Transportation Funds that shall be used to support the personal and associated nonpersonal services costs for trooper positions. These positions will be assigned to the “Highway Safety Corridors" and work to supplement the Department of State Police's enforcement efforts in those corridors.				
D. The Department of State Police shall modify the implementation of the division of drug law enforcement established pursuant to § 52-8.1:1, Code of Virginia, and shall redirect, as may be necessary, resources heretofore provided for that purpose by the General Assembly for the purposes of homeland security, the gathering of intelligence on terrorist activities, the preparation for response to a terrorist attack and any other activity determined by the Governor to be crucial to strengthening the preparedness of the Commonwealth against the threat of natural disasters and emergencies. Nothing in this Item shall be construed to prohibit the Department of State Police from performing drug law enforcement or investigation as otherwise provided for by the Code of Virginia.				
E. Included within this appropriation is $3,098,098 the first year and $3,098,098 the second year from the Rescue Squad Assistance Fund to support the department's aviation (med-flight) operations.				
F. Included within this appropriation is $450,000 the first year and $450,000 the second year from the general fund, which shall be provided to the County of Chesterfield for use in funding the paramedics assigned to the Department of State Police for aviation (med-flight) operations, and for related med-flight expenses.				

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G. In the event that special fund revenues for this Item exceed expenditures, the balance of such revenues may be used for air medical evacuation equipment improvements, information technology upgrades or for motor vehicle replacement.

H. Included in this appropriation is $110,000 the first year and $110,000 the second year from the general fund to maintain increased traffic enforcement on Interstate 81. These funds shall be used to provide overtime payments for extended and additional work shifts so as to maintain the enhanced level of State Police patrols on this and other public highways in the Commonwealth.

I. Included within this appropriation is $25,500,000 the first year and $25,500,000 the second year from nongeneral funds to be used by the Department of State Police to record expenditures related to law enforcement activity that is performed for other entities and is billed and recorded as revenue, which may not be received until the following fiscal year.

J. Included within this appropriation is $100,000 the first year and $100,000 the second year from the general fund for the Department of State Police to enhance its capabilities in recruiting minority troopers. Funding is to support increased marketing and advertising efforts for recruiting minorities.

K. Included within this appropriation is $116,988 the first year and $116,988 the second year from the Department of Aviation's special fund to support the aviation operations of the Department of State Police.

L.1. Out of the amounts appropriated for this Item, $1,450,000 the first year and $1,450,000 the second year from nongeneral funds and $517,000 the first year and $517,000 the second year from the general fund shall be distributed to the department to expand the operations of the Northern Virginia Internet Crimes Against Children Task Force.

2. Pursuant to paragraph H.2 of Item 394, the Northern Virginia Internet Crimes Against Children Task Force shall provide a report on the actual expenditures and performance results achieved each year. Copies of this report shall be provided each year to the Secretary of Public Safety and Homeland Security and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1.

M. Out of the appropriation for this Item, $3,609,365 the first year and $3,609,365 the second year from the general fund is continued for the ongoing financing costs of purchasing four helicopters through the state's master equipment lease purchase program.

N. Included in this appropriation for this item is $1,129,554 the first year and $1,129,554 the second year from the general fund to establish the second Special Operations Division, which shall serve the Sixth Division. Positions from the Sixth Division that are transferred into the Special Operations Sixth Division shall be backfilled in the Sixth Division.

O. Included in this appropriation is $103,470 the first year and $103,470 the second year from the general fund for the Department of State Police to hire an aviation mechanic for the Fourth Aviation Division in Abingdon.

P. Included in this appropriation is $7,177,484 the first year and $7,177,484 the second year from the general fund as supplemental funding to the base funding for patrol vehicle replacement due to the increased costs associated with new replacement vehicles.

Q. Included in this appropriation is $1,573,157 the first year and $1,573,157 the second year from the general fund to establish the Office of the Gaming Enforcement Coordinator and regional support consistent with the provisions of § 52-54 and § 18.2-340.35, Code of Virginia.

R. Included in this appropriation is $772,760 the first year and $772,760 the second year from the general fund and five positions to support a software database to address organized retail crime in the Commonwealth.

S. Out of the appropriation for this Item, $1,620,857 the first year and $1,620,857 the second year from the general fund for the ongoing financing costs of replacing three airplanes through the state's master equipment lease purchase program. The Department

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shall deposit 50 percent of the proceeds from the sale of the planes that are being replaced to the general fund.

T.1. The Department of State Police (Department) shall submit information related to its previously projected budget deficit to the Director, Department of Planning and Budget, and Chairs of the House Appropriations and Senate Finance and Appropriations Committees, including, for each fiscal year from fiscal year 2018 through fiscal year 2025: (i) a comparison of appropriations and expenditures categorized by payroll and non-payroll including fund source; (ii) the number and rate of vacancies, noting the denominator used to calculate the vacancy rate; (iii) the average salary at the Department, categorized by sworn and civilian positions, and total amounts spent pursuant to the Workforce Transition Act; and (iv) the estimated vacancy savings, including the methodology used to calculate such savings. The Department shall submit the information required by this subparagraph no later than October 1, 2026.

2. Beginning July 1, 2026, the Department shall meet quarterly with the Director of the Department of Planning and Budget, or his designee, the Secretary of Public Safety & Homeland Security, or his designee, and the Staff Directors of the House Appropriations and Senate Finance and Appropriations Committees, or their designees, to provide updates that include the following information for the current fiscal year to date: (i) for each paragraph in the Appropriation Act that designates funding for a specific purpose, a detailed description of how the amounts are being spent; (ii) estimated vacancy savings, including the methodology used to calculate such vacancy savings; (iii) hours and amounts spent on overtime, categorized by type of event; (iv) amounts spent pursuant to the Workforce Transition Act; and (v) any remaining projected budget deficit, including actions identified to address the budget deficit, if applicable.

3. From the amounts in this Item, the Department shall transfer necessary amounts to the Department of Planning and Budget for the Department of Planning and Budget to contract with an independent entity to conduct a comprehensive audit of the Department of State Police's budget, identify the causes for the projected budget deficit for fiscal years 2026 through 2028 that was identified in fall 2025, assess current and projected agency spending to determine whether the agency is estimated to have a budget deficit over the six-year forecast, and recommend actions for improving budget execution, internal cost controls, and organizational structure. Based on the result of the audit, the Secretary of Public Safety and Homeland Security, in consultation with the Secretary of Finance, Department of State Police, and the Department of Planning and Budget, shall submit a report describing the actions the Department plans to undertake to avoid future budget deficits to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than November 1, 2026. An existing audit conducted within calendar year 2026 may be submitted if such audit meets all the requirements of the audit that are listed in this subparagraph.

4. The Department may not take any action that changes the agency's pay structure, including, but not limited to, increasing compensation for a category of employees, without the approval of the Director, Department of Planning and Budget, who, before approving the requested compensation increase, shall (i) certify that the Department has sufficient funding in its ongoing appropriations to accommodate the salary increase; and (ii) notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, or their designees.

5. The Department of Planning and Budget, in consultation with the Department of Accounts and the Auditor of Public Accounts, will examine Department of State Police's spending and programmatic actions in fiscal year 2026 and assess the impact of such actions on budgetary needs for fiscal year 2027 and fiscal year 2028. The Department of Planning and Budget shall submit a report with its findings to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by August 30, 2026.

U. The Department of State Police shall conduct an analysis of its filled and authorized staffing levels and provide options for staffing levels, including an analysis of mission coverage and costs for each staffing level option, and provide the analysis and options to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than December 1, 2026.

417.	Administrative and Support Services (39900).....				$53,158,005	$53,158,005
	General Management and Direction (39901).....	$19,534,161	$19,534,161			
	Accounting and Budgeting Services (39903).....	$3,725,387	$3,725,387			

ITEM 417.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
Human Resources Services (39914)	$4,634,274	$4,634,274		
Physical Plant Services (39915)	$8,277,822	$8,277,822		
Procurement and Distribution Services (39918)	$4,041,091	$4,041,091		
Training Academy (39929)	$12,108,410	$12,108,410		
Cafeteria (39931)	$836,860	$836,860		
Fund Sources: General	$51,215,939	$51,215,939		
Special	$1,906,310	$1,906,310		
Dedicated Special Revenue	$35,756	$35,756		

Authority: §§ 52-1 and 52-4, Code of Virginia.

A. The Superintendent of State Police shall establish written procedures for the timely and accurate electronic reporting of crime data reported to the Department of State Police in accordance with the provisions of § 52-28, Code of Virginia. The procedures shall require the principal officer of the reporting organization to certify that the information provided is, to his knowledge and belief, a true and accurate report. Should the superintendent have reason to believe that any crime data is missing, incomplete or incorrect after audit of the data, the superintendent shall notify the reporting organization, as well as the Chairman of the Compensation Board and the Director, Department of Criminal Justice Services. Upon receiving and verifying resubmitted data that corrects the report, the superintendent shall notify the Chairman of the Compensation Board and the Director, Department of Criminal Justice Services that the missing, incomplete or incorrect data has been satisfactorily submitted.

B.1. The Department of State Police is authorized to charge other law enforcement agencies a fee for the use of the Virginia State Police Blackstone Training Facility related to training activities. The fee structure and subsequent changes must be reviewed and approved by the Secretary of Public Safety and Homeland Security. The Department shall deposit any moneys received from such fees into the Virginia State Police Blackstone Training Facility Fund.

2. The State Comptroller shall continue the Virginia State Police Blackstone Training Facility Fund on the books of the Commonwealth. 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 the fiscal year shall not revert to the general fund but shall remain in the Fund. The Department of State Police shall utilize the revenue deposited in the Fund to (1) maintain and repair facilities at the Virginia State Police Blackstone Training Facility, and (2) acquire, maintain, repair or replace equipment at the Virginia State Police Blackstone Training Facility.

C. Included within the appropriation for this item is $278,976 the first year and $278,976 the second year and three positions from the general fund for the Department to uphold the requirements of Chapter 37 of the 2020 Acts of Assembly, Special Session I, to share information with an attorney for the Commonwealth. Of these amounts, $65,207 the first year and $65,207 the second year for operational support for the positions, including information technology expenses, furniture, and shipping expenses.

D.1. Included in this appropriation is $1,000,000 the first year and $1,000,000 the second year from the general fund for the Department to provide training to state and local law enforcement officers in Drug Recognition Expert techniques.

2. Included in this appropriation is $805,050 in the first year and $805,050 in the second year from the general fund to support six positions for the Department to provide expanded impaired driving training for state and local law enforcement officers.

418. All revenue received from the sale of motor vehicles shall be reported separately from that received from the sale of other property of the department.

Total for Department of State Police			**$618,345,017**	**$647,051,354**
General Fund Positions	2,707.00	2,707.00		
Nongeneral Fund Positions	411.00	411.00		
Position Level	3,118.00	3,118.00		

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	Fund Sources: General	$495,954,431	$524,664,740		
	Special	$72,580,218	$72,576,246		
	Commonwealth Transportation	$9,205,530	$9,205,530		
	Dedicated Special Revenue	$22,738,760	$22,738,760		
	Federal Trust	$17,866,078	$17,866,078		
	§ 1-121. VIRGINIA PAROLE BOARD (766)				
419.	Probation and Parole Determination (35200)			$3,150,699	$3,176,672
	Adult Probation and Parole Services (35201)	$3,150,699	$3,176,672		
	Fund Sources: General	$3,095,339	$3,121,312		
	Federal Trust	$55,360	$55,360		
	Authority: Title 53.1, Chapter 4, Code of Virginia.				
	Notwithstanding the provisions of § 53.1-40.01, Code of Virginia, the Parole Board shall annually consider for conditional release those inmates who meet the criteria for conditional geriatric release set out in § 53.1-40.01, Code of Virginia, except that upon any such review the Board may schedule the next review as many as three years thereafter. If any such inmate is also eligible for discretionary parole under the provisions of § 53.1-151 et seq., Code of Virginia, the board shall not be required to consider that inmate for conditional geriatric release unless the inmate petitions the board for conditional geriatric release.				
	Total for Virginia Parole Board			**$3,150,699**	**$3,176,672**
	General Fund Positions	18.00	18.00		
	Position Level	18.00	18.00		
	Fund Sources: General	$3,095,339	$3,121,312		
	Federal Trust	$55,360	$55,360		
	TOTAL FOR OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY			**$3,316,891,557**	**$3,325,257,848**
	General Fund Positions	18,130.35	18,132.35		
	Nongeneral Fund Positions	973.90	973.90		
	Position Level	19,104.25	19,106.25		
	Fund Sources: General	$2,832,720,100	$2,848,200,082		
	Special	$225,957,732	$226,044,041		
	Commonwealth Transportation	$10,616,632	$10,616,632		
	Trust and Agency	$4,298,130	$4,298,130		
	Dedicated Special Revenue	$72,847,873	$65,647,873		
	Federal Trust	$170,451,090	$170,451,090		

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OFFICE OF TRANSPORTATION

§ 1-122. SECRETARY OF TRANSPORTATION (186)

420.	Administrative and Support Services (79900).....			$1,120,845	$1,120,845
	General Management and Direction (79901).....	$1,120,845	$1,120,845		
	Fund Sources: Commonwealth Transportation.....	$1,120,845	$1,120,845		

Authority: Title 2.2, Chapter 2, Article 10, § 2.2-201, and Titles 33, 46, and 58, Code of Virginia.

A. The transportation policy goals enumerated in this act shall be implemented by the Secretary of Transportation, including the secretary acting as Chairman of the Commonwealth Transportation Board.

1. The maintenance of existing transportation assets to ensure the safety of the public shall be the first priority in budgeting, allocation, and spending. The highway share of the Transportation Trust Fund shall be used for highway maintenance and operation purposes prior to its availability for new development, acquisition, and construction.

2. It is in the interest of the Commonwealth to have an efficient and cost-effective transportation system that promotes economic development and all modes of transportation, intermodal connectivity, environmental quality, accessibility for people and freight, and transportation safety. The planning, development, construction, and operations of Virginia's transportation facilities will reflect this goal.

3. To the greatest extent possible, the appropriation of transportation revenues shall reflect planned spending of such revenues by agency and by program.

B. The maximization of all federal transportation funds available to the Commonwealth shall be paramount in the budgetary, spending, and allocation processes.

1. Notwithstanding any provision of law to the contrary, the secretary and all agencies within the transportation secretariat are hereby authorized to take all actions necessary to ensure that federal transportation funds are allocated and utilized for the maximum benefit of the Commonwealth, whether such actions or funds or both are authorized under P.L. 117-58 of the 117th Congress, or any successor or related federal transportation legislation, or regulation, rule, or guidance issued by the U.S. Department of Transportation or any federal agency. The secretary and agencies within the transportation secretariat shall utilize, to the maximum extent practicable, the flexibility provided in federal law, regulation, rule, or guidance to use federal funds in a manner consistent with the Code of Virginia. However, neither the secretary nor an agency in the transportation secretariat may materially delay a project selected pursuant to § 33.2-214.1, Code of Virginia, under the authority in this paragraph.

2. The secretary shall ensure that the allocation of transportation funds apportioned and for which obligation authority is expected to be available under federal law shall be in accordance with such laws and in support of the transportation policy goals enumerated in section A. of this Item. Furthermore, the secretary is authorized to take all actions necessary to allocate the required match for federal highway funds to ensure their appropriate and timely obligation and expenditure within the fiscal constraints of state transportation revenues and in support of the efforts addressed in B.1. By June 1 of each year, the secretary, as Chairman of the Board, shall report to the Governor and General Assembly on the allocation of such federal transportation funds and the actions taken to provide the required match.

3. The board shall only make allocations providing the required match for federal Regional Surface Transportation Block Grant Program funds to those Metropolitan Planning Organizations in urbanized areas greater than 200,000 that, in consultation with the Office of Intermodal Planning and Investment, have developed regional transportation and land use performance measures pursuant to Chapters 670 and 690 of the 2009 Acts of Assembly and have been approved by the board.

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4. Projects funded, in whole or part, from federal funds referred to as congestion mitigation and air quality improvement, shall be selected as directed by the board. Such funds shall be federally obligated within 12 months of their allocation by the board and expended within 36 months of such obligation. If the requirements included in this paragraph are not met by such agency or recipient, then the board shall use such federal funds for any other project eligible under 23 USC 149.

5. Funds made available to the Metropolitan Planning Organizations known as the Regional Surface Transportation Block Grant Program for urbanized areas greater than 200,000 shall be federally obligated within 12 months of their allocation by the board and expended within 36 months of such obligation. If the requirements included in this paragraph are not met by the recipient, then the board may rescind the required match for such federal funds.

6. Notwithstanding paragraph B.2. of this Item, the required matching funds for Transportation Alternatives projects are to be provided by the project sponsor of the federal-aid funding.

7. Federal transportation funds as well as the required state matching funds may be allocated by the Commonwealth Transportation Board for transit purposes under the same rules and conditions authorized by federal law in a manner consistent with the Code of Virginia. The Commonwealth Transportation Board, in consultation with the appropriate local and regional entities, may allocate state revenues to local and regional public transit operators, for operating and/or capital purposes.

8. If a regional area (or areas) of the Commonwealth is determined to be not in compliance with Clean Air Act rules regarding conformity and as a result federal and/or state allocations, apportionments or obligations cannot be used to fund or support transportation projects or programs in that area, such funds may be used to finance demand management, conformity, and congestion mitigation projects to the extent allowed by federal law. Any remaining amount of such allocations, apportionments, or obligations shall be set aside to the extent possible under law for use in that regional area.

9. Appropriations in this act related to federal revenues outlined in this section may be adjusted by the Director, Department of Planning and Budget, upon request from the Secretary of Transportation, as needed to utilize and allocate additional federal funds that may become available.

10. The secretary shall ensure that any bonds issued pursuant to Article 4, Chapter 15 of Title 33.2 shall be programmed to projects eligible for funding through the Interstate Operations and Enhancement Program or to the High Priority Projects Program pursuant to § 33.2-370 or the Construction District Grant Program pursuant to §33.2-371.

C. The secretary may ensure that appropriate action is taken to maintain a minimum cash balance and/or cash reserve in the Highway Maintenance and Operating Fund.

D.1. The Office of Intermodal Planning and Investment shall recommend to the Commonwealth Transportation Board all allocations of funds made available in subsections A. and B. of Item 437. The planning and evaluation may be conducted or managed by the Department of Transportation, Department of Rail and Public Transportation, or another qualified entity selected and/or approved by the Commonwealth Transportation Board.

2. The office shall be responsible for implementing the statewide prioritization processes pursuant to §§ 33.2-214.1 and 33.2-372 for the Commonwealth Transportation Board.

3. The office shall work directly with affected Metropolitan Planning Organizations to develop and implement quantifiable and achievable goals relating to congestion reduction and safety, transit and HOV usage, job/housing ratios, job and housing access to transit and pedestrian facilities, air quality, and/or per-capita vehicle miles traveled pursuant to Chapters 670 and 690 of the 2009 Acts of Assembly.

4. For allocation of funds under Paragraph 1, the office may give a higher priority for planning grants to (i) regional organizations to analyze various land development scenarios for their long range transportation plans, (ii) local governments to revise their comprehensive plans and other applicable local ordinances to designate urban development areas pursuant to Chapter 896 of the 2007 Acts of Assembly and incorporate the principles included in such act,

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and (iii) local governments, regional organizations, transit agencies and other appropriate entities to develop plans for transit oriented development and the expansion of transit service. Such analyses, plans, and ordinances shall be shared with the regional planning district commission or metropolitan planning organization and the Commonwealth Transportation Board.

5. The office shall study the feasibility of imposing a tax on paid parking in private or commercial parking lots and garages, excluding residential parking, within any county or city that is a member of the Northern Virginia Transportation Commission. In consultation with the Department of Taxation, the study shall identify the number of applicable parking spaces and estimate potential revenue calculated either as a percentage of applicable parking charges or on a per-space basis. The office shall report the findings to the General Assembly no later than November 15, 2026.

E.1. The Commonwealth Transportation Board is hereby authorized to apply for, execute, and/or endorse applications submitted by private entities or political subdivision of the Commonwealth to obtain federal credit assistance for one or more qualifying transportation infrastructure projects or facilities to be developed pursuant to the Public-Private Transportation Act of 1995, as amended. Any such application, agreement and/or endorsement shall not financially obligate the Commonwealth or be construed to implicate the credit of the Commonwealth as security for any such federal credit assistance.

2. The Commonwealth Transportation Board is hereby authorized to pursue or otherwise apply for, and execute, an agreement to obtain financing using a federal credit instrument for project financings otherwise authorized by this Act or other Acts of Assembly.

F. Revenues generated pursuant to the provisions of § 58.1-3221.3, Code of Virginia, shall only be used to supplement, not supplant, any local funds provided for transportation programs within the localities authorized to impose the fees under the provisions of § 58.1-3221.3, Code of Virginia.

G. The Director, Department of Planning and Budget, is authorized to adjust the appropriation of transportation agencies in order to utilize proceeds from the sale of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds which were authorized in a prior fiscal year but not issued, pursuant to Section 2 of Enactment Clause 2 of Chapter 896 of the 2007 General Assembly Session.

H. The Director, Department of Planning and Budget, is authorized to adjust the appropriation of transportation agencies in order to utilize proceeds from the sale of Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes.

I. All revenues generated under Chapter 896 of the Acts of Assembly of 2007 (HB 3202) and Chapter 766 of the Acts of Assembly of 2013 (HB 2313), Chapters 837 and 846 of the 2019 Acts of Assembly, and Chapters 1230 and 1275 of the 2020 Acts of Assembly that were dedicated to transportation-related funds have been appropriated in conformity with the requirements of those respective chapters.

J. Notwithstanding § 33.2-502, Code of Virginia, the high-occupancy requirement for a HOT lane facility that is constructed as a result of the Public-Private Transportation Act (§ 33.2-1800 et. seq.) (i) with an initial construction cost in excess of $3 billion and whose operation, maintenance, or financing is not a result of the same comprehensive agreement that resulted in the facility's construction shall be not less than two, or (ii) that is located on the same Interstate corridor and partially located within the same urbanized areas.

K. It is the intent of the General Assembly that state funds in the Commonwealth Transportation Fund and federal funds provided on a recurring, non-one-time basis, for surface transportation be distributed and allocated at the discretion of the entities responsible for such funds based on the policy direction and requirements set forth in the Code of Virginia.

L. Notwithstanding the provisions of § 33.2-3603, Code of Virginia, the I-81 Advisory Committee shall be required to meet at a minimum of two times a year, with additional meetings called at the discretion of the Chair.

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M. The Secretary of Transportation is directed to study and evaluate options for accelerating large-scale improvements to the Interstate 81 corridor. Such analysis shall include assessing the feasibility of utilizing a public-private partnership pursuant to the Public Private Transportation Act, including those options with toll financing, provided that any such analysis assumes there shall be two toll-free lanes in each direction available for continued use on Interstate 81. The Secretary shall report to the Chairs of the House Appropriations Committee, the Senate Finance and Appropriations Committee, and the House and Senate Transportation Committees by December 15, 2026, on the options identified.

N. The Secretary of Transportation, in collaboration with the Virginia Department of Transportation and the Department of Motor Vehicles, shall work with counterparts in the District of Columbia and the State of Maryland to review issues related to ticket reciprocity and registering vehicles in Virginia for out-of-state residents. The study shall include but not be limited to: (i) an examination of how ticketing reciprocity is handled for tickets issued to Virginia drivers by the District of Columbia through automated ticket enforcement; (ii) options for how Virginia could enter into reciprocity agreements for automated tickets; (iii) options for how Virginia, Maryland, and the District of Columbia could enter reciprocity agreements for toll violations; and (iv) an examination of the issue of out-of-state drivers in Maryland and the District of Columbia being able to register their vehicles in Virginia, including the scope of this issue and options to curtail this practice with a particular emphasis on preventing drivers with a dangerous driving record from registering vehicles in Virginia. The review will be coordinated through the Metropolitan Washington Council of Governments. The Secretary of Transportation shall submit recommendations to the Chairs of the House Committees on Transportation and Appropriations and the Senate Committees on Transportation and Finance and Appropriations by November 1, 2026.

O. The Secretary of Transportation, in coordination with the Secretary of Commerce and Trade and the Department of Energy, shall identify any available federal funds eligible to assist in the development of rural electric vehicle charging infrastructure in the Commonwealth. If such federal funds are available, the appropriate agency shall submit an application for Virginia to receive funding and any such application shall reflect a priority for installing public electric vehicle infrastructure in rural areas and localities without such infrastructure. If such federal funds are received via a formula grant, the appropriate Secretary shall ensure a priority is placed on installing public electric vehicle infrastructure in rural areas and localities without such infrastructure. The Secretary shall notify the Senate Finance and Appropriations Committee and the House Appropriations Committee on or before December 31, 2026, on: (i) funding received as a result of this paragraph; (ii) the rural and underserved areas without public charging infrastructure; and (iii) total state funding needed to install sufficient public charging infrastructure in rural areas and underserved communities.

Total for Secretary of Transportation			**$1,120,845**	**$1,120,845**
Nongeneral Fund Positions	6.00	6.00		
Position Level	6.00	6.00		
Fund Sources: Commonwealth Transportation	$1,120,845	$1,120,845		

§ 1-123. VIRGINIA COMMERCIAL SPACE FLIGHT AUTHORITY (509)

421.	Space Flight Support Services (60800)		$26,008,492	$26,334,093
	Maintenance and Operation of Space Flight Facilities (60801)	$26,008,492	$26,334,093	
	Fund Sources: Commonwealth Transportation	$26,008,492	$26,334,093	

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

A. For the ground lease for the property surrounding the Assembly, Integration, and Testing Facility (Lease Parcels 1, 3, and 4), Virginia Space shall charge the tenant no more than one dollar per year for the duration of the performance period outlined in the Memorandum of Understanding executed August 15, 2023, between the Commonwealth, Rocket Lab USA, INC, Virginia Space, and the Virginia Economic Development Partnership Authority. If at the

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	end of the performance period, Rocket Lab assumes ownership of the Assembly, Integration, and Testing Facility, and sells the building, Virginia Space is hereby required to notify the Chair of the Major Employer and Investment Commission by letter of the sale, which shall include the name of the buyer and the sale price.				
	Total for Virginia Commercial Space Flight Authority			**$26,008,492**	**$26,334,093**
	Fund Sources: Commonwealth Transportation	$26,008,492	$26,334,093		
	§ 1-124. DEPARTMENT OF AVIATION (841)				
422.	Financial Assistance for Airports (65400)			$32,262,020	$32,262,020
	Financial Assistance for Airport Maintenance (65401)	$1,000,000	$1,000,000		
	Financial Assistance for Airport Development (65404)	$30,157,020	$30,157,020		
	Financial Assistance for Aviation Promotion (65405)	$1,105,000	$1,105,000		
	Fund Sources: Commonwealth Transportation	$32,262,020	$32,262,020		
	Authority: Title 5.1, Chapters 1, 3, and 5; Title 58.1, Chapter 6, Code of Virginia.				
	A. It is the intent of the General Assembly that the Department of Aviation match federal funds for Airport Assistance to the maximum extent possible. In furtherance of this maximization, the Commonwealth Transportation Board may request funding from the Commonwealth Airport Fund for surface transportation projects that provide airport access. The Aviation Board shall consider such requests and provide funding as it so approves. However, the legislative intent expressed herein shall not be construed to prohibit the Virginia Aviation Board from allocating funds for promotional activities in the event that federal matching funds are unavailable.				
	B. The department is authorized to expend up to $400,000 the first year and $400,000 the second year from Aviation Special Funds to support a partnership between industry, academia, and Virginia Small Aircraft Transportation System. The project shall target research efforts to promote safety and greater access for rural airports.				
	C. The department is authorized to pay to the Civil Air Patrol $100,000 the first year and $100,000 the second year from Aviation Special Funds. The provisions of § 2.2-1505, Code of Virginia, and § 4-5.05 of this act shall not apply to the Civil Air Patrol.				
	D. Out of the amounts included in this Item, $500,000 the first year and $500,000 the second year shall be paid to the Washington Airports Task Force.				
	E.1. By November 1 of each year, the Virginia Aviation Board shall report to the Governor and the General Assembly on the use of Commonwealth Airport Fund revenues allocated the previous fiscal year. The report shall include at a minimum the following: (i) the use of entitlement funds allocated by each air carrier airport, including the amount of funds that are unobligated; (ii) the award and use of discretionary funds allocated for air carrier and reliever airports by every such airport; and (iii) the award and use of discretionary funds allocated for general aviation airports by every such airport. Such report shall also include the status of ongoing projects funded in whole or in part by the Commonwealth Airport Fund pursuant to subdivision A 3 of § 58.1-638.				
	2. The Board shall have the right to withhold entitlement funds allocated pursuant to subdivision A 3 a of § 58.1-638 in the event that the entitlement utilization plan is not approved by the Board or the airport uses the funds in a manner that is inconsistent with the approved plan.				
	F. It is the intent of the General Assembly that state moneys allocated pursuant to § 33.2-1526.6 shall not be used for (i) operating costs unless otherwise approved by the Virginia Aviation Board, or (ii) purposes related to supporting the operation of an airline, either directly or indirectly, through grants, credit enhancements, or other related means.				

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	G. Out of the appropriation for the Commonwealth Development Opportunity Fund, as established in § 2.2-115, Code of Virginia, and provided in Item 101 Paragraph A. of this act, $500,000 the first year year shall be transferred to this item to support the continued development of Advanced Air Aviation Test Sites. The Department shall utilize the funds to expand current test site programs to support Advanced Air Mobility enablement in the Commonwealth. The department shall report to the Chairs of the House Appropriations Committee, the Senate Finance and Appropriations Committee, and the House and Senate Transportation Committees by December 1, 2026, detailing the expenditures and progress that have been made concerning Advanced Air Mobility and recommendations for the future.				
423.	Air Transportation System Planning, Regulation, Communication and Education (65500)			$4,608,977	$4,608,977
	Aviation Licensing and Regulation (65501)	$435,503	$435,503		
	Aviation Communication and Education (65502)	$1,580,884	$1,580,884		
	General Aviation Personnel Development (65503)	$26,400	$26,400		
	Air Transportation Planning and Development (65504)	$2,566,190	$2,566,190		
	Fund Sources: Commonwealth Transportation	$3,903,422	$3,903,422		
	Federal Trust	$705,555	$705,555		
	Authority: Title 5.1, Chapter 1, Code of Virginia.				
424.	State Aircraft Flight Operations (65600)			$3,823,106	$3,823,106
	State Aircraft Operations and Maintenance (65602)	$3,823,106	$3,823,106		
	Fund Sources: General	$30,246	$30,246		
	Commonwealth Transportation	$3,792,860	$3,792,860		
	Authority: Title 5.1, Chapter 1, Code of Virginia.				
425.	Administrative and Support Services (69900)			$3,104,415	$3,104,415
	General Management and Direction (69901)	$3,104,415	$3,104,415		
	Fund Sources: Commonwealth Transportation	$3,104,415	$3,104,415		
	Authority: Title 5.1, Chapter 1, Code of Virginia.				
	A. The Director, Department of Aviation, shall prepare general guidelines regarding aircraft acquisition and use that shall include a requirement for state agencies to develop written policies on usage, charge rates and record-keeping. The Director shall examine the aircraft needs of state agencies and determine the most efficient and effective method of organizing and managing the Commonwealth's aircraft operations. The Director shall implement the aircraft management system he determines to be most suitable and revise it periodically as the need arises.				
	B. The Virginia Aviation Board and the Department of Aviation may obligate funds in excess of the current biennium appropriation for aviation financial assistance programs supported by the Commonwealth Transportation Fund provided 1) sufficient cash is available to cover projected costs in each year and 2) sufficient revenues are projected to meet all cash obligations for new obligations as well as all other commitments and appropriations approved by the General Assembly in the biennial budget.				
	Total for Department of Aviation			**$43,798,518**	**$43,798,518**
	Nongeneral Fund Positions	37.00	37.00		
	Position Level	37.00	37.00		
	Fund Sources: General	$30,246	$30,246		
	Commonwealth Transportation	$43,062,717	$43,062,717		
	Federal Trust	$705,555	$705,555		
	§ 1-125. DEPARTMENT OF MOTOR VEHICLES (154)				
426.	Ground Transportation Regulation (60100)			$241,377,521	$241,377,521

ITEM 426.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
Customer Service Centers Operations (60101)	$170,619,784	$170,619,784		
Ground Transportation Regulation and Enforcement (60103)	$54,440,702	$54,440,702		
Motor Carrier Regulation Services (60105)	$16,317,035	$16,317,035		
Fund Sources: Commonwealth Transportation	$231,930,921	$231,930,921		
Trust and Agency	$5,446,600	$5,446,600		
Federal Trust	$4,000,000	$4,000,000		

Authority: Title 46.2, Chapters 1, 2, 3, 6, 8, 10, 12, 15, 16, and 17; §§ 18.2-266 through 18.2-272; Title 58.1, Chapters 21 and 24, Code of Virginia. Title 33, Chapter 4, United States Code.

A. The Department of Motor Vehicles shall work to increase the use of alternative service delivery methods, which may include offering discounts on certain transactions conducted online, as determined by the department. As part of its effort to shift customers to internet usage where applicable, the department shall not charge its customers for the use of credit cards for internet or other types of transactions under $10,000. For credit card transactions $10,000 and over, the agency may impose a 1.5 percent convenience fee. No convenience fee restrictions shall apply with respect to any credit or debit card transactions the department conducts on behalf of another agency, provided (i) the other agency is authorized to charge customers for the use of credit or debit cards and (ii) the merchant's fees and other transaction costs imposed by the card issuer are charged to the department.

B. In order to provide citizens of the Commonwealth greater access to the Department of Motor Vehicles, the agency is authorized to enter into an agreement with any local constitutional officer or combination of officers to act as a license agent for the department, with the consent of the chief administrative officer of the constitutional officer's county or city, and to negotiate a separate compensation schedule for such office other than the schedule set out in § 46.2-205, Code of Virginia. Notwithstanding any other provision of law, any compensation due to a constitutional officer serving as a license agent shall be remitted by the department to the officer's county or city on a monthly basis, and not less than 80 percent of the sums so remitted shall be appropriated by such county or city to the office of the constitutional officer to compensate such officer for the additional work involved with processing transactions for the department. Funds appropriated to the constitutional office for such work shall not be used to supplant existing local funding for such office, nor to reduce the local share of the Compensation Board-approved budget for such office below the level established pursuant to general law.

C. The base compensation for DMV Select Agents shall be set at 4.5 percent of gross collections for the first $500,000 and 5.0 percent of all gross collections in excess of $500,000 made by the entity during each fiscal year on such state taxes and fees in place as a matter of law. The commissioner shall supply the agents with all necessary agency forms to provide services to the public, and shall cause to be paid all freight and postage, but shall not be responsible for any extra clerk hire or other business-related expenses or business equipment expenses occasioned by their duties.

D. Out of the amounts identified in this Item, an amount estimated at $426,028 the first year and $426,028 the second year from the Commonwealth Transportation Fund shall be paid to the Washington Metropolitan Area Transit Commission.

E.1. Notwithstanding any other provision of law, the department shall assess a minimum fee of $15 for all titles. The revenue generated from this fee shall be set aside to meet the expenses of the department.

2. Notwithstanding any other provision of law, the department shall assess a $10 late fee on all registration renewal transactions that occur after the expiration date. The late fee shall not apply to those exceptions granted under § 46.2-221.4, Code of Virginia. In assessing the late renewal fee the department shall provide a ten day grace period for transactions conducted by mail to allow for administrative processing. This grace period shall not apply to registration renewals for vehicles registered under the International Registration Plan. The revenue generated from this fee shall be set aside to meet the expenses of the department.

ITEM 426.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

3. Notwithstanding any other provision of law, the department shall establish a $20 minimum fee for original driver's licenses and replacements. The revenue generated from this fee shall be set aside to meet the expenses of the department.

F. The Department of Motor Vehicles is hereby granted approval to renew or extend existing capital leases due to expire during the current biennium for existing customer service centers.

G. The Department of Motor Vehicles is hereby appropriated revenues from the additional sales tax on fuel in certain transportation districts to recover the direct cost of administration incurred by the department in implementing and collecting this tax as provided by § 58.1-2295, Code of Virginia.

H. The Department of Motor Vehicles is hereby granted approval to distribute the transactional charges of the Cardinal accounting system to state agencies, when the transactions involve funds passed through the department to the benefiting agency. This paragraph shall not pertain to Direct Aid to Public Education.

I. The Department of Motor Vehicles is hereby granted approval to distribute a portion of its indirect cost allocation charge to another state agency when the charge is related to revenue collected and transferred by the department to the state agency. Such transfers shall be based on the agency's proportionate share of the department's total transactions in the immediately preceding fiscal year. The Department shall annually submit to the Department of Planning and Budget a summary of the transfer amounts and the transaction volumes used to allocate the internal cost amounts.

J. Notwithstanding § 46.2-342, Code of Virginia, the Department of Motor Vehicles shall not be required to include organ donation brochures with every driver's license renewal notice or application mailed to licensed drivers.

K. The Commissioner shall only refuse to issue or renew any vehicle registration pursuant to subsection L of § 46.2-819.3:1 of an operator or owner of a vehicle who has no prior resolution, whether that resolution is by settlement or conviction, for offenses under § 46.2-819.3:1 if, in addition to the conditions set forth in subsection L of § 46.2-819.3:1 for such refusal, the toll operator has offered the individual a settlement of no more than $2,200.

L. The Department is authorized to impose a $10 surcharge on all first issuances of REAL ID compliant credentials that are acceptable for federal purposes.

M. Notwithstanding § 4-2.03 of this act, the Virginia Department of Motor Vehicles shall be exempt from recovering statewide and agency indirect costs from the federal grants until an indirect cost plan can be evaluated and developed by the agency.

N. The Commissioner, in consultation with the Secretary of Administration and the Governor's Chief Transformation Officer, is authorized to issue a Request for Information for (i) updating customer-facing web applications; (ii) pursuing the use of artificial intelligence in day-to-day activities; (iii) the issuance of digital passports and mobile driver's licenses; (iv) improving customer service, specifically through smart phone technologies and the use of self-service kiosks; and (v) other innovative technologies to improve the overall customer experience. The Commissioner is further authorized to enter into agreements with surrounding states for the purpose of building a multi-state consortium to improve the overall customer experience across state lines.

O. The Department of Motor Vehicles shall coordinate with the Department of Corrections to provide identification cards to inmates through the DMV Connect program.

427.	Ground Transportation System Safety Services (60500)			$19,727,653	$19,727,653
	Highway Safety Services (60508)	$19,727,653	$19,727,653		
	Fund Sources: Commonwealth Transportation	$9,995,329	$9,995,329		
	Federal Trust	$9,732,324	$9,732,324		
	Authority: §§ 46.2-222 through 46.2-224, Code of Virginia; Chapter 4, United States Code.				
428.	Administrative and Support Services (69900)			$127,367,526	$127,242,947

ITEM 428.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	General Management and Direction (69901)	$42,776,422	$42,776,422		
	Information Technology Services (69902)	$78,915,604	$78,791,025		
	Facilities and Grounds Management Services (69915)	$5,675,500	$5,675,500		
	Fund Sources: Commonwealth Transportation	$124,905,947	$124,905,947		
	Dedicated Special Revenue	$224,579	$100,000		
	Federal Trust	$2,237,000	$2,237,000		
	Authority: Title 46.2, Chapters 1 and 2, and § 46.2-214.3; Title 58.1, Chapters 17, 21, and 24, Code of Virginia.				
	A. The Department of Transportation shall reimburse the Department of Motor Vehicles for the operating costs of the Fuels Tax Evasion Program.				
	B. Notwithstanding any other provision of law, the Department of Motor Vehicles is authorized to retain the income generated by the rental of space in agency-owned facilities. The Department shall not exceed the state rental rate in Item 71 for the rental of space in agency-owned facilities to other state agencies.				
	Total for Department of Motor Vehicles			**$388,472,700**	**$388,348,121**
	Nongeneral Fund Positions	2,225.00	2,225.00		
	Position Level	2,225.00	2,225.00		
	Fund Sources: Commonwealth Transportation	$366,832,197	$366,832,197		
	Trust and Agency	$5,446,600	$5,446,600		
	Dedicated Special Revenue	$224,579	$100,000		
	Federal Trust	$15,969,324	$15,969,324		
	Department of Motor Vehicles Transfer Payments (530)				
429.	Ground Transportation System Safety Services (60500)			$23,255,029	$23,255,029
	Financial Assistance for Transportation Safety (60507)	$23,255,029	$23,255,029		
	Fund Sources: Federal Trust	$23,255,029	$23,255,029		
	Authority: §§ 46.2-222 through 46.2-223, Code of Virginia; Chapter 4, United States Code.				
430.	Financial Assistance to Localities - General (72800)			$112,091,500	$112,091,500
	Financial Assistance to Localities - Mobile Home Tax (72803)	$8,000,000	$8,000,000		
	Financial Assistance to Localities for the Disposal of Abandoned Vehicles (72814)	$391,500	$391,500		
	Distribution of Sales Tax on Fuel in Certain Transportation Districts (72815)	$103,700,000	$103,700,000		
	Fund Sources: Commonwealth Transportation	$391,500	$391,500		
	Trust and Agency	$8,000,000	$8,000,000		
	Dedicated Special Revenue	$103,700,000	$103,700,000		
	Authority: §§ 46.2-416, 58.1-2402, and 58.1-2425, and 46.2-1200 through 46.2-1207, Code of Virginia.				
	A. 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. The amounts generated from the sales tax on fuel in certain transportation districts in this item are estimated at $59,600,000 in the Northern Virginia Transportation Commission and $44,600,000 in the Potomac and Rappahannock Transportation Commission in the first year and $61,100,000 in the				

ITEM 430.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Northern Virginia Transportation Commission and $45,800,000 in the Potomac and Rappahannock Transportation Commission in the second year. These estimates are listed for informational purposes only. Pursuant to § 58.1-2299.20, Code of Virginia, $15,000,000 is transferred each year from these amounts to the Commuter Rail Operating and Capital Fund. In addition to these amounts, $22,183,000 generated in the Northern Virginia Transportation Commission is transferred each year in Item 433 to the Washington Metropolitan Area Transit Authority Capital Fund pursuant to § 58.1-2299.20, Code of Virginia. All other funds collected pursuant to § 58.1-2291 et seq. are appropriated in Item 446.				
	B. Notwithstanding any other provision of law, the Commissioner may divulge tax information collected pursuant to § 58.1-2291 et seq., Code of Virginia, to the executive director or designee of the Northern Virginia Transportation Commission, the Potomac and Rappahannock Transportation Commission, the Central Virginia Transportation Authority, and the Hampton Roads Transportation Accountability Commission for their confidential use of such tax information as may be necessary to facilitate the collection of the taxes collected in the respective member jurisdictions. Any person to whom tax information is divulged pursuant to this section shall be subject to the prohibitions and penalties prescribed in § 58.1-3, Code of Virginia, as though that person were a tax official as defined in that section.				
	Total for Department of Motor Vehicles Transfer Payments			**$135,346,529**	**$135,346,529**
	Fund Sources: Commonwealth Transportation	$391,500	$391,500		
	Trust and Agency	$8,000,000	$8,000,000		
	Dedicated Special Revenue	$103,700,000	$103,700,000		
	Federal Trust	$23,255,029	$23,255,029		
	Grand Total for Department of Motor Vehicles			**$523,819,229**	**$523,694,650**
	Nongeneral Fund Positions	2,225.00	2,225.00		
	Position Level	2,225.00	2,225.00		
	Fund Sources: Commonwealth Transportation	$367,223,697	$367,223,697		
	Trust and Agency	$13,446,600	$13,446,600		
	Dedicated Special Revenue	$103,924,579	$103,800,000		
	Federal Trust	$39,224,353	$39,224,353		
	§ 1-126. VIRGINIA PASSENGER RAIL AUTHORITY (522)				
431.	Financial Assistance for Rail Programs (61000)			$847,679,835	$229,479,228
	Passenger Rail Development and Operation Programs (61004)	$847,679,835	$229,479,228		
	Fund Sources: Commonwealth Transportation	$847,679,835	$229,479,228		
	Authority: Titles 33.2 and 58.1, Code of Virginia				
	A. Of the funds appropriated pursuant to Chapters 1019 and 1044 of the 2000 Acts of Assembly for passenger rail capacity improvements in the I-95 passenger rail corridor between Richmond and the District of Columbia, the Virginia Passenger Rail Authority is authorized to utilize any remaining funds along the described corridor for the development of intercity passenger rail enhancements to include rail improvements and passenger station facilities.				
	B. The Director, Department of Planning and Budget, is authorized to adjust appropriations and allotments for the Virginia Passenger Rail Authority to reflect changes in the official revenue estimates for commonwealth transportation funds.				
	Total for Virginia Passenger Rail Authority			**$847,679,835**	**$229,479,228**
	Fund Sources: Commonwealth Transportation	$847,679,835	$229,479,228		
	§ 1-127. DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION (505)				

ITEM 432.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
432.	Ground Transportation Planning and Research (60200)			$3,347,198	$3,347,198
	Rail and Public Transportation Planning, Regulation, and Safety (60203)	$3,347,198	$3,347,198		
	Fund Sources: Commonwealth Transportation	$3,347,198	$3,347,198		
	Authority: Titles 33.2 and 58.1, Code of Virginia.				
433.	Financial Assistance for Public Transportation (60900)			$1,035,232,848	$862,989,928
	Public Transportation Programs (60901)	$857,229,043	$684,986,123		
	Congestion Management Programs (60902)	$8,741,503	$8,741,503		
	Human Service Transportation Programs (60903)	$9,862,302	$9,862,302		
	Distribution of Washington Metropolitan Area Transit Authority Capital Fund Revenues (60905)	$159,400,000	$159,400,000		
	Fund Sources: General	$172,300,000	$0		
	Special	$1,139,844	$1,139,844		
	Commonwealth Transportation	$702,393,004	$702,450,084		
	Dedicated Special Revenue	$159,400,000	$159,400,000		
	Authority: Titles 33.2 and 58.1, Code of Virginia.				

A.1. Except as provided in Item 435, the Commonwealth Transportation Board shall allocate all monies in the Commonwealth Mass Transit Fund, as provided herein and in § 33.2-1526.1, Code of Virginia. The total appropriation for the Commonwealth Mass Transit Fund is estimated to be $546,300,000 the first year and $546,300,000 the second year from the Transportation Trust Fund. From these funds, the following estimated allocations shall be made:

a. $122,200,000 the first year and $126,100,000 the second year to statewide Operating Assistance as provided in § 33.2-1526.1, Code of Virginia.

b. $70,000,000 the first year and $70,500,000 the second year from the Commonwealth Mass Transit Fund and $19,000,000 the first year from the general fund to statewide Capital Assistance. Of these amounts, $19,000,000 the first year shall be considered one-time.

c. $231,900,000 the first year and $239,300,000 the second year from the Commonwealth Mass Transit Fund to the Northern Virginia Transportation Commission to support the operating and capital costs of the Washington Metropolitan Area Transit Authority.

d. $14,000,000 the first year and $15,000,000 the second year from the Commonwealth Mass Transit Fund to the Transit Ridership Incentive Program.

e. $17,400,000 the first year and $18,000,000 the second year from the Commonwealth Mass Transit Fund to Virginia Railway Express Assistance.

f. $11,000,000 the first year and $11,500,000 the second year from the Commonwealth Mass Transit Fund to Special Programs.

g. Notwithstanding the provisions of paragraphs A.1.a-f of this item, prior to the annual adoption of the Six-Year Improvement Program, the Commonwealth Transportation Board may allocate funding from the Commonwealth Mass Transit Fund to implement the transit and transportation demand management improvements identified for the I-95 corridor. Such costs shall include only direct transit capital and operating costs as well as transportation demand management activities.

2. Included in this item is an amount estimated at $2,000,000 the first year and $2,000,000 the second year from the Commonwealth Mass Transit Trust Fund. These allocations are designated for human services mobility programs.

3. Included in this item is an amount up to $1,500,000 the first year and up to $1,500,000 the second year from the Commonwealth Mass Transit Trust Fund. These allocations are prioritized for federally mandated state safety oversight of fixed rail guideway transit

ITEM 433.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

agencies located in the Commonwealth. After fully funding the federally mandated state safety oversight of fixed rail guideway transit agencies located in the Commonwealth, funding may be used for other programs and initiatives to improve safety on public transportation and rail services offered in the Commonwealth.

4. Included in this item is $50,000,000 the first year as provided in Chapters 854 and 856 of the 2018 Acts of Assembly and $50,000,000 the second year from the Commonwealth Mass Transit Fund for the state match for the Passenger Rail Investment and Improvement Act (PRIIA) funding.

B. Funds from a stable and reliable source, as required in Public Law 96-184, as amended, are to be provided to Metro from payments authorized and allocated in this program and pursuant to §58.1-2295, Code of Virginia. Notwithstanding any other provision of law, funds allocated to Metro under this program may be disbursed by the Department of Rail and Public Transportation directly to Metro or to any other transportation entity that has an agreement to provide funding to Metro as deemed appropriate by the Department. In appointing the Virginia members of the board of directors of the Washington Metropolitan Area Transit Authority (WMATA), the Northern Virginia Transportation Commission shall include the Secretary of Transportation or his designee as a principal member on the WMATA board of directors.

C. All Commonwealth Mass Transit Funds appropriated for Financial Assistance for Public Transportation shall be used only for public transportation purposes as defined by the Federal Transit Administration or outlined in § 33.2-1526.1, Code of Virginia.

D. It is the intent of the General Assembly that no transit operating assistance funding, as provided in A.1.a. of this item, be used to support any new transit system or route at a level higher than such project would be eligible for under the allocation formula set out in § 33.2-1526.1 D. 1., Code of Virginia, beyond the first two years of its operation.

E. Distribution of Washington Metropolitan Area Transit Authority Capital Fund Revenues represents direct payments, of the revenue collected and deposited into the Fund, to the Washington Metropolitan Area Transit Authority for uses pursuant to Chapter 34 of Title 33.2, Code of Virginia.

F. Of the amounts in the Transportation Partnership Opportunity Fund, up to $10,000,000 the first year is provided to support the demolition of a parking garage at the Huntington Metrorail Station. The funding is contingent on the commitment of local or regional resources sufficient to complete the demolition.

G.1 The Washington Metropolitan Area Transit Authority (WMATA) shall produce and make public (i) a 20-year, conceptual capital plan every five years beginning June 30, 2027, which will include an analysis of capital investments and other opportunities to be more cost efficient, (ii) a funding/financial plan for major projects with a capital cost greater than $300.0 million (adjusted for inflation), and (iii) an annual report on the performance of WMATA and its capital program, actual prior-year and anticipated next-year cost savings and cost efficiency efforts, and the use and outcomes of additional dedicated funding, if applicable.

2. The Department of Rail and Public Transportation shall review cost savings and cost efficiency efforts of WMATA. The Department shall report and provide recommendations to the Chairs of the Senate Committees on Finance and Appropriations and Transportation and the House Committees on Appropriations and Transportation Committees by October 15, 2026. WMATA shall provide any information and assistance to the Department.

H. The Department of Rail and Public Transportation shall evaluate the feasibility of consolidating DASH Alexandria Transit, Fairfax Connector, ART Arlington Transit, and CUE Fairfax City into a single, unified regional bus system. As part of this evaluation, the Department shall prepare and submit a comprehensive report assessing: (i) potential cost savings and long-term financial impacts; (ii) operational efficiencies and service improvements; (iii) rider and community input, including public feedback and consumer sentiment; (iv) potential challenges, implementation considerations, and legal or governance implications associated with consolidation; and (v) a review of comparable consolidation efforts in other states or metropolitan regions. The Department shall submit a report to the Chairs of the Senate and House Transportation Committees by December 15, 2026.

ITEM 433.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	I. Out of the amounts included in this item, $153,000,000 the first year from the general fund is provided for the state share of additional operating assistance for the Washington Metropolitan Area Transit Authority (WMATA) throughout the biennium. The unexpended appropriation at the end of the first year shall not revert but shall be carried forward into the second year.				
434.	Financial Assistance for Rail Programs (61000)			$87,768,213	$87,768,213
	Rail Industrial Access (61001)	$3,000,000	$3,000,000		
	Rail Preservation Programs (61002)	$14,523,370	$14,523,370		
	Passenger and Freight Rail Financial Assistance Programs (61003)	$70,244,843	$70,244,843		
	Fund Sources: Special	$1,000,000	$1,000,000		
	Commonwealth Transportation	$86,768,213	$86,768,213		
	Authority: Title 33.2, Code of Virginia.				
	A. Except as provided in Item 435, the Commonwealth Transportation Board shall operate the Shortline Railway Preservation and Development program in accordance with § 33.2-1602, Code of Virginia. As determined by the board, funds apportioned to the Highway Construction Fund shall be appropriated to the Shortline Railway Preservation and Development Program. Total funding appropriated to the Shortline Railway Preservation and Development Program from this source shall not exceed $4,000,000 the first year and $4,000,000 the second year.				
	B. The Commonwealth Transportation Board shall operate the Rail Industrial Access Program in accordance with § 33.2-1600, Code of Virginia. The board may allocate funds pursuant to § 33.2-358, Code of Virginia, to the fund for construction of industrial access railroad tracks.				
435.	Administrative and Support Services (69900)			$24,027,694	$24,027,694
	General Management and Direction (69901)	$24,027,694	$24,027,694		
	Fund Sources: Commonwealth Transportation	$24,027,694	$24,027,694		
	Authority: Titles 33.2 and 58.1, Code of Virginia.				
	A. The Director, Department of Planning and Budget, is authorized to adjust appropriations and allotments for the Department of Rail and Public Transportation to reflect changes in the official revenue estimates for commonwealth transportation funds.				
	B. The Commonwealth Transportation Board may allocate up to 5 percent of the revenues available each year in the funds established pursuant to §§ 33.2-1602, 33.2-1526 and revenues allocated to the Department pursuant to 33.2-1526.4 to support costs of project development, project administration and project compliance incurred by the Department of Rail and Public Transportation in implementing rail, public transportation, and congestion management programs and grants.				
	C. The Virginia Department of Rail and Public Transportation, with the assistance from the Virginia Department of Housing and Community Development, shall conduct a statewide review to plan, promote, and identify funding opportunities for transit-oriented development around existing and proposed transit and rail stations. The review also will include an analysis of potential barriers to housing production and economic development. The Department shall submit the results of the review to the Governor and the General Assembly on or before December 15, 2026.				
	Total for Department of Rail and Public Transportation			**$1,150,375,953**	**$978,133,033**
	Nongeneral Fund Positions	72.00	72.00		
	Position Level	72.00	72.00		
	Fund Sources: General	$172,300,000	$0		
	Special	$2,139,844	$2,139,844		
	Commonwealth Transportation	$816,536,109	$816,593,189		

ITEM 435.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Dedicated Special Revenue	$159,400,000	$159,400,000		
	§ 1-128. DEPARTMENT OF TRANSPORTATION (501)				
436.	Environmental Monitoring and Evaluation (51400)			$22,618,982	$23,193,127
	Environmental Monitoring and Compliance for Highway Projects (51408)	$13,215,717	$13,551,839		
	Environmental Monitoring Program Management and Direction (51409)	$4,885,629	$5,008,261		
	Municipal Separate Storm Sewer System (MS4) Compliance Activities (51410)	$4,517,636	$4,633,027		
	Fund Sources: Commonwealth Transportation	$22,618,982	$23,193,127		
437.	Ground Transportation Planning and Research (60200)			$118,186,968	$121,422,509
	Ground Transportation System Planning (60201)	$98,119,308	$100,065,546		
	Ground Transportation System Research (60202)	$14,649,797	$15,802,421		
	Ground Transportation Program Management and Direction (60204)	$5,417,863	$5,554,542		
	Fund Sources: Commonwealth Transportation	$118,186,968	$121,422,509		
	Authority: Title 33.2, Code of Virginia.				
	A. Included in the amount for ground transportation system planning and research is $7,231,000 the first year and $7,419,006 the second year from the highway share of the Transportation Trust Fund for the planning and evaluation of options to address transportation needs. Included in the amounts in this item, $50,000 the first year and $50,000 the second year from the allocation for the Office of Intermodal Planning and Investment is provided for sponsorship of the annual Public Policy Day (formerly Mobility Talks International) at the Washington, D.C. Auto Show.				
	B. Notwithstanding the provisions of Chapter 729 and Chapter 733 of the 2012 Acts of Assembly, the Commonwealth Transportation Board shall not reallocate any funds from projects on roadways controlled by any county that has withdrawn or elects to withdraw from the secondary system of state highways, nor from any roadway controlled by a city or town as part of the state's urban roadway system, based on a determination of nonconformity with the Commonwealth Transportation Board's Statewide Transportation Plan or the Six-Year Improvement Program. In jurisdictions that maintain roadways within their boundaries, the provisions of § 33.2-214, Code of Virginia, shall apply only to highways controlled by the Department of Transportation.				
	C. The prioritization process developed under § 33.2-214.1, Code of Virginia, shall not apply to use of funds provided in this Item from the federal apportionments in the State Planning and Research Program.				
438.	Highway Construction Programs (60300)			$4,164,329,117	$3,232,129,983
	Highway Construction Program Management (60315)	$76,228,873	$69,953,377		
	Virginia Highway Safety Improvement Program (60317)	$135,604,037	$135,050,388		
	Interstate Operations and Enhancement Program (60318)	$692,784,786	$337,200,319		
	State of Good Repair Program (60320)	$424,005,389	$415,023,455		
	High Priority Projects Program (60321)	$305,454,252	$329,346,954		
	Construction District Grant Programs (60322)	$433,970,068	$462,416,892		
	Specialized State and Federal Programs (60323)	$2,006,281,712	$1,393,138,598		
	Legacy Construction Formula Programs (60324)	$90,000,000	$90,000,000		
	Fund Sources: General	$7,000,000	$0		
	Commonwealth Transportation	$3,390,893,589	$2,879,003,290		
	Trust and Agency	$195,014,936	$132,212,909		
	Dedicated Special Revenue	$571,420,592	$220,913,784		

ITEM 438.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

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 $142,849,875 the first year and $144,516,889 the second year in federal and state 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 $39,400,359 the first year and $40,188,366 the second year in federal 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 $79,886,651 the first year and $81,325,524 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. $100,000,000 the first year and $100,000,000 the second year shall be allocated for the Revenue Sharing Program pursuant to § 33.2-357, Code of Virginia;

5. An estimated $33,822,195 the first year and $34,418,292 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 $783,410,436 the first year and $299,442,357 the second year in appropriation represents the estimated project participation costs from localities and regional entities.

7. An estimated $34,771,690 in the first year and $35,343,740 in the second year in federal and 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 $170,800,000 the first year and $210,800,000 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, 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.

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G. Included in the amounts for district grant programs is $130,000,000 the first year and $134,500,000 the second year from the regional fuels tax distributed pursuant to subsection E of § 58.1-2299.20.

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. 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.

J.1. The Commonwealth Transportation Board shall provide up to $90,000,000, no more than $15,000,000 in any individual year, to the Transportation Partnership Opportunity Fund established pursuant to § 33.2-1529.1, Code of Virginia, out of the revenue of the Commonwealth Transportation Fund in the Six-Year Financial Plan adopted prior to July 1, 2023 for fiscal years 2025 through 2030.

2. Notwithstanding any other provision of law, any proposed direction of funds by the Governor for transportation projects under the Transportation Partnership Opportunity Fund pursuant to § 33.2-1529.1 (C)(2) of the Code of Virginia in excess of $10.0 million for any one project, and any cumulative direction of funds pursuant to that subdivision in excess of $25.0 million during a biennium, shall be subject to approval by the MEI Project Approval Commission established pursuant to § 30-309, Code of Virginia. The Governor shall notify each member of the MEI Project Approval Commission and Commission staff of any proposed direction of funds requiring review. Such notification shall include a written notification of the proposed expenditures hand delivered to staff of the House Appropriations and Senate Finance and Appropriations Committees. The Commission shall complete such review within 30 business days of submission. Absent a recommendation within such 30-day period that the funds should not be directed, or in the event that the Commission does not provide a recommendation within such 30-day period, the funds shall be directed. The guidelines developed pursuant to § 33.2-1529.1(E), Code of Virginia, shall be revised to reflect the requirements of these provisions.

K. Notwithstanding the provisions of § 33.2-214, E. of the Code of Virginia, the Commonwealth Transportation Board may advance preliminary engineering and right-of-way activities prior to full funding for construction for projects in the Interstate 81 Corridor Improvement Program as adopted by the Board. The anticipated funding for the construction of the project must be planned for within the subsequent three years after the Six-Year Improvement Program. The Department of Transportation shall report to the Chairs of the House Appropriations, House Transportation, Senate Finance and Appropriations, and Senate Transportation Committees on any projects advanced in this manner.

L. Prior to the disbursement of the $90,000,000 allocated to the U.S. Route 220 corridor from the Priority Transportation Fund by the Commonwealth Transportation Board on November 10, 2025, the Virginia Department of Transportation, in collaboration with the Secretaries of Transportation and Commerce and Trade, shall engage with stakeholders, including members of the Blue Ridge Innovation Corridor, to discuss key priorities along the U.S. Route 220 corridor. Upon completion of engagement, the Department shall recommend to the Commonwealth Transportation Board a priority project or projects to advance with such funds

M.Out of this appropriation, $7,000,000 the first year from the general fund shall be provided for the Route 460 Phase IIA Finish Grade Project.

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439.	Highway System Maintenance and Operations (60400)			$2,591,234,180	$2,605,040,897
	Interstate Maintenance (60401)	$618,667,206	$616,906,746		
	Primary Maintenance (60402)	$751,011,046	$741,934,806		
	Secondary Maintenance (60403)	$770,930,965	$785,795,520		
	Transportation Operations Services (60404)	$369,212,827	$374,817,223		
	Highway Maintenance Operations, Program Management and Direction (60405)	$81,412,136	$85,586,602		
	Fund Sources: Commonwealth Transportation	$2,591,234,180	$2,605,040,897		
	A. The department is authorized to enter into agreements with state and local law enforcement officials to facilitate the enforcement of high occupancy vehicle (HOV) restrictions throughout the Commonwealth and metropolitan planning regions.				
	B. Should federal law be changed to permit privatization of rest area operations, the department is hereby authorized to accept or solicit proposals for their development and/or operation.				
	C. The Director, Department of Planning and Budget, is authorized to increase the appropriation in this Item as needed to utilize amounts available from prior year balances in the dedicated funds.				
	D. The Commissioner's annual report pursuant to § 33.2-232, Code of Virginia, shall include an assessment of whether the department has met its secondary road pavement targets, by district and on a statewide basis.				
440.	Statewide Special Structures (61400)			$92,654,497	$95,434,132
	Statewide Special Structures - Maintenance (61402)	$92,654,497	$95,434,132		
	Fund Sources: Commonwealth Transportation	$92,654,497	$95,434,132		
441.	Commonwealth Toll Facilities (60600)			$143,663,377	$157,053,991
	Toll Facility Debt Service (60602)	$13,650,204	$11,349,796		
	Toll Facility Maintenance And Operation (60603)	$28,913,173	$44,604,195		
	Toll Facilities Revolving Fund (60604)	$101,100,000	$101,100,000		
	Fund Sources: General	$0	$24,000,000		
	Commonwealth Transportation	$143,663,377	$133,053,991		
	Authority: §§ 33.2-1524 and 33.2-1700 through 33.2-1729, Code of Virginia.				
	A. Included in this Item are funds for the installation and implementation of a statewide Electronic Toll Customer Service/Violation Enforcement System.				
	B. The Department shall not charge a fee to customers who have a EZ Pass flex or standard transponder based on the transponder not being used or being infrequently used.				
	C.1. Out of the amounts in this item, $24,000,000 the second year from the general fund is provided to the Department for the purpose of providing additional toll relief to eligible drivers defined as registered drivers (a) who earn less than $50,000 per year, (b) whose primary residence is (i) in a planning district with at least three tolled bridges or tunnels and (ii) within a locality with a score of 104 or higher on the fiscal stress index and with a median household income between $53,000 and $57,000, as published by the Department of Housing and Community Development in July 2023, and (c) who drive a two-axle passenger vehicle to utilize the tunnels in a locality described in (b). The Commissioner shall use funds appropriated in this Item i) to establish a program to provide such eligible drivers with an E-ZPass transponder and the required prefunded account balance, for those who have not previously enrolled in the existing Toll Relief program and have not opened a Virginia E-ZPass Account; ii) to provide such eligible drivers an additional 50 percent toll relief rebate, that when combined with the existing Toll Relief program, provides up to a 100 percent toll rebate on up to 14 trips per week on the Elizabeth River Tunnels; and iii) to redeem outstanding customer balances and fees as of December 31, 2023, due to Elizabeth River Crossings (ERC) for drivers described in (b) at the time the toll was				

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incurred subject to negotiation between the Commissioner and ERC.

2. The toll relief programs authorized in this item will end in fiscal year 2036 in conjunction with the planned end of the existing Toll Relief program in fiscal year 2036. This toll relief is in addition to the current Toll Relief program administered by the Department and funded by ERC. The Department shall implement this additional toll relief program no later than January 1, 2025, and administer such program in the same manner as the existing Toll Relief program.

3. All funding appropriated in this item for toll relief shall be deposited into an Eligible Drivers Toll Relief Fund. Any funds remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. All interest and dividends that are earned on the account shall be credited to the Fund. Any funds remaining in the Fund at the end of the toll relief program in 2036 shall revert to the general fund.

4. The Department of Transportation and the Department of Treasury shall enter into a memorandum of agreement related to the management and investment of the monies in the Fund.

5. Consistent with the provisions of subdivision C of § 58.1-3, the Tax Commissioner is authorized to provide to the Department of Transportation, upon entering into a written agreement, the adjusted gross income and any additional information supporting validation of the income of drivers eligible to participate in a toll relief program.

6. The Commissioner shall report to the Governor, the Secretary of Transportation, Chairs of the House Committees on Appropriations, Finance, and Transportation and the Senate Committees on Finance and Appropriations and on Transportation annually by the first day of the regular session of the General Assembly on the additional toll relief provided from the Fund.

7. Notwithstanding § 46.2-819.3:1 L, Code of Virginia, the Commissioner of the Department of Motor Vehicles shall not be required to assess a $40 fee for withholding the registration or renewal of vehicles associated with the redemption of outstanding customer balances and fees under this item.

8. The funds provided in paragraph C.1. of this item, to the extent available, may be used to supplement the original "ERC Toll Relief program" administered by the Department and funded by ERC. The Department shall administer the program in a manner to fully utilize ERC's contribution per Amendment 9 of the Comprehensive Agreement. If the Department projects, based on parameters as of July 1, 2025, that funding will be insufficient to fully fund the program in any one year, the amount needed shall be provided from the Eligible Drivers Toll Relief Fund. The Department shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 30 days of any shortfall which results in a change in the amount used from the Eligible Drivers Toll Relief Fund. The Department shall report on projected estimates and any amounts supplemented from the Eligible Drivers Toll Relief Fund by March 31 of each year to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

9. The Department of Transportation shall assess the extent to which ongoing funding, provided in paragraph C.1., is necessary to ensure the long-term sustainability of the program. The Department shall report its findings to the Chairs of the Senate Finance and Appropriations Committee and the House Appropriations Committee no later than December 1, 2026.

D.1. No later than January 1, 2026, all rates, fees, tolls and other charges shall cease to be collected for the use of the George P. Coleman Bridge.

2. Notwithstanding § 33.2-1529 D 1, Code of Virginia, any funds allocated from the Toll Facility Revolving Account to the George P. Coleman Bridge which cannot be reimbursed to the Toll Facility Revolving Account from available George P. Coleman Bridge funds shall not require reimbursement to the Toll Facility Revolving Account.

E. The Commissioner shall work with the Department of Rail and Public Transportation and toll operators throughout the Commonwealth to reduce, or when practical, eliminate the practice of charging tolls for public transit buses, when not in conflict with contractual obligations or other provisions of law.

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F. Out of this appropriation, an estimated $13,650,204 the first year and $11,349,796 the second year from toll revenues of the Interstate 66 Inside the Beltway shall be provided for debt service reserve funds on Virginia Passenger Rail Facilities Bonds or financing from the Transportation Infrastructure Finance and Innovation Act Program.

442.	Financial Assistance to Localities for Ground Transportation (60700)			$632,062,484	$648,185,540
	Financial Assistance for City Road Maintenance (60701)	$522,281,143	$535,830,457		
	Financial Assistance for County Road Maintenance (60702)	$90,553,419	$92,906,920		
	Financial Assistance for Planning, Access Roads, and Special Projects (60704)	$19,227,922	$19,448,163		
	Fund Sources: Commonwealth Transportation	$632,062,484	$648,185,540		

Authority: Title 33.2, Chapter 1, Code of Virginia.

A. Out of the amounts for Financial Assistance for Planning, Access Road, and Special Projects, $7,000,000 the first year and $7,000,000 the second year from the Commonwealth Transportation Fund shall be allocated for purposes set forth in §§ 33.2-1509, 33.2-1600, and 33.2-1510, Code of Virginia. Of this amount, the allocation for Recreational Access Roads shall be $1,500,000 the first year and $1,500,000 the second year. It is the intent of the General Assembly that up to $250,000 of the funds allocated by the Commonwealth Transportation Board for Recreational Access Roads in this Item shall be prioritized for handicapped accessibility improvements at Virginia State Parks, including improvements to handicapped access points and parking facility enhancements as may be requested by the Department of Conservation and Recreation.

B. The prioritization process developed under § 33.2-214.1, Code of Virginia, shall not apply to use of funds provided in this Item from federal apportionments in the Metropolitan Planning Program.

C. Consistent with § 33.2-366, Code of Virginia, the Commonwealth Transportation Board, when establishing annual rates of payments to Counties that have elected to withdraw from the secondary highway system, shall adjust such rate annually with i) procedures established for adjusting payments to cities, and ii) lane mileage adjustments. It is the express intent of the General Assembly that under no circumstance shall the addition of lane miles to one jurisdiction result in the direct or indirect reduction in the calculation of payment to any other jurisdiction receiving payment from funds appropriated for Financial Assistance for County Road Maintenance (60702).

D. The Department of Transportation shall report on an annual basis to the Commonwealth Transportation Board on the impact of adjusting the payments made as part of Financial Assistance to Localities distributions for inflation consistent with adjustments for highway system maintenance and operations.

E. Of the amounts in this item, $1,000,000 the first year and $1,000,000 the second year from the Commonwealth Transportation Fund is appropriated for service charges to be paid to localities in which the Virginia Port Authority owns tax-exempt real estate for roadway maintenance activities in the jurisdictions hosting Virginia Port Authority facilities. These payments shall be treated the same as other Commonwealth Transportation Board payments to localities for highway maintenance. These funds shall not be used for other activities nor shall they supplant other local government expenditures for roadway maintenance. These funds shall be distributed to the localities on a pro rata basis in accordance with the formula set out in § 58.1-3403 D, Code of Virginia; however, the proportion of the funds distributed based on cargo traveling through each port facility shall be distributed on a pro rata basis according to twenty-foot equivalent units.

F. Notwithstanding § 33.2-319, Code of Virginia, any municipality that annexed or incorporated land from an adjacent county pursuant to an annexation order that became effective in 1941, in which the land included a residential subdivision with streets that had been maintained by the county and that are open to and used by the public, shall accept such streets into such municipality's public street system, shall maintain such streets in the

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	same manner as it maintains public streets in other residential subdivisions, and shall qualify for payments under § 33.2-319, Code of Virginia, with respect to such streets, even though such streets may not meet current or previous design standards for streets in such municipality.				
443.	Non-Toll Supported Transportation Debt Service (61200)			$379,193,573	$382,095,881
	Highway Transportation Improvement District Debt Service (61201)	$8,105,000	$0		
	Designated Highway Corridor Debt Service (61202)	$29,870,073	$42,672,100		
	Commonwealth Transportation Capital Projects Bond Act Debt Service (61204)	$185,764,225	$190,955,290		
	Federal Transportation Grant Anticipation Revenue Notes Debt Service (61205)	$144,836,525	$138,982,275		
	Interstate 81 Corridor Improvement Program Debt Service (61206)	$10,617,750	$9,486,216		
	Fund Sources: Commonwealth Transportation	$144,836,525	$138,982,275		
	Trust and Agency	$234,357,048	$243,113,606		

Authority: Titles 15.2, 33.2, and 58.1 of the Code of Virginia; Chapters 827 and 914, Acts of Assembly of 1990; Chapters 233 and 662, Acts of Assembly of 1994; Chapter 8, as amended by Chapter 538, Acts of Assembly of 1999; Chapters 1019 and 1044, Acts of Assembly of 2000; Chapter 799, Acts of Assembly of 2002; Chapter 896, Acts of Assembly of 2007; Chapters 830 and 868, Acts of Assembly of 2011; and Chapter 1230, Acts of Assembly of 2020

A.1. The amount shown for Highway Transportation Improvement District Construction shall be derived from payments made to the Transportation Trust Fund pursuant to the Contract between the State Route 28 Highway Transportation Improvement District and the Commonwealth Transportation Board dated September 1, 1988 as amended by the Amended and Restated District Contract by and among the Commonwealth Transportation Board, the Fairfax County Economic Development Authority and the State Route 28 Highway Transportation Improvement District Commission (the “District Commission”) dated August 30, 2002, and May 1, 2012 (the “District Contract”).

2. There is hereby appropriated for payment immediately upon receipt to a third party approved by the Commonwealth Transportation Board, or a bond trustee selected by such third party, a sum sufficient equal to the special tax revenues collected by the Counties of Fairfax and Loudoun within the State Route 28 Highway Transportation Improvement District and paid to the Commonwealth Transportation Board by or on behalf of the District Commission (the "contract payments") pursuant to § 15.2-4600 et seq., Code of Virginia, and the District Contract between the Commonwealth Transportation Board and the District Commission.

3. The contract payments may be supplemented from the Construction District Grant Program pursuant to § 33.2-371 allocated to the highway construction district in which the project financed is located, or any other lawfully available revenues of the Transportation Trust Fund, as may be necessary to meet debt service obligations. The payment of debt service shall be for the bonds (the Series 2012 Bonds) issued under the "Commonwealth of Virginia Transportation Contract Revenue Bond Act of 1988" (Chapters 653 and 676, Acts of Assembly of 1988 as amended by Chapters 827 and 914 of the Acts of Assembly of 1990). Funds required to pay the total debt service on the Series 2012 Bonds shall be made available in the amounts indicated in paragraph E of this Item.

B.1. Out of the amounts in this Item, $40,000,000 the first year and $40,000,000 the second year from the Commonwealth Transportation Fund shall be paid to the U.S. Route 58 Corridor Development Fund, hereinafter referred to as the "Fund", established pursuant to § 33.2-2300, Code of Virginia. Additional appropriations required for the U.S. Route 58 Corridor Development Fund, an amount estimated at $20,000,000 the first year and $20,000,000 the second year shall be transferred from the highway share of the Transportation Trust Fund.

2. Pursuant to the "U.S. Route 58 Commonwealth of Virginia Transportation Revenue Bond

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Act of 1989" (as amended by Chapter 538 of the 1999 Acts of Assembly and Chapter 296 of the 2013 Acts of Assembly), the amounts shown in paragraph E of this Item shall be available from the Fund for debt service for the bonds previously issued and additional bonds issued pursuant to said act.

C.1. The Commonwealth Transportation Board shall maintain the Northern Virginia Transportation District Fund, hereinafter referred to as the "Fund." Pursuant to § 33.2-2400, Code of Virginia, and for so long as the Fund is required to support the issuance of bonds, the Fund shall include at least the following elements:

a. Amounts provided from state transportation revenues estimated at $40,000,000 the first year and $40,000,000 the second year to support the debt service and other commitments of the Fund as required under § 33.2-2400.

b. Any public right-of-way use fees allocated by the Department of Transportation pursuant to § 56-468.1 of the Code of Virginia and attributable to the counties of Fairfax, Loudoun, and Prince William, the amounts estimated at $4,069,009 the first year and $4,069,009 the second year.

c. Any amounts which may be deposited into the Fund pursuant to a contract between the Commonwealth Transportation Board and a jurisdiction or jurisdictions participating in the Northern Virginia Transportation District Program, the amounts estimated to be $816,000 the first year and $816,000 the second year.

2. The Fund shall support the issuance of bonds at a total authorized level of $500,200,000 for the purposes provided in the “Northern Virginia Transportation District, Commonwealth of Virginia Revenue Bond Act of 1993,” Chapter 391, Acts of Assembly of 1993 as amended by Chapters 470 and 597 of the Acts of Assembly of 1994, Chapters 740 and 761 of the Acts of Assembly of 1998, Chapter 538 of the 1999 Acts of Assembly, Chapter 799 of the 2002 Acts of Assembly, and Chapter 621 of the 2005 Acts of Assembly.

3. Pursuant to the Northern Virginia Transportation District, Commonwealth of Virginia Revenue Bond Act of 1993, Chapter 391, Acts of Assembly of 1993, and as amended by Chapters 470 and 597 of the Acts of Assembly of 1994, Chapters 740 and 761 of the Acts of Assembly of 1998, Chapter 538 of the 1999 Acts of Assembly, Chapter 799 of the 2002 Acts of Assembly, and Chapter 621 of the 2005 Acts of Assembly, amounts shown in paragraph D of this Item shall be available from the Fund for debt service for the bonds previously issued and additional bonds issued pursuant to said act.

4. Should the actual distribution of funds from the Commonwealth Transportation Fund be less than the amount required to pay debt service on the bonds, the Commonwealth Transportation Board is authorized to meet such deficiency, to the extent required, from funds identified in Enactment No. 1, Section 11, of Chapter 391, Acts of Assembly of 1993.

D. Pursuant to various Payment Agreements between the Treasury Board and the Commonwealth Transportation Board, funds required to pay the debt service due on the following Commonwealth Transportation Board bonds shall be transferred to the Treasury Board as follows:

	FY 2027	FY 2028
Transportation Contract Revenue Refund Bonds, Series 2002 (Refunding Route 28)	$8,105,000	$0
Commonwealth of Virginia Transportation Revenue Bonds: U.S. Route 58 Corridor Development Program:		
Series 2022	$7,812,750	$7,817,500
Series 2023	$14,833,450	$14,832,450

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Northern Virginia Transportation District Program:				
Series 2019A (Refunding)		$3,953,650		$3,957,150
Capital Projects Revenue Bonds:				
Series 2016		$16,796,500		$16,797,500
Series 2017		$16,524,688		$16,525,938
Series 2017A (Refunding)		$69,666,650		$69,669,400
Series 2018		$9,196,100		$9,196,600
Series 2019		$15,060,938		$15,059,688
Series 2022		$5,421,550		$5,425,550
Series 2022 (Refunding)		$7,455,300		$7,455,300
Series 2024 (Refunding)		$45,642,500		$45,624,500

E. Out of the amounts provided for in this Item, an estimated $144,836,525 the first year and $138,982,275 the second year from federal reimbursements shall be provided for debt service payments on the Federal Transportation Grant Anticipation Revenue Notes.

F. Out of the amounts provided for this Item, an estimated $185,764,225 the first year and $190,955,290 the second year from the Priority Transportation Fund shall be provided for debt service payments on the Commonwealth Transportation Capital Projects Revenue Bonds. Any additional amounts needed to offset the debt service payment requirements attributable to the issuance of the Capital Projects Revenue Bonds shall be provided from the Transportation Trust Fund.

G. Out of the amounts provided for in this Item, an estimated $10,617,750 the first year and $9,486,216 the second year from the Interstate 81 Corridor Fund shall be provided for debt service payments on the Interstate 81 Corridor Improvement Bonds and financing from the Transportation Infrastructure Finance and Innovation Act Program.

444.	Administrative and Support Services (69900)			$400,896,671	$405,682,991
	General Management and Direction (69901)	$215,427,561	$218,938,871		
	Information Technology Services (69902)	$146,869,354	$147,386,405		
	Facilities and Grounds Management Services (69915)	$25,614,234	$26,197,519		
	Employee Training and Development (69924)	$12,985,522	$13,160,196		
	Fund Sources: Commonwealth Transportation	$400,896,671	$405,682,991		

Authority: Title 33.2, Code of Virginia.

A. Notwithstanding any other provision of law, the highway share of the Transportation Trust Fund shall be used for highway maintenance and operation purposes prior to its availability for new development, acquisition, and construction.

B. Administrative and Support Services shall include funding for management, direction, and administration to support the department's activities that cannot be directly attributable to individual programs and/or projects.

C. Out of the amounts for General Management and Direction, allocations shall be provided to the Commonwealth Transportation Board to support its operations, the payment of financial advisory and legal services, and the management of the Commonwealth Transportation Fund.

D. Notwithstanding any other provision of law, the department may assess and collect the costs of providing services to other entities, public and private. The department shall take all actions necessary to ensure that all such costs are reasonable and appropriate, recovered, and understood as a condition to providing such service.

E. Each year, as part of the six-year financial planning process, the commissioner shall implement a long-term business strategy that considers appropriate staffing levels for the department. In addition, the commissioner shall identify services, programs, or projects that

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will be evaluated for devolution or outsourcing in the upcoming year. In undertaking such evaluations, the commissioner is authorized to use the appropriate resources, both public and private, to competitively procure those identified services, programs, or projects and shall identify total costs for such activities.

F. Notwithstanding § 4-2.03 of this act, the Virginia Department of Transportation shall be exempt from recovering statewide and agency indirect costs from the Federal Highway Administration until an indirect cost plan can be evaluated and developed by the agency and approved by the Federal Highway Administration.

G. The Director, Department of Planning and Budget, is authorized to adjust appropriations and allotments for the Virginia Department of Transportation to reflect changes in the official revenue estimates for commonwealth transportation funds.

H. Notwithstanding any other provisions of law, the Commonwealth Transportation Commissioner may enter into a contract with homeowner associations for grounds-keeping, mowing, and litter removal services.

I. Notwithstanding the provisions § 2.2-2402 of the Code of Virginia, no construction, erection, repair, upgrade, removal or demolition of any building, fixture or structure located or to be located on property of the Commonwealth of Virginia under the control of the Virginia Department of Transportation (VDOT) and within the secured area of a residency, area headquarters or district complex shall be subject to review or approval by the Art and Architectural Review Board as contemplated by that section. However, for changes to any building or fixture located on property owned or controlled by VDOT that has been designated or is under consideration for designation as a historic property, then VDOT shall submit such changes to the Art and Architectural Review Board for review and approval by the Board.

J. Notwithstanding any other provisions of law, in addition to the marketing, sale and conveyance of any property pursuant to item C- 41.10 of the 2017 Appropriations Act, the Virginia Department of Transportation (VDOT) is hereby authorized to market, sell and convey all or a portion of the Hampton Roads District Bartlett Area Headquarters in Isle of Wight County, Virginia, containing 10.42 acres, more or less, as shown on a plat of survey entitled, “Newport Magisterial District Isle of Wight Count, Virginia subdivision of property of: Thomas L. Newton, Jr. & Thomas S. Word, Jr. Trustees” made by W. L. Jessee, State Certified Engineer or Land Surveyor, dated January 8, 1981. Any proceeds from the sale of the Bartlett Area Headquarters as well as any proceeds from the sale of any properties pursuant to item C- 41.10 of the 2017 Appropriations Act may be used for the acquisition, construction and other expenses related to the relocation of the Hampton Roads District Office Complex and any proceeds not so used shall be deposited in the Transportation Trust Fund.

K. Notwithstanding any other provision of law, the Commissioner of Highways is hereby authorized to convey to Norfolk Southern Railway Company by deed without consideration a variable width easement for right of way beneath the existing Interstate 264 overpass in the area of the relocated freight rail facilities, across a parcel approximately 0.5 acres in size, on terms acceptable to the Virginia Department of Transportation, Norfolk Southern Railway Company, and the Federal Highway Administration. The conveyance shall be in a form approved by the Office of 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.

L. Notwithstanding any other provision of law, the Virginia Department of Transportation (VDOT) is hereby authorized to convey, to the Town of Gordonsville, approximately 2.479 acres of the VDOT Gordonsville Area Headquarters, (which is more specifically described as being that property containing 16.0607 acres, more or less, conveyed to the Commonwealth of Virginia by Deed from H. Watkins Ellerson, III, Trustee, dated October 4, 1988, recorded November 9, 1988, in the Clerk's Office of the Circuit Court of Orange County, Virginia, in Deed Book 417, page 0774), as mutually agreed to by the parties. In sole consideration for the conveyance, the Town of Gordonsville shall, within 120 days of the conveyance and at no cost to VDOT, relocate or cause to be relocated, using its own forces or a contractor, the VDOT security fence currently located on the

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Gordonsville Area Headquarters boundary line to the new property boundary line established pursuant to the conveyance contemplated hereunder, with said fence being owned and maintained by VDOT thereafter. The Town of Gordonsville shall ensure that all work performed and materials utilized in relocating the boundary line fence shall conform to VDOT specifications. The conveyance and all documentation pursuant thereto shall be 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.

M. Notwithstanding any other provisions of law, the Virginia Department of Transportation (VDOT) is hereby authorized to market, sell and convey all or a portion of the Andersonville AHQ property at 6398 Andersonville Road in Buckingham, Virginia, containing 3.016 acres, more or less, conveyed to the Commonwealth of Virginia by Deed from Julia G, Forbes, dated June 9, 1949 and recorded in the Clerk's Office, Circuit Court of Buckingham County in Book 50 Page 387, and as shown on a plat dated May 23, 1949, recorded in the State Highway Plat Book, marked R/W File #421 in the office of the Virginia Department of Transportation. Any proceeds from the sale of the Andersonville AHQ property may be used to supplement and support existing maintenance reserve and capital project needs for VDOT facilities and any proceeds not so used shall be deposited in the Transportation Trust Fund.

N. Notwithstanding any other provisions of law, the Virginia Department of Transportation (VDOT) is hereby authorized to market, sell and convey all or a portion of the Manteo AHQ property at 1101 Pattie Road in Buckingham, Virginia, containing 3.035 acres, more or less, conveyed to the Commonwealth of Virginia by Deed from W. A. Llewellyn and Nannie Cl Llewellyn, dated May 10, 1949 and recorded in the Clerk's Office, Circuit Court of Buckingham County in Deed Book 50 Page 165, and as shown on a plat dated April 11, 1949, recorded in the State Highway Plat Book, marked R/W File #416 in the office of the Virginia Department of Transportation. Any proceeds from the sale of the Manteo AHQ property may be used to supplement and support existing maintenance reserve and capital project needs for VDOT facilities and any proceeds not so used shall be deposited in the Transportation Trust Fund.

O. Notwithstanding any other provisions of law, the Virginia Department of Transportation (VDOT) is hereby authorized to market, sell and convey all or a portion of the Yellow Branch AHQ property at 1062 Green House Road in Campbell County, Virginia, containing 5.01 acres, more or less, conveyed to the Commonwealth of Virginia by Deed from L. E. Calohan, dated February 12, 1951 and recorded in the Circuit Court of Campbell County in Book 231 Page 194, and as shown on a plat recorded in the State Highway Plat Book, marked R/W File 495 in the Office of the Virginia Department of Transportation. Any proceeds from the sale of the Yellow Branch AHQ property may be used to supplement and support existing maintenance reserve and capital project needs for VDOT facilities and any proceeds not so used shall be deposited in the Transportation Trust Fund.

P. Notwithstanding any other provisions of law, the Virginia Department of Transportation (VDOT) is hereby authorized to market, sell and convey all or a portion of the two parcels of property located at and adjacent to 10267 Telegraph Road, Ashland, Virginia, known as the "Atlee Maintenance Lot" and "OFF RT 623 ADJ HWY PROP", Hanover County PID #7787-34-5666 and PID #7787-34-5926, respectively, totaling approximately 6.03 acres. Any proceeds from the sale of the Atlee Maintenance Lot and OFF RT 623 ADJ HWY PROP may be used to supplement and support existing maintenance reserve and capital project needs for VDOT facilities and any proceeds not so used shall be deposited in the Transportation Trust Fund.

445. A full accrual system of accounting shall be effected by the Department, subject to the authority of the State Comptroller, as stated in § 2.2-803, Code of Virginia.

Total for Department of Transportation			**$8,544,839,849**	**$7,670,239,051**
Nongeneral Fund Positions	7,990.00	7,990.00		
Position Level	7,990.00	7,990.00		
Fund Sources: General	$7,000,000	$24,000,000		
Commonwealth Transportation	$7,537,047,273	$7,049,998,752		

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	Trust and Agency	$429,371,984	$375,326,515		
	Dedicated Special Revenue	$571,420,592	$220,913,784		
	Department of Transportation Transfer Payments (503)				
446.	Financial Assistance to Localities for Ground Transportation (60700)			$1,032,752,686	$1,072,058,566
	Distribution of Northern Virginia Transportation Authority Fund Revenues (60706)	$459,852,686	$484,658,566		
	Distribution of Hampton Roads Transportation Fund Revenues (60707)	$324,500,000	$332,800,000		
	Distribution of Central Virginia Transportation Fund Revenues (60710)	$248,400,000	$254,600,000		
	Fund Sources: Dedicated Special Revenue	$1,032,752,686	$1,072,058,566		
	Authority: Title 33.2, Chapter 1, Code of Virginia.				
	A. Distribution of Northern Virginia Transportation Authority Fund Revenues represents direct payments of the revenue collected and deposited into the Fund, to the Northern Virginia Transportation Authority for uses contained in Chapter 766, 2013 Acts of Assembly.				
	B. Notwithstanding any other provision of law, moneys deposited into the Hampton Roads Transportation Fund shall be transferred to the Hampton Roads Transportation Accountability Commission for use in accordance with § 33.2-2611, Code of Virginia. Moneys deposited into the Hampton Roads Regional Transit Fund shall be transferred to the Hampton Roads Accountability Commission for use in accordance with § 33.2-2600.1, Code of Virginia.				
	C. Distribution of the Central Virginia Transportation Authority Fund revenues represents direct payments, of the revenue collected and deposited into the Fund, to the Central Virginia Transportation Authority for uses specified in Chapter 1235, 2020 Acts of Assembly.				
	D. Funds collected pursuant to § 58.1-2291 et seq., Code of Virginia, from the additional 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. The amounts generated from this additional tax on fuel in certain transportation districts in this item are estimated at $73,800,000 for the Hampton Roads Transportation Accountability Commission and $63,700,000 for the Central Virginia Transportation Authority in the first year and $77,100,000 for the Hampton Roads Transportation Accountability Commission and $66,400,000 for the Central Virginia Transportation Authority in the second year. All other funds collected pursuant to § 58.1-2291 et seq. are appropriated in Item 430 and 438.				
	E. The Director, Department of Planning and Budget, is authorized to adjust appropriations and allotments for the Virginia Department of Transportation Transfer Payments to reflect changes in the official revenue estimates in the dedicated funds.				
	Total for Department of Transportation Transfer Payments			**$1,032,752,686**	**$1,072,058,566**
	Fund Sources: Dedicated Special Revenue	$1,032,752,686	$1,072,058,566		
	Grand Total for Department of Transportation			**$9,577,592,535**	**$8,742,297,617**
	Nongeneral Fund Positions	7,990.00	7,990.00		
	Position Level	7,990.00	7,990.00		
	Fund Sources: General	$7,000,000	$24,000,000		
	Commonwealth Transportation	$7,537,047,273	$7,049,998,752		
	Trust and Agency	$429,371,984	$375,326,515		
	Dedicated Special Revenue	$1,604,173,278	$1,292,972,350		

ITEM 446.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	§ 1-129. MOTOR VEHICLE DEALER BOARD (506)				
447.	Consumer Affairs Services (55000)			$337,569	$337,569
	Consumer Assistance (55002)	$337,569	$337,569		
	Fund Sources: Special	$337,569	$337,569		
	Authority: Title 46.2, Chapter 15, Code of Virginia.				
448.	Regulation of Professions and Occupations (56000)			$3,370,705	$3,370,705
	Motor Vehicle Dealer and Salesman Regulation (56023)	$1,759,821	$1,759,821		
	Administrative Services (56048)	$1,610,884	$1,610,884		
	Fund Sources: Special	$3,370,705	$3,370,705		
	Authority: Title 46.2, Chapter 15, Code of Virginia.				
	Total for Motor Vehicle Dealer Board			**$3,708,274**	**$3,708,274**
	Nongeneral Fund Positions	25.00	25.00		
	Position Level	25.00	25.00		
	Fund Sources: Special	$3,708,274	$3,708,274		
	§ 1-130. VIRGINIA PORT AUTHORITY (407)				
449.	Economic Development Services (53400)			$17,330,786	$17,330,786
	National and International Trade Services (53413)	$14,330,786	$14,330,786		
	Commerce Advertising (53426)	$3,000,000	$3,000,000		
	Fund Sources: General	$1,500,000	$1,500,000		
	Special	$7,830,786	$7,830,786		
	Commonwealth Transportation	$8,000,000	$8,000,000		
	Authority: Title 62.1, Chapter 10, Code of Virginia.				
	A. Out of this appropriation, $1,000,000 the first year and $1,000,000 the second year from the general fund shall be deposited to the Virginia Port Volume Increase Grant Fund and awarded under the Virginia Port Volume Increase Grant Program in accordance with the provisions of § 62.1-132.3:5, Code of Virginia.				
	B. Out of this appropriation, $500,000 the first year and $500,000 the second year from the general fund shall be deposited to the Virginia Barge and Rail Usage Grant Fund and awarded under the Virginia Barge and Rail Usage Grant Program in accordance with the provisions of § 62.1-132.3:6, Code of Virginia.				
450.	Port Facilities Planning, Maintenance, Acquisition, and Construction (62600)			$106,849,136	$86,169,136
	Maintenance and Operations of Ports and Facilities (62601)	$34,968,889	$34,968,889		
	Port Facilities Planning (62606)	$21,280,247	$1,280,247		
	Debt Service for Port Facilities (62607)	$50,600,000	$49,920,000		
	Fund Sources: General	$20,000,000	$0		
	Special	$31,380,247	$31,380,247		
	Commonwealth Transportation	$50,468,889	$49,788,889		
	Federal Trust	$5,000,000	$5,000,000		
	Authority: Title 62.1, Chapter 10; Title 33.2, Chapter 1, Code of Virginia.				
	A.1. It is hereby acknowledged that, in accordance with § 62.1-140, Code of Virginia, the Virginia Port Authority issued Commonwealth Port Fund bonds on January 25, 2012 in the amount of $108,015,000 to refund Commonwealth Port Fund bonds originally issued on July 11, 2002. Debt service on bonds referenced in this paragraph is estimated to be $9,100,000 the				

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first year, and all or a portion of such bonds may be refunded by the Authority pursuant to § 62.1-140, Code of Virginia.

2. It is hereby acknowledged that, in accordance with § 62.1-140, Code of Virginia, the Virginia Port Authority issued Commonwealth Port Fund Revenue Refunding Bonds on August 4, 2020 in the amount of $97,615,000 to refund Commonwealth Port Fund bonds originally issued in September 2012 and June 2015. Debt service on bonds referenced in this paragraph is estimated to be $6,200,000 the first year and $12,500,000 the second year, and all or a portion of such bonds may be refunded by the Authority pursuant to § 62.1-140, Code of Virginia.

3. It is hereby acknowledged that, in accordance with § 62.1-140, Code of Virginia, the Virginia Port Authority issued Commonwealth Port Fund Revenue Refunding Bonds on April 26, 2023, in the amount of $148,520,000 to finance improvements to Norfolk International Terminals. Debt service on bonds referenced in this paragraph is estimated to be $7,700,000 the first year and $7,700,000 the second year, and all or a portion of such bonds may be refunded by the Authority pursuant to § 62.1-140, Code of Virginia.

4. It is hereby acknowledged that, in accordance with § 62.1-140, Code of Virginia, the Virginia Port Authority issued Commonwealth Port Fund Revenue Refunding Bonds on April 26, 2023, in the amount of $52,675,000 to refund all of the Commonwealth Port Fund bonds originally issued on July 26, 2018. Debt service on bonds referenced in this paragraph is estimated to be $2,500,000 the first year and $4,620,000 the second year, and all or a portion of such bonds may be refunded by the Authority pursuant to § 62.1-140, Code of Virginia.

5. In the event revenues of the Commonwealth Port Fund are insufficient to provide for the debt service on the Virginia Port Authority Commonwealth Port Fund Revenue Bonds authorized by paragraphs A1, A2, A3, and A4; or any bonds payable from the revenues of the Commonwealth Port Fund, there is hereby appropriated a sum sufficient first from the legally available moneys in the Transportation Trust Fund and then from the general fund to provide for this debt service. Total debt service on the bonds referenced in paragraphs A1, A2, A3, and A4 is estimated at $25,500,000 the first year and $24,820,000 the second year.

6. Notwithstanding § 62.1-140, Code of Virginia, the aggregate principal amount of Commonwealth Port Fund bonds, and including any other long-term commitment that utilizes the Commonwealth Port Fund, shall not exceed $440,000,000.

B.1. It is hereby acknowledged that, in accordance with § 62.1-140, Code of Virginia, the Virginia Port Authority on August 26, 2025, issued Port Facilities Revenue Refunding bonds in the amount of $248,745,000 for the purposes of defeasing and refunding special fund debt previously authorized. The debt service on these bonds, estimated to be $16,600,000 the first year and $16,600,000 the second year, will be paid from special funds, and all or a portion of such bonds may be refunded by the authority pursuant to § 62.1-140, Code of Virginia.

2. It is hereby acknowledged that, in accordance with § 62.1-140, Code of Virginia, the Virginia Port Authority may issue additional bonds, in an amount up to $105,500,000 for purposes of expanding port terminal capacity (capital outlay project 407-17956). All or a portion of such bonds may be refunded by the authority pursuant to § 62.1-140, Code of Virginia. The debt service on these bonds, estimated to be $8,500,000 the first year and $8,500,000 the second year, will be paid from special funds.

3. It is hereby acknowledged that, in accordance with § 62.1-140, Code of Virginia, the Virginia Port Authority may issue short-term debt on a revolving basis as interim or anticipation financing in order to cover costs of planning, design, and construction pending the receipt of bond, master equipment lease program, or other loan proceeds authorized in an amount not to exceed the authorized amount for the projects. In the aggregate, the short-term debt shall not exceed $105,000,000 at any point in time and all or a portion of such debt may be refunded by the Authority pursuant to § 62.1-140, Code of Virginia. The debt service, including associated fees, on the short-term debt may be paid, as recommended by the authority and approved by the Board, from the bond or master equipment lease proceeds, special funds, or other revenues or proceeds.

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C. In order to remain consistent with the grant of authority as provided in Chapter 10, § 62.1-128 et seq. of the Code of Virginia, the Virginia Port Authority is authorized to maintain independent payroll and nonpayroll disbursement systems and, in connection with such systems, to open and maintain appropriate accounts with a qualified public depository, or depositories. As implementation occurs, these systems and related procedures shall be subject to review and approval by the State Comptroller. The Virginia Port Authority shall continue to provide nonpayroll transaction detail to the State Comptroller through the Commonwealth Accounting and Reporting System (Cardinal).

D. Out of the amounts in this Item, $10,000,000 the first year and $10,000,000 the second year from the Commonwealth Port Fund may be used to make lease payments associated with the Virginia International Gateway capital lease.

E.1. Out of this appropriation, $20,000,000 the first year from the general fund is provided to expedite 100 percent design development and necessary site improvements for an inland port at the Oak Park Center for Business and Industry in Washington County, Virginia. Funds shall support, but not be limited to, site readiness, infrastructure, and targeted industry recruitment.

2. These funds shall remain unallotted. Prior to the allotment of funds, the Virginia Port Authority shall report to the Secretary of Finance and the Secretary of Transportation on the scope of proposed work and a schedule of estimated expenses. Following the Secretaries' verification of this information, the Director of the Department of Planning and Budget may allot funds in accordance with such schedule. Any unexpended balance at the end of either fiscal year shall be carried forward and reappropriated to support the same purposes in subsequent fiscal years.

3. The Virginia Port Authority shall report quarterly to the Governor, the Secretary of Transportation, the Secretary of Finance, the Secretary of Commerce and Trade, 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 development of the inland port.

451.	Financial Assistance for Port Activities (62800)			$7,612,325	$7,612,325
	Aid to Localities (62801)	$2,000,000	$2,000,000		
	Payment in Lieu of Taxes (62802)	$5,612,325	$5,612,325		
	Fund Sources: Special	$1,612,325	$1,612,325		
	Commonwealth Transportation	$2,000,000	$2,000,000		
	Dedicated Special Revenue	$4,000,000	$4,000,000		

Authority: Title 62.1, Chapter 10, Code of Virginia.

A. Of the amounts authorized in Item 101 A.1, $2,000,000 the first year and $2,000,000 the second year from the general fund may be deposited in the Port of Virginia Economic Development Grant Fund, established pursuant to § 62.1-132.3:2.1, Code of Virginia. These funds shall be used to support the Port of Virginia Economic Development Grant Program, consisting of the following component programs: 1) the Economic Development and Infrastructure Development Grant Program established by § 62.1-132.3:2.2, Code of Virginia, and 2) the International Trade Facility Grant Program established by § 62.1-132.3:2.3, Code of Virginia.

B. Of the amounts in this Item, $1,000,000 the first year and $1,000,000 the second year from the Commonwealth Port Fund is appropriated for previously awarded Aid to Local Ports which were unreimbursed in the year of the initial award.

C. The Director of the Department of Planning and Budget is authorized to transfer moneys from the Transportation Partnership Opportunity fund allocated to a dredging project pursuant to Item 451 paragraph G.1. of Chapter 725, 2025 Acts of Assembly, to the Virginia Port Authority. After submission of a project funding schedule to the Secretary of Finance and the Department of Planning and Budget, only the Virginia Port Authority may request that the director release the funds according to the project schedule.

D. Out of the amounts in this item, $325,000 the first year and $325,000 the second year from

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	nongeneral funds is authorized to fund the non-federal sponsorship share of not more than twelve National Oceanic and Atmospheric Administration (NOAA) Physical Oceanographic Real-Time System (PORTS) stations in the southern Chesapeake Bay.				
452.	Administrative and Support Services (69900)			$187,755,017	$194,280,017
	General Management and Direction (69901)	$163,356,655	$169,881,655		
	Security Services (69923)	$24,398,362	$24,398,362		
	Fund Sources: Special	$177,455,017	$183,980,017		
	Commonwealth Transportation	$1,300,000	$1,300,000		
	Federal Trust	$9,000,000	$9,000,000		
	Authority: Title 62.1, Chapter 10, Code of Virginia.				
	A. Out of the amounts in this Item, the Executive Director is authorized to expend from special funds amounts not to exceed $37,500 the first year and $37,500 the second year, for entertainment expenses commonly borne by businesses. Further, such expenses shall be recorded separately by the agency.				
	B. Prior to purchasing airline and hotel accommodations related to overseas travel, the Virginia Port Authority shall provide an itemized list of projected costs for review by the Secretary of Transportation.				
	C. It is hereby acknowledged that, in accordance with Item C-40.10 of Chapter 665, 2015 Virginia Acts of Assembly, on November 17, 2016, the Port Authority converted its 20 year operating lease to operate a privately owned marine terminal in Portsmouth to a 49 year capital lease terminating December 31, 2065. Furthermore, in accordance with Item C-39.10 of Chapter 725, 2025 Virginia Acts of Assembly, on May 21, 2025, the capital lease was amended to ensure operational and investment control, and set the fixed price option at the end of the lease term in 2065. Included in this Item is an amount estimated at $133,350,000 the first year and $139,070,000 the second year from special funds to cover the costs of this lease.				
	Total for Virginia Port Authority			**$319,547,264**	**$305,392,264**
	Nongeneral Fund Positions	260.00	260.00		
	Position Level	260.00	260.00		
	Fund Sources: General	$21,500,000	$1,500,000		
	Special	$218,278,375	$224,803,375		
	Commonwealth Transportation	$61,768,889	$61,088,889		
	Dedicated Special Revenue	$4,000,000	$4,000,000		
	Federal Trust	$14,000,000	$14,000,000		
	TOTAL FOR OFFICE OF TRANSPORTATION			**$12,493,650,945**	**$10,853,958,522**
	Nongeneral Fund Positions	10,615.00	10,615.00		
	Position Level	10,615.00	10,615.00		
	Fund Sources: General	$200,830,246	$25,530,246		
	Special	$224,126,493	$230,651,493		
	Commonwealth Transportation	$9,700,447,857	$8,594,901,410		
	Trust and Agency	$442,818,584	$388,773,115		
	Dedicated Special Revenue	$1,871,497,857	$1,560,172,350		
	Federal Trust	$53,929,908	$53,929,908		

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OFFICE OF VETERANS AND DEFENSE AFFAIRS

§ 1-131. SECRETARY OF VETERANS AND DEFENSE AFFAIRS (454)

453.	Disaster Planning and Operations (72200)			$1,506,900	$1,506,900
	Emergency Planning (72205)	$1,506,900	$1,506,900		
	Fund Sources: General	$1,113,862	$1,113,862		
	Federal Trust	$393,038	$393,038		

Authority: Title 2.2, Chapter 2, Article 11 Code of Virginia.

Out of this appropriation, up to $190,000 the first year and $190,000 the second year from the general fund shall be used to support a Military Liaison position under the Secretariat.

454.	Economic Development Services (53400)			$5,425,150	$3,425,150
	Financial Assistance for Economic Development (53410)	$5,425,150	$3,425,150		
	Fund Sources: General	$2,950,651	$950,651		
	Trust and Agency	$2,474,499	$2,474,499		

Authority: Title 2.2, Chapter 2, Article 11 Code of Virginia

A.1. Any administrative reappropriations or other administrative appropriation increases pursuant to Item 458 of the Appropriation Act for the 2014-2016 biennium to address the encroachment of incompatible uses in localities in which the United States Navy Master Jet Base, an auxiliary landing field, or United States Air Force Base are located shall continue to be governed by the provisions contained in the 2014-2016 Appropriation Act. The recurring, dedicated special (nongeneral) fund component of the U.S. Navy Master Jet Base and Auxiliary Landing Field encroachment mitigation program is continued through June 30, 2028.

2. In the event that dedicated special revenues generated pursuant to the provisions of the 2014-16 Appropriations Act exceed the amounts needed to fund the requirements set out in that Act, any excess dedicated special fund revenue a total of $3,000,000 is hereby appropriated as follows:

a. $1,700,000 for encroachment mitigation activities in the vicinity of Naval Auxiliary Landing Field Fentress;

b. $700,000 for encroachment mitigation activities in the vicinity of Langley Air Force Base; and

c. $600,000 for encroachment mitigation activities in the vicinity of Naval Air Station Oceana.

3. The amounts identified in paragraph A.2. of this item shall be used to provide additional assistance to the locality in which the United States Navy Master Jet Base auxiliary landing field is located for the purpose of purchasing property or development rights and otherwise converting such property to an appropriate compatible use and prohibiting new uses or development which is deemed incompatible with air operations arising from such Master Jet Base.

4. In addition to the amounts identified in paragraph A.1. of this item, $450,000 is hereby appropriated as follows:

a. $250,000 for encroachment mitigation activities in the vicinity of Naval Auxiliary Landing Field Fentress; and

b. $200,000 for encroachment mitigation activities in the vicinity of Joint Base Langley Eustis.

5. Included in this appropriation is $350,000 the first year and $350,000 the second year from the general fund for encroachment mitigation activities in the vicinity of Joint Base Langley

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Eustis.				
6. The Secretary shall submit a report by November 1, 2026, to the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee. Such report shall include: (i) a plan for how additional flexibility for encroachment mitigation program funding would be used, if provided; and (ii) a decription of the source or sources of dedicated special revenue appropriated in this section.				
B. Included in this appropriation is $600,000 in the first year and $600,000 in the second year from the general fund to support the recommendations of the Governor's Commission on Military Installations and Defense Activities.				
C. The Secretary of Veterans and Defense Affairs may submit project requests that improve, expand, develop, or redevelop a federal or state military installation or its supporting infrastructure, to enhance its military value to the MEI Project Approval Commission established pursuant to § 30-309, Code of Virginia. The Commission shall recommend approval or denial of such packages to the General Assembly. The authority of the Commission to consider and evaluate such projects shall be in addition to the authorities provided to the MEI Project Approval Commission and § 30-310, Code of Virginia.				
D. Out of the amounts in this Item, $2,000,000 the first year from the general fund is provided for the Virginia Military Community Infrastructure Grant Program.				
Total for Secretary of Veterans and Defense Affairs			**$6,932,050**	**$4,932,050**
General Fund Positions	5.00	5.00		
Nongeneral Fund Positions	1.00	1.00		
Position Level	6.00	6.00		
Fund Sources: General	$4,064,513	$2,064,513		
Trust and Agency	$2,474,499	$2,474,499		
Federal Trust	$393,038	$393,038		
§ 1-132. DEPARTMENT OF VETERANS SERVICES (912)				
455. State Health Services (43000)			$108,948,575	$101,438,790
Veterans Care Center Operations (43013)	$108,948,575	$101,438,790		
Fund Sources: General	$7,559,785	$50,000		
Special	$54,883,569	$54,883,569		
Federal Trust	$46,505,221	$46,505,221		
Authority: § Title 2.2, Chapters 20, 24, 26, and 27, Code of Virginia.				
A. The Department of Veterans Services is authorized to transfer funds to the Department of Medical Assistance Services to fully fund the state share for the Medicaid supplemental payments made for state government owned nursing homes. The funds to be transferred must comply with 42 CFR 447.272.				
B. The Department of Veterans Services shall provide to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees quarterly reports detailing revenues and expenditures.				
C. Out of the appropriation in this Item, $7,509,785 the first year from the general fund to operate Puller Veterans Care Center. Of the amounts provided, any unexpended general fund balance at year end shall not revert to the general fund but shall be carried forward and reappropriated.				
D.1. There is hereby established a workgroup to evaluate the business plans of Virginia's veterans care centers to identify options for repayment of the working capital advance authorized by Chapter 2, 2022 Acts of Assembly, Special Session I and ensure that the care centers are self-sustaining after start-up funds are exhausted. The workgroup shall be comprised of the Secretary of Finance, or his designee, the Secretary of Veterans and				

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Defense Affairs, or his designee, the Director, Department of Planning and Budget, or his designee, and two experts in financial management of long-term care facilities designated by the Virginia Health Care Association. The workgroup shall report such options to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than November 15, 2026. The workgroup shall include in its report an analysis of the impact of operating the Veterans Care Centers as a system and sharing nongeneral fund revenues between Davis & McDaniel, Sitter & Barfoot, Jones & Cabacoy, Puller, and any future care centers to cover operating expenses.

2. The Department shall prioritize the use of nongeneral fund revenues above its expenses to repay the Working Capital Advance authorized in Chapter 2, 2022 Acts of Assembly, Special Session I.

456.	Veterans Benefit Services (46700)				$39,115,863	$39,090,863
	Case Management Services for Veterans Benefits (46701)	$15,297,796	$15,272,796			
	Virginia Veteran and Family Support Services (46702)	$16,100,656	$16,100,656			
	Veterans Education, Transition, and Employment Services (46703)	$6,867,411	$6,867,411			
	Veterans Services Fund Administration (46704)	$850,000	$850,000			
	Fund Sources: General	$32,430,601	$32,405,601			
	Special	$1,478,078	$1,478,078			
	Dedicated Special Revenue	$850,000	$850,000			
	Federal Trust	$4,357,184	$4,357,184			

Authority: Title 2.2, Chapters 20, 24, 26, and 27, Code of Virginia.

A. 1. Out of this appropriation, up to $100,000 in the first year and up to $100,000 in the second year from the general fund shall be provided to address the costs associated with support of a grant program to create employment opportunities for veterans by assisting Virginia employers in hiring and retaining veterans. The Department of Veterans Services shall develop program guidelines to ensure that the funding mechanism effectively attracts maximum participation of firms to increase the number of veterans hired.

2. Such funds shall be used to provide grants beginning July 1, 2015, to any business located in Virginia with 300 or fewer employees which has hired a veteran on or after July 1, 2014, with the following additional requirements: (a) each such veteran shall have been hired within five years of the date of his or her discharge from active military service and (b) each such veteran shall have been continuously employed by the business in a full-time job for at least one year. The grant shall equal $1,000 per qualifying business for each veteran who has been hired, and who qualifies under the provisions of this item, up to a maximum grant of $10,000 per business in the fiscal year.

3. Grants shall be issued in the order that each completed eligible application is received. In the event that the amount of eligible grants requested in a fiscal year exceeds the funds available in the Fund, such grants shall be paid in the next fiscal year in which funds are available.

4. The Department shall report no later than October 1 of each fiscal year on (i) the demand for the program, (ii) any shortage of funding resulting from requests in excess of the available appropriation, and (iii) the number of transitioning service members, veterans, and their spouses hired through events hosted by this program to the Secretary of Veterans and Defense Affairs, the Director of the Department of Planning and Budget, and the Chairs of the Senate Committee on Finance and Appropriations and the House Committee on Appropriations.

B.1. Notwithstanding § 23.1-608, Code of Virginia, the department shall provide the State Council of Higher Education in Virginia the information these schools need to administer the Virginia Military Survivors and Dependent Education Program. The department shall retain the responsibility to certify the eligibility of those who apply for financial aid under this program.

2. No surviving spouse or child may receive the education benefits provided by § 23.1-608,

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Code of Virginia, and funded by this or similar state appropriations, for more than four years or its equivalent.

C. Included in the amount provided for this item is $24,000 the first year and $24,000 the second year from the general fund for the Angel Wings for Veterans program.

D. Out of the amounts for this item, $118,000 the first year and $118,000 the second year from the general fund is provided to support an assistant program manager for the Virginia Women Veterans Program.

E. Out of this appropriation, $5,000,000 the first year and $5,000,000 the second year from the general fund is provided to establish a program for prevention and intervention of suicide and opiate addiction for service members, veterans, and their families in the Commonwealth. The Department shall collaborate with federal, state, local and community organizations, public and private institutions, and other service providers to develop programs to prevent suicide among service members and address opiate addiction suffered by service members and veterans. The Department shall coordinate with the Department of Health, Department of Behavioral Health and Developmental Services, and Department of Criminal Justice Services, where applicable, to promote the use of evidence-based practices and alignment with other suicide and opiate misuse prevention and intervention programs administered by the Commonwealth.

F. Out of the appropriation for this item, $3,750,000 the first year and $3,750,000 the second year from the general fund to expand services, including but not limited to opening additional veterans benefits offices in areas where the need for services is greatest, hiring of benefits staff in both new and established offices, and for additional positions in the Virginia Veteran and Family Support Services and Veterans Education, Transition, and Employment Services program areas as needed.

G. Out of this appropriation, $113,742 the first year and $113,742 the second year from the general fund is provided to implement the provisions of Chapter 235 of the 2025 Acts of Assembly.

H. Out of the amounts in this item, $300,000 the first year and $300,000 the second year from the general fund is provided to contract for services with the National Center for Healthy Veterans at Valor Farms in the County of Campbell.

I. Out of this appropriation, $25,000 the first year from the general fund is provided for the Honor Guard Grant Program established by Chapter 65, 2026 Acts of Assembly.

457.	Historic and Commemorative Attraction Management (50200)			$8,222,048	$8,222,048
	State Veterans Cemetery Management and Operations (50206)	$5,837,934	$5,837,934		
	Virginia War Memorial Management and Operations (50209)	$2,384,114	$2,384,114		
	Fund Sources: General	$5,800,678	$5,800,678		
	Special	$671,734	$671,734		
	Federal Trust	$1,749,636	$1,749,636		

Authority: Title 2.2, Chapters 20, 24, 26, and 27, Code of Virginia.

The Department of General Services shall continue to provide routine building and grounds maintenance for the Virginia War Memorial as part of services provided under the seat of government rental plan.

458.	Administrative and Support Services (49900)			$5,261,109	$5,261,109
	General Management and Direction (49901)	$5,261,109	$5,261,109		
	Fund Sources: General	$4,027,033	$4,027,033		
	Special	$1,234,076	$1,234,076		

Authority: Title 2.2, Chapters 20, 24, 26, and 27, Code of Virginia.

	Total for Department of Veterans Services			**$161,547,595**	**$154,012,810**

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	General Fund Positions	272.00	272.00		
	Nongeneral Fund Positions	1,117.00	1,117.00		
	Position Level	1,389.00	1,389.00		
	Fund Sources: General	$49,818,097	$42,283,312		
	Special	$58,267,457	$58,267,457		
	Dedicated Special Revenue	$850,000	$850,000		
	Federal Trust	$52,612,041	$52,612,041		
	§ 1-133. VETERANS SERVICES FOUNDATION (913)				
459.	Veterans Benefit Services (46700)			$849,187	$849,187
	Veterans Services Fund Administration (46704)	$849,187	$849,187		
	Fund Sources: Dedicated Special Revenue	$849,187	$849,187		
	Authority: §§ 2.2-2715 through 2.2-2719, Code of Virginia				
460.	Administrative and Support Services (49900)			$485,665	$485,665
	General Management and Direction (49901)	$485,665	$485,665		
	Fund Sources: General	$485,665	$485,665		
	Authority: §§ 2.2-2715 through 2.2-2719, Code of Virginia				
	Total for Veterans Services Foundation			**$1,334,852**	**$1,334,852**
	General Fund Positions	2.00	2.00		
	Position Level	2.00	2.00		
	Fund Sources: General	$485,665	$485,665		
	Dedicated Special Revenue	$849,187	$849,187		
	§ 1-134. DEPARTMENT OF MILITARY AFFAIRS (123)				
461.	Higher Education Student Financial Assistance (10800)			$3,062,900	$3,062,900
	Tuition Assistance (10811)	$3,062,900	$3,062,900		
	Fund Sources: General	$3,062,900	$3,062,900		
	Authority: Title 44, Chapters 1 and 2; § 23.1-506, Code of Virginia.				
462.	At Risk Youth Residential Program (18700)			$7,294,266	$7,294,266
	Virginia Commonwealth Challenge Program (18701)	$5,992,286	$5,992,286		
	Virginia Commonwealth STARBASE Youth Education Program (18702)	$1,301,980	$1,301,980		
	Fund Sources: General	$1,875,276	$1,875,276		
	Federal Trust	$5,418,990	$5,418,990		
	Authority: Discretionary Inclusion.				
	Out of this appropriation, up to $1,274,800 the first year and up to $1,274,800 the second year in nongeneral funds is provided to establish a STARBASE youth education program to improve math and science skills to prepare students for careers in engineering and other science-related fields of study.				
463.	Defense Preparedness (72100)			$65,628,105	$65,628,105
	Armories Operations and Maintenance (72101)	$9,503,833	$9,503,833		
	Virginia State Defense Force (72104)	$207,651	$207,651		
	Security Services (72105)	$2,301,030	$2,301,030		
	Fort Pickett and Camp Pendleton Operations (72109)	$27,701,638	$27,701,638		

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	Other Facilities Operations and Maintenance (72110)	$25,913,953	$25,913,953		
	Fund Sources: General	$3,643,703	$3,643,703		
	Special	$1,734,067	$1,734,067		
	Dedicated Special Revenue	$3,796,692	$3,796,692		
	Federal Trust	$56,453,643	$56,453,643		

Authority: Title 44, Chapters 1 and 2, Code of Virginia.

A. The Department of Military Affairs may operate, with nongeneral funds, a Morale, Welfare, and Recreation program for the benefit of the Virginia National Guard, Virginia Defense Force, employees of the Department, family members, and other authorized transient users of the Department's facilities, under such policies as approved by the agency.

B. The Department shall submit to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, no later than November 15, 2026, information to help identify options for ensuring sufficient fire prevention services are provided at Fort Pickett, including: (i) data on the amount of time Fort Pickett firefighters spent in the community responding to mutual aid requests from localities in recent fiscal years; and (ii) the payment structure for entities other than the Virginia National Guard that are tenants of Fort Pickett.

464.	Disaster Planning and Operations (72200)			a sum sufficient	
	Communications and Warning System (72201)	a sum sufficient			
	Disaster Assistance (72203)	a sum sufficient			
	Fund Sources: General	a sum sufficient			

Authority: Title 44, Chapters 1 and 2, Code of Virginia.

A. The amount for Disaster Planning and Operations provides for a military contingent fund, out of which to pay the military forces of the Commonwealth when aiding the civil authorities.

B. In the event units of the Virginia National Guard shall be in federal service, the sum allocated herein for their support shall not be used for any different purpose, except with the prior written approval of the Governor, other than to provide for the Virginia State Defense Force or for safeguarding properties used by the Virginia National Guard.

C. Notwithstanding any other provision of law, when called into state active duty, not in the service of the United States, members of the National Guard and members of the Virginia Defense Force shall receive pay and allowances equal to their rank and years of service, as determined by the Department of Military Affairs. The Adjutant General may increase state active duty pay on an annual basis by a rate not to exceed the most recent percentage increase in basic pay for members of the Armed Forces.

465.	Administrative and Support Services (79900)			$12,149,508	$11,949,508
	General Management and Direction (79901)	$9,473,117	$9,273,117		
	Telecommunications (79930)	$2,676,391	$2,676,391		
	Fund Sources: General	$8,233,547	$8,033,547		
	Dedicated Special Revenue	$800,999	$800,999		
	Federal Trust	$3,114,962	$3,114,962		

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 $80,000 the first year and $80,000 the second year from the general fund to maintain communication equipment for emergency operations.

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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.				
E. The Adjutant General shall facilitate and coordinate efforts to make Virginia National Guard members aware of the state-sponsored group term life insurance program offered to all members of the Virginia National Guard, to include: (i) allowing program representatives to provide briefings to Virginia National Guard units at least annually, to the extent that it does not directly interfere with required training and other duties; and (ii) referring National Guard members to the program upon their request.				
F.1. Included in this appropriation is $1,009,538 the first year and $1,009,538 the second year from the general fund to address increased personnel costs.				
2. Taking into account projections provided by the Department during development of the 2026-2028 Biennial Budget, the Department shall develop a plan to ensure its expected funding and operational costs are balanced. The plan shall include historical information on (i) comparisons of appropriations and expenditures categorized by payroll and nonpayroll including fund source; (ii) the average salary at the Department, categorized by position and funding source; (iii) the number of funded positions organized by function and by funding source; and (iv) any proposed actions to balance its budget, including the use of nongeneral funds. The Department's plan shall not include any reductions associated with the Commonwealth ChalleNGe Youth Academy program. The plan shall be submitted to the Secretaries of Finance and Veterans and Defense Affairs, the Chairs of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations, and the Director of the Department of Planning and Budget no later than July 15, 2026. The Secretaries of Finance and Veterans and Defense Affairs shall approve a final plan for the Department to implement.				
G. Notwithstanding the provisions of § 44-135.1, Code of Virginia, the Department of Military Affairs may use up to $500,000 of the Armory Control Board Fund to supplement the salary and fringe costs of administrative support personnel.				
Total for Department of Military Affairs			**$88,134,779**	**$87,934,779**
General Fund Positions	86.47	86.47		
Nongeneral Fund Positions	320.03	320.03		
Position Level	406.50	406.50		
Fund Sources: General	$16,815,426	$16,615,426		
Special	$1,734,067	$1,734,067		
Dedicated Special Revenue	$4,597,691	$4,597,691		
Federal Trust	$64,987,595	$64,987,595		
TOTAL FOR OFFICE OF VETERANS AND DEFENSE AFFAIRS			**$257,949,276**	**$248,214,491**
General Fund Positions	365.47	365.47		
Nongeneral Fund Positions	1,438.03	1,438.03		
Position Level	1,803.50	1,803.50		
Fund Sources: General	$71,183,701	$61,448,916		
Special	$60,001,524	$60,001,524		
Trust and Agency	$2,474,499	$2,474,499		
Dedicated Special Revenue	$6,296,878	$6,296,878		
Federal Trust	$117,992,674	$117,992,674		

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CENTRAL APPROPRIATIONS

§ 1-135. CENTRAL APPROPRIATIONS (995)

466.	Higher Education Academic, Fiscal, and Facility Planning and Coordination (11100)			$41,005,051	$41,005,051
	Interest Earned on Educational and General Programs Revenue (11106)	$41,005,051	$41,005,051		
	Fund Sources: General	$22,876,533	$22,876,533		
	Higher Education Operating	$18,128,518	$18,128,518		

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 $20,004,934 the first year and $20,004,934 the second year from the general fund, and $18,128,518 from nongeneral funds in the first year and $18,128,518 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 $2,871,599 in the first year and $2,871,599 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.

467.	Revenue Administration Services (73200)			a sum sufficient	
	Designated Refunds for Taxes and Fees (73215)	a sum sufficient			
	Fund Sources: General	a sum sufficient			

Authority: Discretionary Inclusion.

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A. There is hereby appropriated from the affected funds in the state treasury, for refunds of taxes and fees, and the interest thereon, in accordance with law, a sum sufficient.

B. There is hereby established a special fund in the state treasury to be known as the Refund Suspense Fund, hereinafter referred to as the Fund. The Tax Commissioner is hereby authorized to contract with nongovernmental entities for review of requests for refunds of taxes to enhance, expand and/or modify the administration of the refund review program, and to perform analysis of refund processing techniques. The amount of any refund identified by the nongovernmental entity as potentially erroneous shall be deposited to the Fund pending review of the refund request. Amounts in the Fund may be used to pay refunds subsequently determined to be valid, to pay the contracted nongovernmental entity for its services, to perform oversight of their operations, to upgrade necessary refund processing systems and data interfaces to facilitate the contractor's work, to offset any administrative or other costs related to any contracts authorized under this provision, and to retain experts to perform analysis of refund processing techniques. Any balance in the fund remaining after such payments, or provision therefore, shall be deposited into the appropriate general, nongeneral, or local fund.

C. There is hereby appropriated from the affected funds in the state treasury for, (1) refunds of previously paid taxes imposed by the Commonwealth at 100 percent of face value up to the amount of the coalfield employment enhancement tax credit authorized by § 58.1-439.2, Code of Virginia, (2) refunds of any remaining credit at 90 percent of face value for credits earned in taxable years beginning before January 1, 2002, and 85 percent of face value for credits earned in taxable years beginning on and after January 1, 2002, and (3) payment of the remaining 10 or 15 percent credit to the Coalfields Economic Development Authority, a sum sufficient.

468.	Distribution of Tobacco Settlement (74500)				
	a sum sufficient, estimated at			$40,350,000	$40,350,000
	Payments to Tobacco Producers and Tobacco Growing Communities (74501)	$30,000,000	$30,000,000		
	Payments for Tobacco Usage Prevention (74502)	$10,350,000	$10,350,000		
	Fund Sources: Trust and Agency	$40,350,000	$40,350,000		

Authority: Title 3.2, Chapters 31, 42 and 46, and Title 32.1, Chapter 14, Code of Virginia.

A.1. There is hereby appropriated a sum sufficient estimated at $30,000,000 the first year and $30,000,000 the second year from nongeneral funds for expenditures of securitized proceeds and earnings up to the amount transferred from the endowment to the Tobacco Indemnification and Community Revitalization Fund in accordance with § 3.2-3104, Code of Virginia. Such expenditures shall be made pursuant to § 3.2-3108, Code of Virginia.

2. From the amount deposited into the Tobacco Indemnification and Community Revitalization Fund pursuant to § 3.2-3106, Code of Virginia, shall be paid 50 percent of the costs associated with the diligent enforcement of the non-participating manufacturer statute of the 1998 Tobacco Master Settlement Agreement, § 3.2-4201, Code of Virginia, and Item 50, Paragraph B of this act. These costs shall be paid pursuant to the transfer to the general fund directed by § 3-1.01, Paragraph N.1, of this act.

B.1. Notwithstanding the provisions of §§ 32.1-354, 32.1-360 and 32.1-361.1, Code of Virginia, the State Comptroller shall deposit 8.5 percent of the Commonwealth's Allocation pursuant to the Master Settlement Agreement with tobacco product manufacturers to the Virginia Tobacco Settlement Fund. There is hereby appropriated a sum sufficient estimated at $10,350,000 the first year and $10,350,000 the second year from available balances in the fund for the purposes set forth in § 32.1-361, Code of Virginia. From the amounts deposited in the Virginia Tobacco Settlement Fund, no less than $1,000,000 the first year and $1,000,000 the second year shall be allocated for obesity prevention activities.

2. From the amount deposited into the Virginia Tobacco Settlement Fund shall be paid 8.5 percent of the costs associated with the diligent enforcement of the non-participating manufacturer statute of the 1998 Tobacco Master Settlement Agreement, § 3.2-4201, Code of Virginia, and Item 50, Paragraph B, of this act. These costs shall be paid pursuant to the transfer to the general fund directed by § 3-1.01, Paragraph N.2, of this act.

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C. The amounts deposited by the State Comptroller pursuant to paragraph B.1. of this Item shall be included in the general fund revenue calculations for purposes of subsection C of § 58.1-3524, Code of Virginia.

D. The Virginia Foundation for Healthy Youth shall prioritize in its marketing and education efforts information regarding the health effects of vaping by teens and young adults. The foundation shall include such information in marketing materials, advertising, outreach, and social media channels.

E. The Virginia Foundation for Healthy Youth shall provide or develop additional educational materials, resources, and professional development webinars as necessary for the Department of Education to comply with the eighteenth and nineteenth enactments of Chapter 550 of the 2021 General Assembly, Special Session I.

469.	Compensation and Benefit Adjustments (75700)			$575,945,941	$598,371,416
	Adjustments to Employee Compensation (75701)	$223,717,937	$495,750,457		
	Adjustments to Employee Benefits (75702)	$352,228,004	$102,620,959		
	Fund Sources: General	$575,945,941	$598,371,416		

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

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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.

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, amounts estimated at $120,984,911 the first year and $167,782,041 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.

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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 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 Title 51.1, Code of Virginia.

2. Retirement defined benefit contribution rates, excluding the applicable employee contribution, shall be as set out below:

	FY 2027	FY 2028
Public school teachers	12.20%	12.20%
State employees	11.07%	11.07%
State Police Officers' Retirement System	31.67%	31.67%
Virginia Law Officers' Retirement System	22.60%	22.60%
Judicial Retirement System	30.49%	30.49%

3. Contribution rates for the defined contribution component of the hybrid retirement program shall be paid in accordance with §§ 51.1-145 and 51.1-169.

4. 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.

5.a. The Director, Planning and Budget, shall withhold and transfer to this Item amounts estimated at $46,743,356 the first year and $48,775,666 the second year, from the general fund from state agencies and institutions of higher education, to recognize the net general fund portion of savings associated with changes in employer contributions for state employee retirement as provided for in this paragraph.

b. The amounts provided in this paragraph take into account the estimated employer contributions to the defined benefit component of the retirement plans and the defined contribution component of the hybrid retirement plans.

6. 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.

7. 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

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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 20 years.

2. Contribution rates paid on behalf of public employees for other programs administered by the Virginia Retirement System shall be:

	FY 2027	FY 2028
State employee retiree health insurance credit	0.70%	0.70%
Public school teacher retiree health insurance credit	0.88%	0.88%
State employee group life insurance program	1.06%	1.06%
Employer share of the public school teacher group life insurance program	0.42%	0.42%
Virginia Sickness and Disability Program	0.42%	0.42%
Constitutional Officers and employees retiree health insurance credit	0.27%	0.27%
General Registrar and employees retiree health insurance credit	0.13%	0.13%
Employees of local social services boards retiree health insurance credit	0.20%	0.20%

3. Funding for the Virginia Sickness and Disability Program is calculated on a rate of 0.39 percent of total payroll.

4. The Director, Department of Planning and Budget, shall withhold and transfer to this item amounts estimated at $23,227,201 the first year and $24,237,055 the second year, from the general fund from state agencies and institutions of higher education to recognize the net general fund portion of savings associated with changes in employer contributions for state employee benefits as provided in this paragraph.

5. 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.

6. 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.

7. The Director, Department of Planning and Budget, shall withhold and transfer to this item amounts estimated at $1,123,237 the first year and $1,123,237 the second year to recognize the general fund portion of the net savings resulting from changes in the retiree health insurance credit contribution rates for state supported local public employees through the Compensation Board, the Department of Social Services, and the Department of Elections pursuant to § 51.1-1403, Code of Virginia.

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

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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. Agencies must demonstrate a financial need as part of any request, to include certifying that no other funds are available to pay the costs of enhanced retirement benefits. The Director, Department of Planning and Budget, may deny the waiver of costs for enhanced retirement benefits if the agency has not satisfactorily demonstrated a financial need.

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.

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.

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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 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.

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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 L 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 use to be classified positions but have been transitioned to university staff positions.

N. 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.

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O.1. Out of the amounts included in this item, amounts estimated at $939,564 the first year and $3,930,718 the second year from the general fund is available for transfer to state agencies and institutions of higher education to fund the increases in the Virginia minimum wage scheduled for January 1, 2027 and January 1, 2028.

2. Out of this appropriation, an amount estimated at $210,442 the second year from the general fund is available for transfer to the Compensation Board to fund the increases in the Virginia minimum wage scheduled for January 1, 2027 and January 1, 2028.

P. The Director, Department of Planning and Budget, shall transfer from this Item general fund amounts estimated at $4,133,277 the first year and $4,133,277 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 enrollment update from the Virginia Retirement System.

Q. The Director, Department of Planning and Budget, shall transfer from this Item, general fund amounts estimated at $4,603,610 the first year and $4,841,599 the second year tostate agencies and institutions of higher education to recognize the general fund portion of costs associated with the latest workers' compensation premiums provided by the Department of Human Resource Management.

R.1. Out of the appropriation for this item, $163,993,202 the first year and $361,413,158 the second year from the general fund is provided to increase the base salary of the following employees by three and one-half percent on July 25, 2026 and an additional three and one-half percent on June 10, 2027:

a. Full-time and other classified employees of the Executive Department subject to the Virginia Personnel Act;

b. Full-time employees of the Executive Department not subject to the Virginia Personnel Act, except officials elected by popular vote;

c. Any official whose salary is listed in § 4-6.01 of this act, subject to the ranges specified in the agency head salary levels in § 4-6.01 c;

d. Full-time staff of the Governor's Office, the Lieutenant Governor's Office, the Attorney General's Office, Cabinet Secretaries' Offices, including the Deputy Secretaries, the Virginia Liaison Office, and the Secretary of the Commonwealth's Office;

e. Heads of agencies in the Legislative Department;

f. Full-time employees in the Legislative Department, other than officials elected by popular vote;

g. Legislative Assistants as provided for in Item 1 of this act;

h. Judges and Justices in the Judicial Department;

i. Heads of agencies in the Judicial Department;

j. Full-time employees in the Judicial Department;

k. Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission, the Chief Executive Officers of the Virginia College Savings Plan, and the Virginia Alcoholic Beverage Control Authority, and the Directors of the Virginia Lottery, the Virginia Retirement System,the Virginia Cannabis Control Authority, and the Opioid Abatement Authority.

l. Full-time employees of the State Corporation Commission, the Virginia College Savings Plan, the Virginia Lottery, Virginia Workers' Compensation Commission, the Virginia Retirement System, the Virginia Alcoholic Beverage Control Authority, the Virginia Cannabis Control Authority, and the Opioid Abatement Authority.

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.

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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 and one-half percent on July 25, 2026 and an additional three and one-half percent on June 10, 2027. 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 and one-half percent no earlier then July 25, 2026 and an additional three and one-half percent no earlier than June 10, 2027. 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 and one-half percent increase on average for faculty and university staff.

7. Funding included within paragraph R.1 of this Item includes funding to provide the salary adjustments authorized in paragraph R.1 to the staff of the Institute For Advanced Learning and Research. It is the intent of the General Assembly that the Department of Planning and Budget include the personnel cost for the Institute For Advanced Learning and Research into the methodology used to calculate the cost of future salary increases.

8. Funding included within paragraph R.1 of this Item includes funding to provide the salary adjustments authorized in paragraph R.1 to the staff of the Roanoke Higher Education Authority. It is the intent of the General Assembly that the Department of Planning and Budget include the personnel cost for the Roanoke Higher Education

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Authority into the methodology used to calculate the cost of future salary increases.

S.1. The appropriations in this item include funds to increase the base salary of the following employees by three and one-half percent on August 1, 2026 and an additional three and one-half percent on July 1, 2027, 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 $51,956,892 the first year and $115,037,371 the second year from the general fund to support the costs associated with the salary increases provided in this paragraph.

T. Included in the appropriation for this item is $4,672,550 the first year and $10,373,062 the second year from the general fund to provide a three and one-half percent increase in base pay effective July 25, 2026 and an additional three and one-half percent increase in base pay effective June 10, 2027, for adjunct faculty at Virginia two-year and four-year public colleges and higher education institutions.

U. Included in the appropriation for this item is $2,155,729 the first year and $4,785,706 the second year from the general fund to provide a three and one-half percent increase in base pay effective July 25, 2026 and an additional three and one-half percent increase in base pay effective June 10, 2027, for graduate teaching assistants at Virginia two-year and four-year public colleges and higher education institutions.

V. Included in the appropriation for this item, $200,000,000 the first year from the general fund is provided for a lump sum deposit into the State Employee Health Insurance Fund no later than July 15, 2026.

W. On or before June 30, 2027, the State Comptroller shall deposit $93,600,000 from the general fund into the Virginia Retirement System trust fund to address the unfunded liabilities for the retiree health insurance credit plan for state employees.

X. The Department of Planning and Budget shall annually collect salary data for state-supported local employees. The data shall include the total salaries for full-time employees expended in the most recent fiscal year and the full-time employee count as of the last day of each fiscal year. State-supported local employee groups include:

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.

470.	Adjustments to Designated State Agency Activities (23800)				$22,048,291	$23,693,043
	Undistributed Support for Designated State Agency Activities (23801)	$22,048,291	$23,693,043			

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Fund Sources: General	$22,048,291	$23,693,043		

Authority: Discretionary Inclusion

A. Transfers from this Item may be made when appropriations to the state agencies concerned are insufficient for the purposes of paying rates billed by other agencies as internal service funds or for other designated state activities, 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 these purposes.

B. 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 the designated state agency activities 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.

C. The Director, Department of Planning and Budget, shall transfer from this item, general fund amounts estimated at $14,555,864 the first year and $14,555,864 the second year to state agencies and institutions of higher education to support the general fund portion of costs resulting from the estimated usage of technology services provided by the Virginia Information Technologies Agency.

D. The Director, Department of Planning and Budget, shall transfer from this item, general fund amounts estimated at $5,538,425 the first year and $5,538,425 the second year to state agencies to reflect the latest estimates to support the general fund share of state agencies' rental costs for space maintained and operated by the Department of General Services.

E. The Director, Department of Planning and Budget, shall withhold and transfer to this Item, general fund amounts estimated at $1,535,506 the first year and $1,199,944 the second year to state agencies and institutions of higher education to recognize the general fund portion of savings resulting from changes in agency charges for the Cardinal Financial System operated by the Department of Accounts.

F. The Director, Department of Planning and Budget, shall transfer from this item general fund amounts estimated at $620,338 the first year and $1,453,680 the second year to recognize the general fund share of costs resulting from changes in agency charges for the Cardinal Human Capital Management System operated by the Department of Accounts.

G. The Director, Department of Planning and Budget, shall withhold and transfer to this item amounts estimated at $93,637 the first year and $93,637 the second year from the general fund from state agencies and institutions of higher education to recognize the general fund potion of savings resulting from changes in agency charges for the Performance Budgeting system.

H. The Director, Department of Planning and Budget, shall transfers from this item amounts estimated at $2,962,807 the first year and $3,438,655 the second year from the general fund to state agencies and institutions of higher education to recognize the general fund share of costs for changes in insurance premiums charged by the Division of Risk Management.

471.	Payments for Special or Unanticipated Expenditures (75800)		$681,300,000	$1,300,000
	Miscellaneous Contingency Reserve Account (75801)	$681,300,000	$1,300,000	
	Fund Sources: General	$681,300,000	$1,300,000	

Authority: Discretionary Inclusion.

A. The Governor is hereby authorized to allocate sums from this appropriation, in addition to an amount not to exceed $5,000,000 from the unappropriated balance derived by subtracting the general fund appropriations from the projected general fund revenues in

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this act, to provide for supplemental funds pursuant to paragraph D hereof. Transfers from this Item shall be made only when (1) sufficient funds are not available within the agency's appropriation and (2) additional funds must be provided prior to the end of the next General Assembly Session.

B.1. The Governor is authorized to allocate from the unappropriated general fund balance in this act such amounts as are necessary to provide for unbudgeted cost increases to state agencies incurred as a result of actions to enhance homeland security, combat terrorism, and to provide for costs associated with the payment of a salary supplement for state classified employees ordered to active duty as part of a reserve component of the Armed Forces of the United States or the Virginia National Guard. Any salary supplement provided to state classified employees ordered to active duty, shall apply only to employees who would otherwise earn less in salary and other cash allowances while on active duty as compared to their base salary as a state classified employee. Guidelines for such payments shall be developed by the Department of Human Resource Management in conjunction with the Departments of Accounts and Planning and Budget.

2. The Governor shall submit a report within thirty days to the Chairmen of House Appropriations and Senate Finance and Appropriations Committees which itemizes any disbursements made from this Item for such costs.

3. The governing authority of the agencies listed in this subparagraph may, at its discretion and from existing appropriations, provide such payments to their employees ordered to active duty as part of a reserve component of the Armed Forces of the United States or the Virginia National Guard, as are necessary to provide comparable pay supplements to its employees.

a. Agencies in the Legislative and Judicial Departments;

b. The State Corporation Commission, the Virginia Workers' Compensation Commission, the Virginia Retirement System, the Virginia Lottery, and the Virginia College Savings Plan;

c. The Office of the Attorney General and the Department of Law; and

d. State-supported institutions of higher education.

C. The Governor is authorized to expend from the unappropriated general fund balance in this act such amounts as are necessary, up to $5,000,000, to provide for indemnity payments to growers, producers, and owners for losses sustained as a result of an infectious disease outbreak or natural disaster in livestock and poultry populations in the Commonwealth. Such payments shall be made in accordance with guidelines established by the Department of Agriculture and Consumer Services. In developing the guidelines to allocate payments, the Commissioner of the Department of Agriculture and Consumer Services shall consult the representatives of the affected industries.

D. Out of the appropriation for this item is included $1,000,000 the first year and $1,000,000 the second year from the general fund to be used by the Governor as he may determine to be needed for the following purposes:

1. To address the six conditions listed in § 4-1.03 c 5 of this act.

2. To provide for unbudgeted and unavoidable increases in costs to state agencies for essential commodities, services, and training which cannot be absorbed within agency appropriations including unbudgeted benefits associated with Workforce Transition Act requirements.

3. To secure federal funds in the event that additional matching funds are needed for Virginia to participate in the federal Superfund program.

4. To provide a payment of up to $100,000 to the Military Order of the Purple Heart, for the continued operation of the National Purple Heart Hall of Honor, provided that at least half of other states have made similar grants.

5. In addition, if the amounts appropriated in this Item are insufficient to meet the unanticipated events enumerated, the Governor may utilize up to $1,000,000 the first year and $1,000,000 the second year from the general fund amounts appropriated for the Commonwealth's Opportunity Fund for the unanticipated purposes set forth in paragraph D.1.

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through paragraph D.4. of this Item.

6. In addition, to provide for payment of monetary rewards to persons who have disclosed information of wrongdoing or abuse under the Fraud and Abuse Whistle Blower Protection Act.

7. The Department of Planning and Budget shall submit a quarterly report of any disbursements made from, commitments made against, and requests made for such sums authorized for allocation pursuant to this paragraph to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees. This report shall identify each of the conditions specified in this paragraph for which the transfer is made.

E. Included in this appropriation is $300,000 the first year and $300,000 the second year from the general fund to pay for private legal services and the general fund share of unbudgeted costs for enforcement of the 1998 Tobacco Master Settlement Agreement. Transfers for private legal services shall be made by the Director, Department of Planning and Budget upon prior written authorization of the Governor or the Attorney General, pursuant to § 2.2-510, Code of Virginia or Item 50, Paragraph D of this act. Transfers for enforcement of the Master Settlement Agreement shall be made by the Director, Department of Planning and Budget at the request of the Attorney General, pursuant to Item 50, Paragraph B of this act.

F. Notwithstanding the provisions of § 58.1-608.3B.(v), Code of Virginia, any municipality which has issued bonds on or after July 1, 2001, but before July 1, 2006, to pay the cost, or portion thereof, of any public facility pursuant to § 58.1-608.3, Code of Virginia, shall be entitled to all sales tax revenues generated by transactions taking place in such public facility.

G. Any amounts appropriated in this item that remain unspent at the end of any fiscal year shall be reappropriated in the next fiscal year.

H.1. There is hereby created in the state treasury a special nonreverting fund to be known as the Mass Violence Care Fund (the Fund). The Fund shall be established on the books of the Comptroller. All moneys accruing to the Fund, including funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf, shall be paid into the state treasury and credited to the Fund. Interest earned on 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. Moneys in the Fund shall be used for the purpose of supporting out-of-pocket health expenses for victims of mass violence.

2. Amounts in the Mass Violence Care Fund shall not be transferred or expended unless and until the General Assembly has adopted a structure for administering the Fund.

I.1. All agencies with previously authorized American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund (SLFRF) projects that have dollars remaining unexpended as of June 30, 2026, shall provide a report to the State Comptroller and the Director, Department of Planning and Budget, detailing the agency's plan and timeline to ensure that all obligated funds are expended prior to the federal expenditure deadline. The reports shall be due by August 15, 2026, and be in a format determined by the State Comptroller and the Director, Department of Planning and Budget.

2. If the State Comptroller and the Director, Department of Planning and Budget, determine that one or more ARPA SLFRF projects will not fully expend such funds by the federal expenditure deadline, the Governor may reallocate the expected unexpended funds to one or more previously authorized ARPA SLFRF projects, up to an amount allowed under federal guidelines.

3. The Director, Department of Planning and Budget, shall report any amounts to be reallocated from such ARPA SLFRF projects to the Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee 14 days before implementing the transfer of such funds.

J. 1. From such general fund revenues as are collected for fiscal year 2026 in excess of the official fiscal year 2026 revenue estimate included in the final 2024-2026 biennial

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appropriation act adopted in the 2026 General Assembly Session, $585,500,000 shall be excluded from the calculation of the deposits to the Revenue Reserve Fund and Water Quality Improvement Fund Part A, but not from the calculation required to meet any Constitutionally-mandated deposit to the Revenue Stabilization Fund. This amount is reflected in §3 of Enactment 1 of this Act, in the additions to balance for fiscal year 2027.

2. From such general fund revenues as are collected for fiscal year 2026 in excess of the official fiscal year 2026 revenue estimate included in the final 2024-2026 biennial appropriation act adopted in the 2026 General Assembly Session, the first $1,109,976,618, 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 purpose of funding the projects authorized in Item C-29 of this act with general fund dollars in lieu of bond proceeds.

K. Out of this appropriation, $350,000,000 the first year from the general fund is authorized to be provided to the Department of Medical Assistance Services (DMAS) if the general fund amounts in Item 291 of this act are insufficient to pay all Medicaid costs in either the first or second year due to higher than expected program costs. The Director, Department of Planning and Budget (DPB) shall have the authority to transfer this appropriation if the Director of DMAS can demonstrate that the general fund appropriation is insufficient to meet all obligations for the fiscal year. The Director of DPB shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committee 10 days prior to any transfer of appropriation pursuant to these provisions. Any unexpended balance in this appropriation at the close of business on June 30, 2027, shall not revert to the general fund, but shall be carried forward and reappropriated.

L.1. Out of this appropriation, $100,000,000 the first year shall be provided to enhance environmental monitoring in the Commonwealth. The Director, Department of Environmental Quality (DEQ) shall conduct a review and evaluation of state environmental monitoring activities and determine where improvements can be made or are necessary. The Director of DEQ, after consultation with the Secretary of Natural and Historic Resources, may request funding from this appropriation, for the costs of a comprehensive study of environmental monitoring efforts in the Commonwealth. After the comprehensive review is complete, DEQ shall submit a report with the fundings and recommendations to the Governor and the General Assembly. DEQ may request funding from this appropriation, after consultation with the Secretary of Natural and Historic Resources and the Secretary of Finance, to address critical gaps in environmental monitoring as identified in the comprehensive study. The Director, Department of Planning and Budget (DPB) shall have authority to transfer funding from this appropriation to DEQ consistent with the requirements of this paragraph and after approval of the Secretary of Natural and Historic Resources and the Secretary of Finance. At least 10 days prior to funding being transferred, the Director of DPB shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees of such transfer.

2. Any unexpended balances from funds designated under paragraph K.1. shall not revert to the general fund at the close of the fiscal year but shall be reappropriated for expenditure in the succeeding fiscal year.

3. The Director of DEQ shall report to the Governor and Chairs of the House Appropriations and Senate Finance and Appropriations Committees, no later than October 1 of each year on the expenditures of any funding provided, including the amount expended and the purpose of such expenditures.

M.1. Out of the amounts included in this appropriation, $225,000,000 the first year from the general fund shall be deposited into a special nonreverting fund to be known as the Federal Uncertainty Contingency Fund. The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the Fund shall accrue to the General Fund. Any moneys remaining in the Fund at the end of a fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used to to address reductions in federal funding.

2.a. State agencies shall submit requests to the Department of Planning and Budget (DPB) by no later than August 1 of each fiscal year to address reductions in federal funding. DPB shall provide the agency requests to the Secretary of Finance and the Chairs of the House

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	Appropriations and Senate Finance and Appropriations Committees.				
	b. The Director, Department of Planning and Budget, shall, based on its review and analysis of agency requests, make recommendations by September 15 of each year to the Secretary of Finance and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. The Secretary of Finance shall have the authority to approve funding requests, after receiving input from the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.				
	3. The Director, Department of Planning and Budget shall report any amounts to be transferred out of the fund to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees 14 days prior to transferring any such funds.				
	4. Notwithstanding the provisions of § 4-3.02 of this act, the Secretary of Finance may authorize interest-free treasury loans to agencies experiencing cash flow issues due to timing issues in the receipt of federal grants and other related federal funding issues. The repayment period may be extended for a period longer than twelve months, not to exceed twenty-four months.				
	N. Out of this appropriation, $5,000,000 the first year from the general fund is provided for the establishment of a digital service team to help agencies deliver more effective, affordable, and user-friendly services and to strengthen oversight of state technology vendors and contracts. This team shall apply skills in engineering, design, product management, and procurement to leverage existing information technology capacity and investment, boost effectiveness, reduce spending, and reduce risk in priority projects.				
472.	Educational and General Programs (10000).....			$28,930,454	$28,930,454
	Higher Education Instruction (10001).....	$28,930,454	$28,930,454		
	Fund Sources: General.....	$28,930,454	$28,930,454		
	A. Out of this appropriation, $28,930,454 the first year and $28,930,454 the second year from the general fund is designated for the Tech Talent Investment Fund. These funds shall be allocated in accordance with provisions established in §23.1-1239 through §23.1-1243, Code of Virginia, and shall be used to support the efforts of qualified institutions to increase by fiscal year 2039 the number of new eligible degrees by at least 25,000 more degrees than the number of such degrees awarded in 2018 and to improve the readiness of graduates to be employed in technology-related fields and fields that align with traded-sector growth opportunities identified by the Virginia Economic Development Partnership. Funds may be used to support admissions and advising programs designed to convey labor market information to students to guide decisions to enroll in eligible degree programs and academic programs and to fund facility construction, renovation, and enhancement and equipment purchases related to the initiative to increase the number of eligible degrees awarded.				
	B. Prior to an allocation from the Fund, institutions must enter into a Memorandum of Understanding (MOU) through a negotiation process between the institution and the Commonwealth. The MOU shall contain criteria for eligible degrees, eligible expenses, and degree production goals for a period ending in 2039. In addition, each institution shall (i) submit an enrollment plan detailing the number of eligible degrees produced between July 1, 2013, and June 30, 2018; (ii) develop a detailed plan of how the institution proposes to materially increase the enrollment, retention, and graduation of students pursuing eligible degrees, the resources necessary to accomplish such increase in enrollment, retention, and graduation, and plans to track new enrollment; (iii) provide an accounting of the anticipated number of in-state and out-of-state students enrolling in eligible degree programs; (iv) determine the existing capacity of current eligible degree programs; (v) propose plans to partner with other institutions to provide courses or programs that will lead to the completion of an eligible degree including articulation agreements with the Virginia Community College System to provide guaranteed admission for qualified students with an associate degree for transfer into an eligible degree program; (vi) allocate existing funds held by or appropriated to the institution to meet increased enrollment, retention, and graduation goals in eligible degree programs; and (vii) provide any other information deemed relevant.				

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C. Failure of an institution to meet the goals, metrics, and requirements set forth in its memorandum of understanding shall result in the adjustment of any future allocations from the Fund to the institution to reflect such discrepancy.

D. Notwithstanding §23.1-1242 of the Code of Virginia, eligibility for grant payments shall be determined by the requirements stipulated in each institution's MOU.

473. A. The Oil Overcharge Expendable Trust Fund shall be established on the books of the Comptroller and the interest earned by investment of funds credited to the Oil Overcharge Expendable Trust Fund shall be allocated to such fund periodically. This fund represents the Commonwealth's proportionate share of the recoveries from the Exxon Corporation, Diamond Shamrock Refining and Marketing Company, Stripper Well and the Texaco Corporation litigations, for petroleum pricing violations between 1973 and 1981.

B.1. Any expenditure involving oil overcharges by the Exxon Corporation shall be utilized according to regulations and procedures of the five state energy conservation and benefits programs specified in the Warner Amendment (Section 155, P.L. 97-377) to provide restitution to the broad class of parties injured by the alleged overcharges. These programs are:

a. Low Income Home Energy Assistance Program, 42 U.S.C. § 8621 et seq.

b. State Energy Conservation Program, 42 U.S.C. § 6321 et seq.

c. Energy Extension Service, 42 U.S.C. § 7001 et seq.

d. Institutional Conservation Program, 42 U.S.C. § 6371 et seq.

e. Weatherization Assistance Program, 42 U.S.C. § 6861 et seq.

2. Any expenditure involving oil overcharges from the approved settlement In Re: The Department of Energy Stripper Well Litigation (MDL No. 378) or the approved settlement in the case of the Diamond Shamrock Refining and Marketing Company (Civil Action No. C2-84-1432) shall be utilized to fund one or more energy-related programs which are designed to benefit, directly or indirectly, consumers of petroleum products. These programs shall be limited to:

a. Administration and operation of the five energy conservation and benefit programs specified under the Warner Amendment (Section 155, P.L. 97-377),

b. Those programs approved by the U.S. Department of Energy's Office of Hearings and Appeals in Subpart V Refund Proceedings,

c. Those programs referenced in the Chevron consent order (46 FR 52221), and

d. Such other restitutionary programs approved by the District Court or the U.S. Department of Energy's Office of Hearings and Appeals.

C. Before appropriations to the Oil Overcharge Expendable Trust Fund can be expended, approval for the use of the funds must be obtained from the United States Department of Energy. Applications to the United States Department of Energy must be made through the Department of Mines, Minerals and Energy.

D. The Governor shall submit such statements and reports as are required by court orders, settlements, or the Departments of Energy or Health and Human Services regarding use(s) of these funds and shall also report to the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees on the activities funded by transfers from this Item only in fiscal years in which activities have occurred.

Total for Central Appropriations			**$1,389,579,737**	**$733,649,964**
Fund Sources: General	$1,331,101,219	$675,171,446		
Higher Education Operating	$18,128,518	$18,128,518		
Trust and Agency	$40,350,000	$40,350,000		

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TOTAL FOR CENTRAL APPROPRIATIONS			**$1,389,579,737**	**$733,649,964**
Fund Sources: General	$1,331,101,219	$675,171,446		
Higher Education Operating	$18,128,518	$18,128,518		
Trust and Agency	$40,350,000	$40,350,000		
TOTAL FOR EXECUTIVE DEPARTMENT			**$97,978,602,847**	**$96,632,611,285**
General Fund Positions	51,677.46	51,752.40		
Nongeneral Fund Positions	72,683.70	72,927.45		
Position Level	124,361.16	124,679.85		
Fund Sources: General	$36,220,519,880	$35,528,616,338		
Special	$1,938,072,965	$1,940,379,296		
Higher Education Operating	$13,616,019,927	$13,894,763,954		
Commonwealth Transportation	$9,718,110,238	$8,612,563,791		
Enterprise	$724,341,313	$724,341,313		
Internal Service	$2,703,466,322	$2,707,118,410		
Trust and Agency	$2,984,693,325	$2,655,767,858		
Debt Service	$309,921,665	$309,912,040		
Dedicated Special Revenue	$6,376,265,436	$5,918,451,276		
Federal Trust	$23,387,191,776	$24,340,697,009		

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	INDEPENDENT AGENCIES				
	§ 1-136. STATE CORPORATION COMMISSION (171)				
474.	Regulation of Business Practices (55200)			$104,936,350	$104,616,867
	Corporation Commission Clerk's Services (55203)	$22,638,108	$22,363,007		
	Regulation of Investment Companies, Products and Services (55210)	$12,838,876	$12,770,283		
	Regulation of Financial Institutions (55215)	$22,991,735	$23,112,394		
	Regulation of Insurance Industry (55216)	$46,467,631	$46,371,183		
	Fund Sources: Special	$104,236,350	$103,916,867		
	Federal Trust	$700,000	$700,000		
	Authority: Article IX, Constitution of Virginia; Title 6.2; Title 8.9A, Part 4; Title 12.1, Chapter 4; Title 13.1; Title 56, Chapter 15, Article 5; Title 58.1, Chapter 28; Title 59.1, Chapter 6.1, Code of Virginia; Title 38.2; Title 58.1, Chapter 25; and Title 65.2, Chapter 8, Code of Virginia.				
	A. Out of the amounts for this Item, $1,200,000 the first year and $1,200,000 the second year is provided to effectuate the provisions of §§ 12.1-17, 12.1-21.1, and 12.1-21.2, which allows the Commission to absorb the credit card and eCheck convenience fees as opposed to passing them on to the filers and also grants the Commission the discretion to not charge a fee for providing copies of certain documents.				
	B. Notwithstanding § 6.2-1810 of the Code of Virginia, the State Corporation Commission shall not be required to certify and contract with one or more third parties to develop, implement, and maintain a short-term loan database if the existing vendor discontinues its operation of the database and it is not feasible for the State Corporation Commission to procure an alternative vendor. In such event, the provisions in § 6.2-1810 relating to the database shall be inapplicable and the State Corporation Commission shall amend its regulations under Chapter 18 of Title 6.2 of the Code of Virginia accordingly.				
	C. The State Corporation Commission (SCC) shall inventory existing consumer-facing guidance, instructional documentation, forms, and other public materials published in hardcopy or electronic media and prepare a cost estimate to translate high demand materials into the top five most common non-English languages spoken in Virginia according to the DataUSA profile for languages spoken in Virginia. The SCC shall report on existing practices for providing language access services at points of public interface alongside an inventory list and publication costs to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than December 31, 2026.				
475.	Regulation of Public Utilities (56300)			$43,264,433	$42,380,846
	Regulation of Utility Companies (56301)	$43,264,433	$42,380,846		
	Fund Sources: Special	$38,064,255	$37,885,490		
	Dedicated Special Revenue	$2,450,178	$1,745,356		
	Federal Trust	$2,750,000	$2,750,000		
	Authority: Title 56, Chapter 10, Code of Virginia.				
	That in evaluating requests for the interconnection of large load customers to the electric grid, a Phase II Utility, as defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, may consider potential economic benefits to historically economically disadvantaged communities, as defined in § 56-576 of the Code of Virginia, in which the local governing body has resolved that such development is in the public interest, associated with such requests.				
476.	Distribution of Fees From and To Regulated Entities and Localities (56400)			$12,616,096	$12,616,096
	Distribution of Uninsured Motorist Fee (56401)	$12,100,000	$12,100,000		
	Distribution of Rolling Stock Taxes (56402)	$516,096	$516,096		
	Fund Sources: Trust and Agency	$12,616,096	$12,616,096		

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	Authority: § 58.1-2652, Code of Virginia.				
477.	Administrative and Support Services (59900).....			$0	$0
	Authority: Title 12.1, Code of Virginia; Article IV, Section 14 and Article IX, Constitution of Virginia.				
	A. Operational costs for this program shall be paid solely from charges to agency programs.				
	B. Out of the amounts for this Item, shall be paid the annual salary of the chairman, $227,935 from July 1, 2026 to July 24, 2026, $235,913 from July 25, 2026 to June 9, 2027 and $244,170 from June 10, 2027 to June 30, 2028. The other two Commissioners of the State Corporation Commission shall be paid $225,439 from July 1, 2026 to July 24, 2026, $233,329 from July 25, 2026 to June 9, 2027 and $241,496 from June 10, 2027 to June 30, 2028.				
	.				
	C. Notwithstanding the provisions of § 13.1-775.1, Code of Virginia, the State Corporation Commission shall continue the following annual registration fees for domestic and foreign corporations. The new annual rates shall be $100 for every foreign and domestic corporation authorized to do business in the Commonwealth whose number of authorized shares is 5,000 shares or less. Any such corporation whose number of authorized shares is more than 5,000 shall pay an annual registration fee of $100 plus $30 for each 5,000 shares or fraction thereof in excess of 5,000 up to a maximum of $1,700. The commission shall deposit these funds into a special fund and transfer three-fourths of the receipts to the general fund semiannually.				
	D. The State Corporation Commission, with the assistance of the Department of Environmental Quality, and all other agencies of the Commonwealth, any political subdivision, or any applicable utility shall provide assistance as requested, shall collect the following and report the information in an aggregated format to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees by October 1, 2026, and each year thereafter: (i) all electric service agreements or equivalent contracted demand with data centers, including their electric load, from all electric utility providers; (ii) all data center water usage information from municipal or private water providers; and (iii) permitting information on data center generators and tier of each generator.				
478.	Plan Management (40800).....			$708,732,934	$558,536,578
	Federal Health Benefit Exchange Plan Management (40801).....	$134,817	$134,817		
	State Health Benefit Exchange Plan Management (40802).....	$206,506,685	$56,460,329		
	Commonwealth Health Reinsurance Program (40803).....	$502,091,432	$501,941,432		
	Fund Sources: General.....	$170,573,599	$20,573,599		
	Special.....	$150,000	$0		
	Dedicated Special Revenue.....	$56,067,903	$56,021,547		
	Federal Trust.....	$481,941,432	$481,941,432		
	Authority: §§ 38.2-316.1 and 38.2-326, Code of Virginia; § 42.18041 c, United States Code.				
	A. There is hereby appropriated to the State Corporation Commission $115,176 the first year and $115,176 the second year from the general fund to pay for the plan management functions authorized in §§ 38.2-316.1 and 38.2-326.				
	B.1. Notwithstanding the provisions of § 4-3.02 of this act, the Secretary of Finance may authorize either a working capital advance or an interest-free treasury loan in an amount not to exceed $40,000,000 for the State Corporation Commission to fund start-up costs and other costs associated with the implementation of a State Health Benefit Exchange. The Secretary of Finance may extend the repayment plan for any such working capital advance or interest-free treasury loan for a period longer than twelve months.				

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2. The State Corporation Commission may use a portion of the user fees collected from health insurance carriers participating in the State Health Benefit Exchange to repay the working capital advance or interest-free treasury loan authorized in B.1.

C. Out of this appropriation, $20,000,000 the first year and $20,000,000 the second year from the general fund shall be transferred to the Commonwealth Health Reinsurance Program Special Fund State Corporation Commission, established pursuant to § 38.2-6604, Code of Virginia.

D. Notwithstanding any other provision of law, the state-mandated health benefit required by § 38.2-3418.21 shall apply to all qualified health plans offered in the Commonwealth.

E. The State Corporation Commission shall set the payment parameters for the Commonwealth Health Reinsurance Program at levels to achieve the premium reduction target of 15 percent.

F. Out of this appropriation, $150,000 the first year from the Commonwealth Health Reinsurance Program Special Fund is provided for development and submission of a state innovation waiver extension request pursuant to § 1332 of the Patient Protection and Affordable Care Act, to extend the Commonwealth Health Reinsurance Program for five years, and to implement the provisions for the program.

G. There is hereby appropriated to the State Corporation Commission the sum of $150,000,000 the first year from the general fund to create a non-reverting special fund known as the Virginia Health Insurance Affordability Fund. The Virginia Health Benefit Exchange (Exchange) shall develop and operate a program for plan year 2027 to reduce the monthly health insurance premiums for Virginia consumers of Qualified Health Plans sold through the Virginia state-based marketplace operated by the Exchange. Amounts in the Fund shall only be used for premium reduction payments under this program. The Exchange shall develop eligibility rules for the program that reduces the average monthly net premium by as much as 70 percent for individuals and families with household incomes greater than or equal to 138 percent of the federal poverty level and less than 250 percent of the federal poverty level. The Exchange is authorized to adjust the monthly premium reduction payment amount up or down as enrollment and fund balances change to maximize the use of the Fund consistent with the objective of this program. The Exchange shall develop other rules and parameters reasonably necessary to implement and operate this program. Any unexpended balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, shall not revert to the general fund but shall be carried forward and reappropriated in fiscal year 2028.

Total for State Corporation Commission			**$869,549,813**	**$718,150,387**
Nongeneral Fund Positions	839.00	839.00		
Position Level	839.00	839.00		
Fund Sources: General	$170,573,599	$20,573,599		
Special	$142,450,605	$141,802,357		
Trust and Agency	$12,616,096	$12,616,096		
Dedicated Special Revenue	$58,518,081	$57,766,903		
Federal Trust	$485,391,432	$485,391,432		

§ 1-137. VIRGINIA LOTTERY (172)

479.	State Lottery Operations (81100)			$396,121,642	$404,922,742
	Regulation and Law Enforcement (81105)	$39,473,821	$39,473,821		
	Gaming Operations (81106)	$269,689,386	$278,490,486		
	Administrative Services (81107)	$11,953,098	$11,953,098		
	Distribution of Casino Taxes (81108)	$75,005,337	$75,005,337		
	Fund Sources: Enterprise	$285,455,965	$294,257,065		
	Dedicated Special Revenue	$110,665,677	$110,665,677		

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

ITEM 479.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

A. Out of the amounts for State 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 § 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.

E. The appropriation for the Distribution of Casino Taxes is sum sufficient and amounts shown are estimates of amounts to be distributed pursuant to subsection B.1. of §58.1-4125 from taxes on adjusted gross receipts deposited in the Gaming Proceeds Fund.

F. The Lottery shall develop an implementation plan to require all lottery terminals to possess proper age verification software to ensure that a consumer is 18 years of age or older. For purposes of this item, "terminal" means a device that is authorized by the Department to function in an interactive mode with the Department's computer gaming system or systems for the purpose of issuing tickets, plays, or an electronic facsimile thereof, and entering, receiving, and processing game-related transactions. Such plan may consider implementing age verification in lottery terminals based on the normal replacement schedule of terminals. The implementation plan shall: (i) develop a phased schedule to implement age verification software in terminals, (ii) establish a completion date for implementation, (iii) include cost estimates for such plan, (iv) provide alternative implementation schedules for consideration, and (v) recommend any necessary changes to statute or the appropriation act to implement the plan. No later than October 1, 2026, the Director of the Virginia Lottery shall report the implementation plan to the Governor and Chairs of the House Committees on General Laws and Appropriations and the Senate Committees on General Laws and Technology and Finance and Appropriations. The Virginia Lottery Board shall include the costs of such implementation plan in the revenue estimates developed and submitted to the Governor in accordance with Title 2.2 of the Code of Virginia and proceed only after a forecast is adopted by a general appropriation act that includes the costs of such implementation plan.

480.	Disbursement of Lottery Prize Payments (81200) a sum sufficient, estimated at				$550,000,000	$550,000,000
	Payment of Lottery Prizes (81201)	$550,000,000	$550,000,000			
	Fund Sources: Enterprise	a sum sufficient				

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

There is hereby appropriated from affected funds in the state treasury, for payment of prizes awarded by the state lottery and of commissions to lottery sales agents, in accordance with law, a sum sufficient.

ITEM 480.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Total for Virginia Lottery			**$946,121,642**	**$954,922,742**
	Nongeneral Fund Positions	458.00	458.00		
	Position Level	458.00	458.00		
	Fund Sources: Enterprise	$835,455,965	$844,257,065		
	Dedicated Special Revenue	$110,665,677	$110,665,677		

§ 1-138. COMMONWEALTH SAVERS PLAN (174)

481.	Investment, Trust, and Insurance Services (72500) a sum sufficient, estimated at			$250,000,000	$250,000,000
	Payments for Educational Benefits Expense (72505)	$250,000,000	$250,000,000		
	Fund Sources: Enterprise	$250,000,000	$250,000,000		

Authority: Title 23.1, Chapter 7, Code of Virginia.

A. Amounts for Payments for Educational Benefits Expense represent the payment of benefits to postsecondary educational institutions and individuals on behalf of program participants under the Defined Benefit 529 Programs, which include Prepaid529 and the Tuition Track Portfolio of Invest529, and under other Education Savings Programs, from nongeneral funds pursuant to § 23.1-701, Code of Virginia.

B.1. Any moneys collected, distributed, or held for the benefit of participants under Education Savings Programs other than the Defined Benefit 529 Programs, including any income from such funds, are subject to the provisions of § 23.1-701.B., Code of Virginia.

2. Any moneys collected, distributed, or held for the benefit of participants under the Defined Benefit 529 Programs, and any Plan administrative revenue, including any income from such funds, are subject to § 23.1-701.C., Code of Virginia.

C. Amounts for Payments for Educational Benefits Expense cover the current obligations of the funds as provided in § 23.1-705, Code of Virginia.

482.	Administrative and Support Services (79900)			$55,901,672	$55,966,020
	General Management and Direction (79901)	$26,087,628	$26,751,864		
	Investment, Trust and Related Services for Achieving a Better Life Experience (ABLE) Program (79952)	$2,413,769	$2,413,769		
	Investment, Trust and Related Services for State-Facilitated IRA Savings Program (79953)	$2,000,000	$2,000,000		
	Investment, Trust and Related Services for Defined Benefit 529 Programs and other Education Savings Programs (79955)	$25,400,275	$24,800,387		
	Fund Sources: Enterprise	$55,901,672	$55,966,020		

Authority: Title 23.1, Chapter 7, Code of Virginia.

A. The amounts appropriated to this Item are sufficient to continue funding a comprehensive compensation plan to link pay to performance.

B. Amounts for Investment, Trust and Related Services for Achieving a Better Life Experience (ABLE) Program cover personnel services, variable, and unpredictable costs from nongeneral funds pursuant to § 23.1-701, Code of Virginia.

C. Amounts for Investment, Trust and Related Services for Defined Benefit 529 Programs and other Education Savings Programs cover variable or unpredictable costs from nongeneral funds pursuant to § 23.1-701, Code of Virginia.

D. Included in this appropriation is $2,000,000 the first year and $2,000,000 the second year from nongeneral funds to support SOAR Virginia scholarships.

E. The Investment Director position at the Commonwealth Savers Plan shall assist the CEO and Board in directing, managing, and administering the Plan's assets. The Investment

ITEM 482.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
Director shall serve at the pleasure of the Board and may be removed by a majority vote of the Board.				
F. That in accordance with the provisions of Item 4-3.02 of this act and pursuant to § 2.2-2744 et. seq, Code of Virginia, the Commonwealth Savers Plan shall receive a non-interest-bearing treasury loan in an amount not to exceed $2 million each year of the biennium to cover the costs of designing and implementing a state-facilitated IRA savings program, until such time as the Program is self-sustaining. Such loan may be renegotiated, as appropriate, and the Plan shall commence repayment with the Program fees and revenues once the Program has achieved at least one year of Program cash flow positivity.				
G. Notwithstanding any other provision of law, no administrative increases beyond the legislative appropriation shall be made for expenditures in this Item related to college access programs. This language does not apply to administrative adjustments needed to support operational activities that are not directly related to support of access programs.				
H. Notwithstanding any other provision of law, the Commonwealth Savers Plan shall not enter into any contracts or obligations to support college access initiatives beyond those already under commitment as of June 30, 2025.				
Total for Commonwealth Savers Plan			**$305,901,672**	**$305,966,020**
Nongeneral Fund Positions	160.00	160.00		
Position Level	160.00	160.00		
Fund Sources: Enterprise	$305,901,672	$305,966,020		
§ 1-139. VIRGINIA RETIREMENT SYSTEM (158)				
483. Personnel Management Services (70400)			$27,062,128	$27,512,792
Administration of Retirement and Insurance Programs (70415)	$27,062,128	$27,512,792		
Fund Sources: General	$295,000	$95,000		
Trust and Agency	$26,767,128	$27,417,792		
Authority: Title 9.1, Chapter 4; Title 51.1, Chapters 1, 2, 2.1, and 3, Code of Virginia.				
A. The Board of Trustees of the Virginia Retirement System is hereby authorized to charge a participation fee to each employer served by the Virginia Retirement System for any services provided pursuant to Title 51.1, Code of Virginia. The fee shall be utilized to pay the administrative expenses of all administrative services, including non-retirement programs. Retirement contributions required by the board shall be reduced to pay such fees in a manner prescribed by the Board of Trustees.				
B. State agencies and institutions of higher education shall make payments to the Virginia Retirement System (VRS) for VRS-administered benefits no less often than monthly.				
C.1. Out of this appropriation, $295,000 the first year and $95,000 the second year from the general fund is provided for expenses associated with the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund.				
2. Gains forfeited prior to July 1, 2016 pursuant to § 51.1-1206, Code of Virginia, and the accumulated earnings thereon shall be used to provide the reimbursement described in § 51.1-1200, Code of Virginia. All future gains forfeited pursuant to § 51.1-1206, Code of Virginia, shall also be used to provide the reimbursement described in § 51.1-1200, Code of Virginia.				
D. The Board of Trustees of the Virginia Retirement System shall provide notification to the Chairmen of the House Appropriations Committee and Senate Finance and Appropriations Committee when a political subdivision becomes more than 60 days in arrears in their contributions to the Virginia Retirement System. Such notification shall occur within 15 days of when the 60 day period has occurred.				
E.1. Pursuant to the administration of Chapter 4 of Title 9.1, Code of Virginia, the				

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following provisions are effective July 1, 2017:

2. For purposes of this Item, employer contributions for coverage provided to members of the National Guard and Virginia Defense Force on active duty shall be paid by the Department of Military Affairs.

3. In addition to any other benefit provided by law, an additional death benefit in the amount of $20,000 for the surviving spouses and dependents 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, are payable pursuant to § 44-93.1.B., Code of Virginia, from the Line of Duty Death and Health Benefits Trust Fund. The Virginia Retirement System, with support from the Department of Military Affairs, shall determine eligibility for this benefit.

4. Funding for the inclusion of a member of any fire company providing fire protection services for facilities of the Virginia National Guard or the Virginia Air National Guard will be paid by the Department of Military Affairs out of its appropriation in Item 463 of this act.

5. Any locality that has established a trust, trusts, or equivalent arrangements for the purpose of accumulating and investing assets to fund post-employment benefits other than pensions under § 15.2-1544, Code of Virginia, may fund Line of Duty Act benefits from the assets of the trust, trusts, or equivalent arrangements.

F. Annually by February 1st, the Virginia Retirement System shall submit to the Secretary of Public Safety and Homeland Security the names of individuals who were determined to be deceased persons, as defined in § 9.1-400 of the Code of Virginia, in the previous calendar year. The name of any individual whose claim has been filed, but not yet approved, may be submitted in a subsequent year by the Virginia Retirement System once the claim is approved. The Secretary of Public Safety and Homeland Security shall be authorized to share the list as necessary for the purposes of the names being inscribed on the Virginia Public Safety Memorial and honored at the Annual Memorial Service. As provided in § 9.1-408 of the Code of the Virginia, the list otherwise shall be deemed confidential, shall be exempt from disclosure under the Virginia Freedom of Information Act, and shall not be released in whole or in part.

G. Notwithstanding the provisions of § 9.l-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.

H. The Virginia Retirement System and the Department of Human Resource Management shall report annually on or before January 1 to the Governor and the Virginia General Assembly the detailed aggregate of eligibility determinations for employees in accordance with § 9.1-400. This report shall tabulate claims data, types of injuries and associated costs with provided benefits. In accordance with § 9.1-408, the name of the employer or employee shall not appear in such publications and all documents to determine eligibility shall remain confidential.

484.	Investment, Trust, and Insurance Services (72500).....			$67,113,394	$72,092,744
	Investment Management Services (72504).....	$67,113,394	$72,092,744		
	Fund Sources: Trust and Agency.....	$67,113,394	$72,092,744		

Authority: Title 51.1, Chapters 1, 2, 2.1, and 3, Code of Virginia.

By September 30 of each year, the Board of Trustees of the Virginia Retirement System shall report to the Governor and the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees on the prior fiscal year's results obtained by the internal investment management program. The report shall include a comparison of investment performance against the board's benchmarks and an estimate of the program's fee savings when compared to similar assets managed externally.

ITEM 484.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
485.	Administrative and Support Services (79900)			$72,177,135	$71,488,344
	General Management and Direction (79901)	$34,120,167	$33,982,129		
	Information Technology Services (79902)	$38,056,968	$37,506,215		
	Fund Sources: Trust and Agency	$72,177,135	$71,488,344		
	Authority: Title 51.1, Chapters 1, 2, 2.1, and 3, Code of Virginia.				
	Out of the amounts appropriated to this Item, the director is authorized to expend an amount not to exceed $25,000 the first year and $25,000 the second year for expenses commonly borne by business enterprises. Such expenses shall be recorded separately by the agency.				
486.	In the event any political subdivision of the Commonwealth of Virginia participating in the programs administered by the Virginia Retirement System fails to remit contributions or other fees and costs of the programs as duly prescribed, the Board of Trustees of the Virginia Retirement System shall inform the State Comptroller and the participating political subdivision of the delinquent amount. The State Comptroller shall forthwith transfer such amounts to the appropriate fund from any nonearmarked moneys otherwise distributable to such political subdivision by any department or agency of the state.				
	Total for Virginia Retirement System			**$166,352,657**	**$171,093,880**
	Nongeneral Fund Positions	466.00	475.00		
	Position Level	466.00	475.00		
	Fund Sources: General	$295,000	$95,000		
	Trust and Agency	$166,057,657	$170,998,880		
	§ 1-140. VIRGINIA WORKERS' COMPENSATION COMMISSION (191)				
487.	Employment Assistance Services (46200)			$49,580,439	$48,100,439
	Workers Compensation Services (46204)	$49,580,439	$48,100,439		
	Fund Sources: Dedicated Special Revenue	$49,580,439	$48,100,439		
	Authority: Title 65.2, Chapter 2; Title 38.2, Chapter 50, Code of Virginia.				
	A. Out of the amounts for Workers' Compensation Services shall be paid the annual salary of the chairman, $231,105 from July 1, 2026 to July 24, 2026, $239,194 from July 25, 2026 to June 9, 2027 and $247,566 from June 10, 2027 to June 30, 2028 . The other two Commissioners of the Virginia Workers' Compensation Commission shall be paid the annual salary of $226,358 from July 1, 2026 to July 24, 2026, $234,281 from July 25, 2026 to June 9, 2027 and $242,481 from June 10, 2027 to June 30, 2028.				
	B. In addition, retired Commissioners recalled to active duty will be paid as authorized by § 17.1-327, Code of Virginia.				
488.	Financial Assistance for Supplemental Assistance Services (49100)			$15,956,107	$15,926,107
	Crime Victim Compensation (49104)	$15,956,107	$15,926,107		
	Fund Sources: General	$6,723,222	$6,693,222		
	Dedicated Special Revenue	$7,220,885	$7,220,885		
	Federal Trust	$2,012,000	$2,012,000		
	Authority: Title 19.2, Chapters 21.1 and 21.2, Code of Virginia.				
	A. Out of this appropriation, up to $6,593,222 the first year and up to $6,593,222 the second year from the general fund shall be transferred to the Criminal Injuries Compensation Fund, established pursuant to § 19.2-368.18, Code of Virginia, for the administration of the Virginia Workers' Compensation Commission Sexual Assault Forensic Exam (SAFE) Payment program.				
	B. The Virginia Workers' Compensation Commission Sexual Assault Forensic Exam				

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(SAFE) program shall make all efforts to access federal and state funds to raise the reimbursement rate cap for acute forensic exams performed by a Sexual Assault Nurse Examiner to sixty percent of the actual cost of the exam. The funds provided in paragraph A. shall be used to help meet this reimbursement rate goal, expand existing forensic nursing programs, and develop forensic nursing programs in under-served communities.

C. The Virginia Workers' Compensation Commission shall prepare a report on the number of forensic acute, non-acute, and follow-up exams performed by medical providers for victims of sexual assault for which reimbursements are sought, billed and paid for, through the Sexual Assault Forensic Exam (SAFE) Payment program. The report shall detail the number of such exams, the amounts billed by medical providers for each exam, and the reimbursements made to providers for such billed exams through the SAFE Payment program. The report shall be delivered on or before November 1 of each year to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

D. Notwithstanding the $3,500 limitation in § 19.2-368.11:1 (E)(v), Code of Virginia, survivors of crime victims as defined under subdivisions (A)(2) and (A)(4) of §19.2-368.4, Code of Virginia may be reimbursed from the Criminal Injuries Compensation Fund for mental health counseling not to exceed $5,000 per claim.

Total for Virginia Workers' Compensation Commission			**$65,536,546**	**$64,026,546**
Nongeneral Fund Positions	299.00	299.00		
Position Level	299.00	299.00		
Fund Sources: General	$6,723,222	$6,693,222		
Dedicated Special Revenue	$56,801,324	$55,321,324		
Federal Trust	$2,012,000	$2,012,000		

§ 1-141. VIRGINIA ALCOHOLIC BEVERAGE CONTROL AUTHORITY (999)

489.	Crime Detection, Investigation, and Apprehension (30400)		$41,212,034	$39,856,759
	Enforcement and Regulation of Alcoholic Beverage Control Laws (30403)	$41,212,034	$39,856,759	
	Fund Sources: Enterprise	$40,512,034	$39,156,759	
	Federal Trust	$700,000	$700,000	

Authority: § 4.1-100 through § 4.1-133, Code of Virginia.

A. No funds appropriated for this program shall be used for enforcement personnel to enforce local ordinances.

B. Revenues of the fund appropriated in this Item and Item 490 of this act are limited to those received pursuant to Title 4, Code of Virginia, except taxes collected by the Alcoholic Beverage Control Board.

C. By September 1 of each year, the Alcoholic Beverage Control Board shall report for the prior fiscal year the dollar amount of total wine liter tax collections in Virginia; the portion, expressed in dollars, of such tax collections attributable to the sale of Virginia wine in both ABC stores and in private stores; and, the percentage of total wine liter tax collections attributable to the sale of Virginia wine. Such report shall be submitted to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, Director, Department of Planning and Budget and the Virginia Wine Board.

D. Included in this appropriation for this item is $839,752 the first year and $839,752 the second year from the Enterprise Fund to be used to support civilian licensing technicians.

E. Included in the appropriation for this item is $2,500,000 the first year and $2,500,000 the second year from the Enterprise Fund to support licensing agents in association with the Authority's licensing reform efforts.

F. Included in the appropriation for this item is $1,000,000 the first year and $1,000,000 the

ITEM 489.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

second year from the Enterprise Fund to support enforcement activities related to the unlawful direct shipment into Virginia of alcoholic beverages by unlicensed businesses and fulfillment centers.

G. Out of this appropriation, $150,000 the first year from the Electronic Nicotine Delivery Systems Fund, which shall be transferred from the Office of the Attorney General, shall be used for the costs associated with conducting unannounced investigations of retailers in the business of selling liquid nicotine or nicotine vapor products, as defined in § 58.1-1021.01, Code of Virginia, to verify that such retailer is not selling liquid nicotine or nicotine vapor products to persons under 21 years of age.

H. The State Comptroller shall transfer $1,400,000 in unexpended balances at the Department of Taxation, which were previously appropriated from the Electronic Nicotine Delivery Systems Fund, to the Virginia Alcoholic Beverage Control Authority no later than July 15, 2026 to support implementation of Chapter 1021 and Chapter 1044, 2026 Acts of Assembly.

I. Out of this appropriation, $1,737,272 the first year from the Electronic Nicotine Delivery Systems Fund, which shall be transferred from the Office of the Attorney General no later than July 15, 2026, shall be used to support costs associated with implementation of Chapters 1021 and 1044, 2026 Acts of Assembly.

J. Notwithstanding the provisions of § 4-3.02 of this act, the State Comptroller may authorize an interest-free treasury loan of up to $2,000,000, subject to the approval of the Secretary of Finance, for the Alcoholic Beverage Control Authority to fund costs associated with Chapters 1021 and 1044, 2026 Acts of Assembly.

490.	Alcoholic Beverage Merchandising (80100)			$1,107,392,534	$1,107,392,534
	Administrative Services (80101)	$95,232,205	$95,232,205		
	Alcoholic Beverage Control Retail Store Operations (80102)	$147,128,704	$147,128,704		
	Alcoholic Beverage Purchasing, Warehousing and Distribution (80103)	$865,031,625	$865,031,625		
	Fund Sources: Enterprise	$1,107,392,534	$1,107,392,534		

Authority: § 4.1-100 through § 4.1-133, Code of Virginia.

A. Funds appropriated for services related to state lottery operations shall be used solely for lottery ticket purchases and prize payouts.

B. The Alcoholic Beverage Control Board shall open additional stores in locations deemed to have the greatest potential for total increased sales in order to maximize profitability.

C. Notwithstanding § 4.1-120, Code of Virginia, the Alcoholic Beverage Control Board may open certain government stores, as determined by the Board, for the sale of alcoholic beverages on New Year's Day and on Sundays after 10:00 a.m.

D. Consistent with the provisions of Chapters 730 and 38, 2015 Acts of Assembly, members of the Board shall receive annually such salary, compensation, and reimbursement of expenses for the performance of their official duties as set forth in the general appropriation act for members of the House of Delegates when the General Assembly is not in session, except that the Chair of the Board shall receive annually such salary, compensation, and reimbursement of expenses for the performance of his official duties as set forth in the general appropriation act for a member of the Senate of Virginia when the General Assembly is not in session.

E. Notwithstanding subsection A of § 2.2-221, Code of Virginia, the Alcoholic Beverage Control Authority is considered an independent agency of the Commonwealth.

Total for Virginia Alcoholic Beverage Control Authority			**$1,148,604,568**	**$1,147,249,293**
Nongeneral Fund Positions	1,730.00	1,730.00		
Position Level	1,730.00	1,730.00		

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	Fund Sources: Enterprise	$1,147,904,568	$1,146,549,293		
	Federal Trust	$700,000	$700,000		

§ 1-142. VIRGINIA CANNABIS CONTROL AUTHORITY (977)

491.	Cannabis Regulation and Enforcement (30800)			$24,560,421	$22,158,026
	Administrative Services (30801)	$24,560,421	$22,158,026		
	Fund Sources: General	$4,028,024	$0		
	Special	$20,532,397	$22,158,026		

Authority: §§4.1-601 through 4.1-1503, Code of Virginia.

A. Notwithstanding the provisions of § 4-3.02 of this act, the State Comptroller shall authorize an interest-free treasury loan of up to $15,000,000 to fund costs associated with the creation and administration of a retail cannabis market in the Commonwealth, consistent with the provisions of Item 4-14 of this act. The Secretary of Finance may extend the repayment plan for any such interest-free treasury loan for a period of longer than twelve months as needed to support Authority costs associated with the administration and regulation of a retail cannabis market.

B. The Director, Department of Planning and Budget, in consultation with Virginia Department of Agriculture Services and the Cannabis Control Authority, shall administratively transfer general fund amounts appropriated in Item 92, paragraph E, of this act as necessary to support the transfer of employees and any associated operating costs from the Virginia Department of Agriculture and Consumer Services to the Virginia Cannabis Control Authority in accordance with Item 4-14 of this act. In addition, the State Comptroller, in consultation with the Virginia Department of Agriculture Services and the Cannabis Control Authority, shall identify uncommitted nongeneral fund cash balances of up to $3,850,000 that are (i) associated with regulation and enforcement of regulated hemp products sold at retail; and (ii) available for transfer to the Cannabis Control Authority. The Virginia Department of Agriculture and Consumer Services shall transfer such balances by July 1, 2027.

	Total for Virginia Cannabis Control Authority			**$24,560,421**	**$22,158,026**
	General Fund Positions	116.00	116.00		
	Nongeneral Fund Positions	14.00	14.00		
	Position Level	130.00	130.00		
	Fund Sources: General	$4,028,024	$0		
	Special	$20,532,397	$22,158,026		

§ 1-143. OPIOID ABATEMENT AUTHORITY (856)

492.	Financial Assistance for Individual and Family Services (49000)			$80,096,353	$76,033,335
	Financial Assistance to Abate and Remediate the Opioid Epidemic (49020)	$80,096,353	$76,033,335		
	Fund Sources: Special	$80,096,353	$76,033,335		

Authority: Title 2.2-2365 through 2.2-2376

A. The Opioid Abatement Authority shall abate and remediate the opioid epidemic in the Commonwealth through financial support from the Opioid Abatement Fund in accordance with § 2.2-2365 through § 2.2-376, Code of Virginia, in the form of grants, donations, or other assistance, for efforts to treat, prevent, and reduce opioid use disorder and the misuse of opioids in the Commonwealth.

B. To the extent necessary to fund the operations of the Opioid Abatement Authority, the Authority is authorized to request nongeneral fund appropriation increases in accordance with § 4-1.04 of the Appropriation Act.

C. The Opioid Abatement Authority shall include, as an addendum to its annual executive

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summary required pursuant to § 2.2-2373, Code of Virginia, an update on prior fiscal year activity related to the Commonwealth Opioid Abatement and Remediation Fund (the Fund), established pursuant to § 2.2-2377, Code of Virginia. Specifically, the addendum shall include an account of any deposits, designations, and expenditures made, along with corresponding performance measures, and other applicable data and information related to the use of the Fund settlement proceeds by state agencies.

D. Notwithstanding § 2.2-212, Code of Virginia, the Opioid Abatement Authority is an independent agency of the Commonwealth and is not subject to the provisions of that section.

E. In awarding grants to state agencies, the Board of the Opioid Abatement Authority shall ensure that the grant funds are within the scope of the statutory authority of the respective agency to administer such grants. In addition, grant funds shall be considered one-time in nature and shall not create an on-going obligation for the Commonwealth.

F. Out of appropriations provided in this act, $11,909,763 the first year and $9,176,315 the second year from nongeneral funds is for disbursement from the Commonwealth Opioid Abatement and Remediation Fund as follows:

Agency	Purpose	FY 2027	FY 2028
Department of Health (601)	Opioid Reversal Agents and Test Kits	$5,464,145	$5,464,145
Department of Health (601)	Naloxone for Public Schools	$100,000	$100,000
Department of Health Professions (223)	Prescription Monitoring Program	$400,000	$400,000
VA Foundation for Healthy Youth (852)	Marketing Efforts for Opioid Crisis	$500,000	$500,000
Virginia Information Technologies Agency (136)	State Agency Opioid Data	$3,940,503	$2,207,055
Department of Social Services (765)	Addiction Treatment Navigator	$400,000	$400,000
Department of Health (601)	Strategic Plan for Opioid Response Efforts	$105,115	$105,115
Department of Criminal Justice Services (140)	Jail-Based Substance Use Disorder Treatment and Transition Fund	$1,000,000	
Total		**$11,909,763**	**$9,176,315**

493.	Administrative and Support Services (49900)			$3,632,873	$3,675,166
	General Management and Direction (49901)	$3,632,873	$3,675,166		
	Fund Sources: Special	$3,632,873	$3,675,166		
	Total for Opioid Abatement Authority			**$83,729,226**	**$79,708,501**
	Nongeneral Fund Positions	8.00	8.00		
	Position Level	8.00	8.00		
	Fund Sources: Special	$83,729,226	$79,708,501		
	TOTAL FOR INDEPENDENT AGENCIES			**$3,610,356,545**	**$3,463,275,395**
	General Fund Positions	116.00	116.00		
	Nongeneral Fund Positions	3,974.00	3,983.00		
	Position Level	4,090.00	4,099.00		
	Fund Sources: General	$181,619,845	$27,361,821		
	Special	$246,712,228	$243,668,884		
	Enterprise	$2,289,262,205	$2,296,772,378		
	Trust and Agency	$178,673,753	$183,614,976		
	Dedicated Special Revenue	$225,985,082	$223,753,904		

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	Federal Trust.....	$488,103,432	$488,103,432		

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STATE GRANTS TO NONSTATE ENTITIES				
§ 1-144. STATE GRANTS TO NONSTATE ENTITIES-NONSTATE AGENCIES (986)				
494. Financial Assistance for Educational, Cultural, Community, and Artistic Affairs (14300)			$0	$0
Authority: Discretionary Inclusion.				
A. Grants provided for in this Item shall be administered by the Department of Historic Resources. As determined by the department, projects of museums and historic sites, as provided for in § 10.1-2211, 10.1-2212, and 10.1-2213 of the Code of Virginia, shall be administered under the provisions of those sections. Others listed in this Item shall be administered under the provisions of § 4-5.05 of this act.				
B. Prior to the distribution of any funds, the organization or entity shall make application to the department in a format prescribed by the department. The application shall state whether grant funds provided under this item will be used for purposes of operating support or capital outlay and shall include project and spending plans. Unless otherwise specified in this item, the matching share for grants funded from this Item may be cash or in-kind contributions as requested by the nonstate organization in its application for state grant funds, but must be concurrent with the grant period. The department shall use applicable federal guidelines assessing the value and eligibility of in-kind contributions to be used as matching amounts.				
C. The appropriation to those entities in this Item that are marked with an asterisk (*) shall not be subject to the matching requirements of § 4-5.05 of this act.				
D. Grants are hereby made to each of the following organizations and entities subject to the conditions set forth in paragraphs A., B., and C. of this Item:				
Total for State Grants to Nonstate Entities-Nonstate Agencies			**$0**	**$0**
TOTAL FOR STATE GRANTS TO NONSTATE ENTITIES			**$0**	**$0**
TOTAL FOR PART 1: OPERATING EXPENSES			**$102,511,360,895**	**$101,020,354,690**
General Fund Positions	56,320.17	56,400.11		
Nongeneral Fund Positions	76,804.20	77,056.95		
Position Level	133,124.37	133,457.06		
Fund Sources: General	$37,274,094,091	$36,429,999,032		
Special	$2,205,861,443	$2,205,124,430		
Higher Education Operating	$13,616,019,927	$13,894,763,954		
Commonwealth Transportation	$9,718,110,238	$8,612,563,791		
Enterprise	$3,013,603,518	$3,021,113,691		
Internal Service	$2,703,466,322	$2,707,118,410		
Trust and Agency	$3,163,515,982	$2,839,531,738		
Debt Service	$309,921,665	$309,912,040		
Dedicated Special Revenue	$6,630,020,262	$6,169,974,924		
Federal Trust	$23,876,747,447	$24,830,252,680		

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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 specified in the Central Capital Maintenance Reserve project 15776 and § 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 $3,000,000 for a single repair or project, and up to $5,000,000 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 the 9(C) Revenue Bonds and 9(D) Revenue Bonds sections in Part 2 of this act 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 the 9(C) Revenue Bonds and 9(D) Revenue Bonds sections in Part 2 of this act is hereby authorized.

2. The issuance of bonds for any project listed in the 9(C) Revenue Bonds section in Part 2 of this act 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 the 9(C) Revenue Bonds or 9(D) Revenue Bonds sections in Part 2 of this act shall be authorized pursuant to § 23.1-1106, Code of Virginia.

4. In the event that the cost of any capital project listed in the 9(C) Revenue Bonds and 9(D) Revenue Bonds sections in Part 2 of this act 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 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 the 9(C) Revenue Bonds and 9(D) Revenue Bonds sections in part

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2 of this act for such capital project.

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 the 9(C) Revenue Bonds section in Part 2 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 the 9(D) Revenue Bonds section in Part 2 of this act.

8. 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.

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 subparagraph 1.a. of this paragraph. 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.

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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 § 4-4.01 v. and all other 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 § 4-4.01 v. and all other 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 § 4-4.01 v. and all other provisions of this act, the General Assembly authorizes Radford 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.

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

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facility or facilities may be located on property owned by the Commonwealth. All project proposals and approvals shall be in accordance with subparagraph 4.a. of this paragraph. 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 § 4-4.01 v. and all other 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 UMWF 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 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 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 UMWF 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 § 4-4.01 v. and all other 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 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

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a. Subject to § 4-4.01 v. and all other 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.

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 subparagraph 9.a. of this paragraph. 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 College 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 § 4-4.01 v. and all other 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;

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.

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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 unutilized bond authorizations and appropriations between and among the capital pool projects listed in the table below, in order to address any shortfall in authorization or appropriation in one or more of such projects. This transfer includes authorizing the financing in whole or in part through bonds of the Virginia College Building Authority pursuant to § 23.1-1200 et seq., Code of Virginia, or the Virginia Public Building Authority pursuant to § 2.2-2263 et seq., Code of Virginia. Bonds of the Virginia College Building Authority issued to finance these projects may be sold and issued under the 21st Century College Program at the same time with other obligations of the Authority as separate issues, or as a combined issue. The aggregate principal amounts authorized shall not exceed the aggregate remaining authorized but unissued amounts for the capital pool projects listed in the table below plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to and during the acquisition or construction and for one year after completion thereof, and other financing expenses, in accordance with § 23.1-1200 and § 2.2-2263, Code of Virginia, as applicable. The Director, Department of Planning and Budget, shall provide to the Chairmen of the Virginia College Building Authority and the Virginia Public Building Authority the specific projects, as well as the amounts for these projects, to be financed by each authority pursuant to this transfer of unutilized authorization and appropriation. Debt service on the projects contained in this Item shall be provided from appropriations to the Treasury Board.

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; amended by Item C-178.05, Chapter 781, 2009 Acts of Assembly.
17861	Supplements for Previously Authorized Higher Education Capital Projects	Item C-85, Chapter 874, 2010 Acts of Assembly; amended by Item C-85, Chapter 890, 2011 Acts of Assembly.
17862	Energy Conservation	Item C-86, Chapter 890, 2011 Acts of Assembly.
17967	Capital Outlay Project Pool	Item C-38.10, Chapter 3, 2012 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; Item 48.10, Chapter 836, 2017 Acts of Assembly; and Item C-44.10, Chapter 854, 2019 Acts of

		Item Details($)		Appropriations($)	
		First Year FY2027	Second Year FY2028	First Year FY2027	Second Year FY2028
			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 Assembly, Item C-46, Chapter 2, 2018 Acts of Assembly, Special Session I, and Item C-77 of Chapter 1, 2023 Acts of Assembly, Special Session.		
18196	Capital Outlay Renovation Pool		Item C-46.15, Chapter 665, 2015 Acts of Assembly; amended by: Item C-49.20, Chapter 836, 2017 Acts of Assembly; and Item C-46.10, Chapter 854, 2019 Acts of Assembly.		
18300	2016 VPBA 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; and Item C-47 of Chapter 1283, 2020 Acts of Assembly.		
18301	2016 VCBA 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 and Item C-48 of Chapter 1283, 2020 Acts of Assembly.		
17631	Supplant Capital Projects		Item C-52.40, Chapter 836, 2017 Acts of Assembly.		
18371	2018 Capital Construction Pool		Item C-45, Chapter 2, 2018 Acts of Assembly, Special Session I; amended by: Item C-45, Chapter 854, 2019 Acts of Assembly.		
18382	Supplemental funding: Capitol Complex Infrastructure and Security		Item C-51.50, Chapter 2, 2018 Acts of Assembly, Special Session I; amended by: Item C-51.50, 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 Chapter 1, 2023 Acts of Assembly, Special Session I, and C-53.60 of Chapter 2, 2024 Acts of Assembly, Special Session I.		
18494	2020 VCBA Constructions 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; C-78.50 of Chapter 1, 2023 Acts of Assembly, Special Session I, and C-53.70 of Chapter 725, 2025 Acts of Assembly.		
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 Chapter 1, 2022 Acts of Assembly, Special Session I.		
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 Chapter 1, 2023 Acts of Assembly, Special Session I.		

		Item Details($)		Appropriations($)	
		First Year FY2027	Second Year FY2028	First Year FY2027	Second Year FY2028
18587	2022 State Agency Capital Account	Item C-76 of Chapter 1, 2023 Acts of Assembly, Special Session I; amended by Item C-52 of Chapter 725, 2025 Acts of Assembly.			
18717	2024 Public Educational Institution Capital Account	Item C-50 of Chapter 2, 2024 Acts of Assembly, Special Session I.			
18718	2024 State Agency Capital Account	Item C-51 of Chapter 2, 2024 Acts of Assembly, Special Session I.			
18764	2025 State Agency Capital Account	Item C-52.20 of Chapter 725, 2025 Acts of Assembly.			
17954	Central Reserve for Capital Equipment Funding	Item C-27 of this act and as previously authorized.			
18805	2026 Capital Construction Pool	Item C-29 of this act.			

P. Notwithstanding the second and third enactments of Chapter 294, 2023 Acts of Assembly, the tenth enactment of Chapters 759 and 769, 2016 Acts of Assembly, Item C-39.40 of Chapter 806, 2013 Acts of Assembly, § 2-0 P. of Chapter 552, 2021 Acts of Assembly, Special Session I, or any other provision of law, the Six-Year Capital Outlay Plan Advisory Committee shall review the progress of capital construction pools, including those with annual issuance limits, at least four times annually and may do so electronically.

Q. Notwithstanding § 2.2-1518 of the Code of Virginia or any other provision of law, the Commonwealth's capital outlay plan may be amended annually through the submission of a report to the General Assembly by the Six-Year Capital Outlay Plan Advisory Committee. The plan may reflect projects that have been authorized for planning only, in addition to any other obligations for authorized projects that the Six-Year Capital Outlay Plan Advisory Committee deems appropriate which have not yet been funded. Notwithstanding § 2.2-1515 et. seq. of the Code of Virginia, the Six-Year Capital Outlay Plan Advisory Committee is not required to make capital recommendations to the Governor or the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

R. Notwithstanding any other provision of law, any portion of written communications, including emails, or other documentation shared between Six-Year Capital Outlay Plan Advisory Committee (“Advisory Committee") members and their staff, relating to the availability of funding authorized in capital pools, estimated total capital outlay project costs, supplemental capital pool funding, project authorization, and the transfer of appropriation, including bond appropriation and bond proceeds, between and among any capital pool projects as authorized in the Appropriation Act shall be exempt from the provisions of the Virginia Freedom of Information Act § 2.2-3700 et seq. of the Code of Virginia.

S.1. The Department of General Services (DGS) shall coordinate with the Department of Planning and Budget (DPB) to implement recommendations in the October 2025 Capital Maintenance and Construction Report by the Joint Legislative Audit and Review Commission (JLARC). The Department shall submit a progress report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 1 each year, to include recommendations and cost estimates, as appropriate.

EXECUTIVE DEPARTMENT

OFFICE OF ADMINISTRATION

§ 2-1. DEPARTMENT OF GENERAL SERVICES (194)

C-0.10	New Construction: New State Agency Building (18765).....			$35,000,000	$0
	Fund Sources: General.....	$35,000,000	$0		
	A.1. Out of the amounts provided in this item, the Department of General Services is authorized to proceed to working drawings and demolition of the Annex Building.				
	2. Out of the amounts provided in this item, and as a subproject of 194-18765, the Department of General Services shall continue planning through working drawings for a 15,000 square foot standalone childcare facility to serve up to 150 children for state employees located at the seat of government in Richmond.				
C-0.20	Improvements: Renovate and Repair Fort Monroe (18191).....			$12,800,000	$0
	Fund Sources: General.....	$12,800,000	$0		

ITEM C-0.20.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
A.1. There is hereby appropriated $12,800,000 the first year from the general fund for replacement and upgrade of utility infrastructure at Fort Monroe. The Department of General Services shall act as the fiscal agent for the funds allocated to this capital project. The Fort Monroe Authority is authorized to use a portion of the funding to secure the services of a project manager for overseeing and coordinating the on-site efforts involving the various repairs and renovation activities at Fort Monroe. The project manager shall work in consultation and coordination with the Department of General Services.				
2. 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 activity executed under this project.				
C-0.30 Improvements: Improve African Landing Memorial Visitor Amenities and Landscape Action Plan (18813)			$3,000,000	$0
Fund Sources: General	$3,000,000	$0		
A.1.There is hereby appropriated $1,500,000 the first year from the general fund to construct visitor amenities for the African Memorial Landing at Fort Monroe. The Department of General Services (DGS) shall act as the fiscal agent for the funds allocated to this capital project. The Fort Monroe Authority is authorized to use a portion of the funding to secure the services of a project manager for overseeing and coordinating the on-site efforts involving the various repairs and renovation activities at Fort Monroe. The project manager shall work in consultation and coordination with DGS.				
2. There is hereby appropriated $1,500,000 the first year from the general fund for development of the Landscape Action Plan to serve as a management framework for the public spaces at Fort Monroe. The plan shall include, but not be limited to: (i) identification of revenue generation activities from visitation while planning for parking, circulation, amenities, and site furnishings; (ii) management plans for sea level rise, resiliency, and ecological and environmental management; and (iii) vision and direction for the long-term success of Fort Monroe.				
3. 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 activity executed under this project.				
C-0.40 Improvements: State Parking Facilities Maintenance (18812)			$15,000,000	$0
Fund Sources: General	$15,000,000	$0		
C-0.50 Improvements: Demolish Central Virginia Training Center Structures and Remediate Property (18799)			$10,000,000	$0
Fund Sources: General	$10,000,000	$0		
Total for Department of General Services			**$75,800,000**	**$0**
Fund Sources: General	$75,800,000	$0		
TOTAL FOR OFFICE OF ADMINISTRATION			**$75,800,000**	**$0**
Fund Sources: General	$75,800,000	$0		
OFFICE OF EDUCATION				
§ 2-2. CHRISTOPHER NEWPORT UNIVERSITY (242)				
C-1. Improvements: Address Deferred Maintenance (18807)			$10,000,000	$0
Fund Sources: General	$10,000,000	$0		
Total for Christopher Newport University			**$10,000,000**	**$0**
Fund Sources: General	$10,000,000	$0		

ITEM C-1.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	§ 2-3. GEORGE MASON UNIVERSITY (247)				
C-2.	Improvements: Address Deferred Maintenance (18808)			$35,250,000	$0
	Fund Sources: General	$35,250,000	$0		
	Total for George Mason University			**$35,250,000**	**$0**
	Fund Sources: General	$35,250,000	$0		
	§ 2-4. JAMES MADISON UNIVERSITY (216)				
C-3.	Acquisition: Blanket Property Acquisition (17821)			$3,000,000	$0
	Fund Sources: Higher Education Operating	$3,000,000	$0		
C-4.	Improvements: Renovate and expand East Campus Dining Hall (18801)			$14,170,000	$0
	Fund Sources: Higher Education Operating	$14,170,000	$0		
C-5.	New Construction: Construct new parking deck (18802)			$38,260,000	$0
	Fund Sources: Higher Education Operating	$18,260,000	$0		
	Bond Proceeds	$20,000,000	$0		
C-6.	Improvements: Renovate and expand Festival Conference and Student Center (18803)			$28,840,000	$0
	Fund Sources: Bond Proceeds	$28,840,000	$0		
	Total for James Madison University			**$84,270,000**	**$0**
	Fund Sources: Higher Education Operating	$35,430,000	$0		
	Bond Proceeds	$48,840,000	$0		
	§ 2-5. UNIVERSITY OF MARY WASHINGTON (215)				
C-7.	Improvements: Address Deferred Maintenance (18806)			$7,385,714	$0
	Fund Sources: General	$7,385,714	$0		
	Total for University of Mary Washington			**$7,385,714**	**$0**
	Fund Sources: General	$7,385,714	$0		
	§ 2-6. VIRGINIA COMMUNITY COLLEGE SYSTEM (260)				
C-8.	Improvements: Nongeneral Fund Capital Outlay Blanket Authorization (17905)			$12,500,000	$0
	Fund Sources: Higher Education Operating	$12,500,000	$0		
C-9.	Improvements: Improve Life Safety and Security Systemwide, Phase I (18279)			$7,480,000	$0
	Fund Sources: Higher Education Operating	$7,480,000	$0		
C-10.	Improvements: Repair or Replace Major Mechanical Systems, Northern Virginia, New River and Mountain Empire (18280)			$20,400,000	$0
	Fund Sources: Higher Education Operating	$20,400,000	$0		
C-11.	Improvements: Re-roof and Replace HVAC - Multiple Buildings, Statewide (18483)			$6,200,000	$0

ITEM C-11.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Fund Sources: Higher Education Operating	$6,200,000	$0		
C-11.10	New Construction: Career and Technical Education Facility- Rappahannock CC, Glenns Campus (18814)			$2,000,000	$0
	Fund Sources: Special	$2,000,000	$0		
	Out of this item, an amount estimated at $2,000,000 in nongeneral fund appropriation is provided to support a new Career and Technical Education Facility - Rappahannock Community College, Glenns Campus. The institution is hereby authorized to accept and expend any private or grant funds received for this purpose.				
C-11.20	Acquire Property Laurel Ridge Community College Educational Foundation (18815)			$3,500,000	$0
	Fund Sources: Higher Education Operating	$3,500,000	$0		
	The Virginia Community College System is hereby authorized to acquire, by purchase, certain real property and improvements located adjacent to the Laurel Ridge Community College campus, consisting of approximately 4.8 acres of land and including an existing facility and the associated site and adjacent parking area. The acquisition of such real property shall be from the Laurel Ridge Community College Educational Foundation and shall constitute a partial gift to the Commonwealth, whereby the purchase price shall be established at an amount below the appraised fair market value of the property. The consideration paid shall be derived exclusively from nongeneral fund sources available to Laurel Ridge Community College, including auxiliary enterprise reserves and revenues generated from noncredit workforce programs.				
	Total for Virginia Community College System			**$52,080,000**	**$0**
	Fund Sources: Special	$2,000,000	$0		
	Higher Education Operating	$50,080,000	$0		
	§ 2-7. VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY (208)				
C-12.	New Construction: Construct New Business Building (18800)			$94,000,000	$0
	Fund Sources: Higher Education Operating	$56,500,000	$0		
	Bond Proceeds	$37,500,000	$0		
	Total for Virginia Polytechnic Institute and State University			**$94,000,000**	**$0**
	Fund Sources: Higher Education Operating	$56,500,000	$0		
	Bond Proceeds	$37,500,000	$0		
	§ 2-8. JAMESTOWN-YORKTOWN FOUNDATION (425)				
C-12.10	Improvements: Address Deferred Maintenance (18816)			$5,500,000	$0
	Fund Sources: General	$5,500,000	$0		
	Total for Jamestown-Yorktown Foundation			**$5,500,000**	**$0**
	Fund Sources: General	$5,500,000	$0		
	TOTAL FOR OFFICE OF EDUCATION			**$288,485,714**	**$0**
	Fund Sources: General	$58,135,714	$0		
	Special	$2,000,000	$0		
	Higher Education Operating	$142,010,000	$0		
	Bond Proceeds	$86,340,000	$0		

ITEM C-12.10.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
OFFICE OF HEALTH AND HUMAN RESOURCES				
§ 2-9. DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES (720)				
C-13. Improvements: Renovate, repair, and upgrade state-operated facilities (18731)			$33,015,494	$0
Fund Sources: General	$33,015,494	$0		
A. Funds in this Item are provided for upgrades, renovations, and repairs to facilities operated by the Department of Behavioral Health and Developmental Services. The department shall prioritize projects within this funding to maximize the security and safety of facility residents, patients, and staff.				
B. The Director, Department of Planning and Budget, may transfer funds from this Item to previously funded projects related to the maintenance and improvement of facilities operated by the Department of Behavioral Health and Developmental Services, including security upgrades and life safety projects, that are currently managed by the Department of General Services or the Department of Behavioral Health and Developmental Services, as appropriate for the purposes of efficiency in contracting and project management.				
Total for Department of Behavioral Health and Developmental Services			**$33,015,494**	**$0**
Fund Sources: General	$33,015,494	$0		
TOTAL FOR OFFICE OF HEALTH AND HUMAN RESOURCES			**$33,015,494**	**$0**
Fund Sources: General	$33,015,494	$0		
OFFICE OF NATURAL AND HISTORIC RESOURCES				
§ 2-10. DEPARTMENT OF CONSERVATION AND RECREATION (199)				
C-14. Acquisition: Acquisition of land for Natural Area Preserves (18242)			$10,200,000	$0
Fund Sources: Federal Trust	$10,200,000	$0		
C-15. A.1. Upon meeting the contingencies set forth in this paragraph and the written approval from the Secretary of Finance and the Chairs of the House Appropriations and the Senate Finance and Appropriations Committees, the Department of Conservation and Recreation may accept the donation of up to 1,250 acres of real property owned by land preservation organizations in Loudoun County to establish a new state park to be known as Oak Hill State Park. This authorization is contingent upon the following and adherence to the conditions in this Item:				
a. the submission of a comprehensive funding plan developed by the Secretary of Natural and Historic Resources, in consultation with the Departments of Planning and Budget, Conservation and Recreation, Historic Resources, Transportation, and the Virginia Tourism Corporation, to ensure the funding plan accurately reflects the total potential expenditures and revenue for a state park that includes confirmation of $47,000,000 of nongeneral fund resources to fully support the development and operation of the proposed park, including $27,000,000 from Loudoun County, $6,000,000 from federal funds through a Stateside Land and Water Conservation Fund grant, $2,000,000 from the Virginia Land Conservation Foundation, and at least $12,000,000 in philanthropic and private sector support;				
b. the evaluation of the property's condition and cost estimates for any necessary life safety improvements or maintenance reserve projects to maintain and ensure the safety of the property, prior to and during operation as a state park, by the Department of General Services and a risk management review by the Department of the Treasury;				

ITEM C-15.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
c. the review of the property's deed or any other instrument related to the property by the Departments of General Services and Treasury and the Office of the Attorney General;				
d. the performance of an archaeological and historical assessment of the property by the Department of Historic Resources, including cost estimates for necessary repairs to any historic facilities on the property by the Department of General Services.				
2. The Department shall report to the Secretary of Finance and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, on the status of achieving the deliverables no later than September 30, 2026, with a final report of such deliverables submitted no later than December 15, 2026. The deed and any other recording instrument related to the property shall be provided to the Department of General Services, the Office of the Attorney General, the Department of Planning and Budget and the staff of the House Appropriations and Senate Finance and Appropriations Committees.				
3. Upon written approval from the Secretary of Finance and each of the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee, the Director, Department of Planning and Budget, may establish a nongeneral fund appropriation to accept gifts or donations for the support of the property. As a condition of this Item, the conveyance of this property to the Commonwealth shall be without consideration, and all philanthropic and private sector support shall be transferred to the Commonwealth. All expenses, including fees of the Department of General Services and the Office of the Attorney General, necessary to execute this Item, and the conveyance of the property and any necessary easements shall be paid by the land preservation organizations conveying the property to the Commonwealth.				
4. It is the intent of this Item that the conveyance and operation of Oak Hill State Park shall be supported entirely by the nongeneral funds cited in this paragraph and revenues generated from Oak Hill State Park. No general fund appropriation shall be provided to support capital improvements to, or the operations of, Oak Hill State Park. All future costs associated with Oak Hill State Park shall be funded using revenues generated from Oak Hill State Park or funds donated to the state for Oak Hill State Park. Development of the park shall be in accordance with the Department's state park master planning guidelines pursuant to § 10.1-200.1, Code of Virginia.				
C-15.10 Improvements: State Park Deferred Maintenance (18654)			$40,000,000	$0
Fund Sources: General	$40,000,000	$0		
C-15.20 Acquisition: Acquisition of land for State Parks (18236)			$2,000,000	$0
Fund Sources: Special	$2,000,000	$0		
A.1. It is the intent of the General Assembly that any acquisitions by gift, transfer or purchase, be limited to in-holdings or contiguous properties, consistent with the authorization contained in Item 363 and be limited to property within or contiguous to Caledon, Clinch River, Culpeper Battlefields, Fairy Stone, False Cape, Grayson Highlands, Hayfields, High Bridge Trail, Hungry Mother, James River, Kiptopeke, Leesylvania, Machicomoco, Mayo River, Middle Peninsula, Natural Bridge, Natural Tunnel, New River Trail, Sailor's Creek Battlefield, Seven Bends, Shenandoah River, Southwest Virginia Museum, Staunton River, Staunton River Battlefield, Sweet Run, Westmoreland, Widewater, Wilderness Road, and York River state parks.				
2. Notwithstanding the provisions of this paragraph and of Item 363, paragraph E, of this act, the department is authorized to acquire parcels located on Powell Mountain, north of the Town of Duffield, to connect to the Daniel Boone Wilderness Trail Interpretive Center at Natural Tunnel State Park.				
Total for Department of Conservation and Recreation			**$52,200,000**	**$0**
Fund Sources: General	$40,000,000	$0		
Special	$2,000,000	$0		

ITEM C-15.20.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Federal Trust	$10,200,000	$0		
	§ 2-11. DEPARTMENT OF WILDLIFE RESOURCES (403)				
C-16.	Maintenance Reserve (13316)			$1,250,000	$0
	Fund Sources: Dedicated Special Revenue	$1,250,000	$0		
C-17.	Acquisition: Acquire Land and Property (18624)			$5,000,000	$5,000,000
	Fund Sources: Dedicated Special Revenue	$1,250,000	$1,250,000		
	Federal Trust	$3,750,000	$3,750,000		
C-18.	Improvements: Repair and Upgrade Lake Shenandoah Dam (18744)			$3,235,000	$0
	Fund Sources: General	$3,235,000	$0		
	Total for Department of Wildlife Resources			**$9,485,000**	**$5,000,000**
	Fund Sources: General	$3,235,000	$0		
	Dedicated Special Revenue	$2,500,000	$1,250,000		
	Federal Trust	$3,750,000	$3,750,000		
	TOTAL FOR OFFICE OF NATURAL AND HISTORIC RESOURCES			**$61,685,000**	**$5,000,000**
	Fund Sources: General	$43,235,000	$0		
	Special	$2,000,000	$0		
	Dedicated Special Revenue	$2,500,000	$1,250,000		
	Federal Trust	$13,950,000	$3,750,000		
	OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY				
	§ 2-12. DEPARTMENT OF CORRECTIONS (799)				
C-18.10	Improvements: HVAC Improvements and Installations (18781)			$40,000,000	$0
	Fund Sources: General	$40,000,000	$0		
	A. Out of this appropriation, funding shall first be used to conduct necessary improvements at Nottoway Correctional Center to install adequate heating, ventilation, and air conditioning, and the balance shall be used to install heating, ventilation, and air conditioning in other correctional facilities. The Department of Corrections shall submit a plan on the use of this funding including: i) the facilities in which the funds are to be spent; ii) a description of each project; and iii) the total estimated amount for each project to the Six-Year Capital Outlay Plan Advisory Committee by October 15, 2026.				
	Total for Department of Corrections			**$40,000,000**	**$0**
	Fund Sources: General	$40,000,000	$0		
	TOTAL FOR OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY			**$40,000,000**	**$0**
	Fund Sources: General	$40,000,000	$0		
	OFFICE OF TRANSPORTATION				
	§ 2-13. DEPARTMENT OF MOTOR VEHICLES (154)				
C-19.	Maintenance Reserve (15021)			$10,390,900	$3,852,500
	Fund Sources: Commonwealth Transportation	$10,390,900	$3,852,500		

ITEM C-19.10.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
C-19.10	Improvements: Renovate DMV Headquarters (18712)			$0	$0
	The Commissioner of the Department of Motor Vehicles (DMV) shall study and determine the feasibility of renovating the current Department of Motor Vehicles Headquarters located at 2300 West Broad Street in the City of Richmond, as authorized in Item C-34 of Chapter 2, 2024 Acts of Assembly, Special Session I, and amended by Chapter 725, 2025 Acts of Assembly. The study shall evaluate and identify the most cost-beneficial option, including renovation of the existing headquarters or acquisition and renovation of a replacement headquarters building and customer service center. If the most cost-beneficial option for the headquarters building is not suitable to house a customer service center serving the central Richmond area, the study shall identify a suitable alternative option for a customer service center to serve customers in the central Richmond area. DMV may request technical assistance from the Department of General Services. DMV shall report the results of the study to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1, 2026.				
	Total for Department of Motor Vehicles			**$10,390,900**	**$3,852,500**
	Fund Sources: Commonwealth Transportation	$10,390,900	$3,852,500		
	§ 2-14. DEPARTMENT OF TRANSPORTATION (501)				
C-20.	Maintenance Reserve (15732)			$5,000,000	$5,000,000
	Fund Sources: Commonwealth Transportation	$5,000,000	$5,000,000		
C-21.	Improvements: Acquire, Design, Construct and Renovate Agency Facilities (18130)			$37,500,000	$38,500,000
	Fund Sources: Commonwealth Transportation	$37,500,000	$38,500,000		
	Total for Department of Transportation			**$42,500,000**	**$43,500,000**
	Fund Sources: Commonwealth Transportation	$42,500,000	$43,500,000		
	§ 2-15. VIRGINIA PORT AUTHORITY (407)				
C-22.	Improvements: Cargo Handling Facilities (16048)			$37,500,000	$50,000,000
	Fund Sources: Special	$28,500,000	$39,500,000		
	Commonwealth Transportation	$9,000,000	$10,500,000		
C-23.	Improvements: Expand Empty Yard (16643)			$60,600,000	$69,200,000
	Fund Sources: Special	$51,600,000	$58,700,000		
	Commonwealth Transportation	$9,000,000	$10,500,000		
	Total for Virginia Port Authority			**$98,100,000**	**$119,200,000**
	Fund Sources: Special	$80,100,000	$98,200,000		
	Commonwealth Transportation	$18,000,000	$21,000,000		
	TOTAL FOR OFFICE OF TRANSPORTATION			**$150,990,900**	**$166,552,500**
	Fund Sources: Special	$80,100,000	$98,200,000		
	Commonwealth Transportation	$70,890,900	$68,352,500		
	OFFICE OF VETERANS AND DEFENSE AFFAIRS				
	§ 2-16. DEPARTMENT OF MILITARY AFFAIRS (123)				
C-24.	Improve Readiness Centers (18369)			$2,800,000	$0
	Fund Sources: General	$2,800,000	$0		
	Total for Department of Military Affairs			**$2,800,000**	**$0**

ITEM C-24.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
	Fund Sources: General	$2,800,000	$0		

§ 2-17. DEPARTMENT OF VETERANS SERVICES (912)

C-25.	Improvements: Address Maintenance Needs at State Veterans Care Centers (18809)			$2,208,000	$0
	Fund Sources: General	$2,208,000	$0		
C-25.10	Improvements: Improve Dublin Veterans Cemetery (18773)			$150,000	$0
	Fund Sources: Federal Trust	$150,000	$0		
	The scope of project 912-18773, Department of Veterans Services Improvements: Improve Dublin Veterans Cemetery, as previously authorized in Item 45.10 of Chapter 725 of the 2025 Acts of Assembly, is hereby changed to include the construction of additional in-ground cremains gravesites, associated irrigation, site improvements, gravesite amenities, signage and landscaping.				
	Total for Department of Veterans Services			**$2,358,000**	**$0**
	Fund Sources: General	$2,208,000	$0		
	Federal Trust	$150,000	$0		
	TOTAL FOR OFFICE OF VETERANS AND DEFENSE AFFAIRS			**$5,158,000**	**$0**
	Fund Sources: General	$5,008,000	$0		
	Federal Trust	$150,000	$0		

CENTRAL APPROPRIATIONS

§ 2-18. CENTRAL CAPITAL OUTLAY (949)

C-26.	Central Maintenance Reserve (15776)			$260,000,000	$150,000,000
	Fund Sources: General	$260,000,000	$150,000,000		

A. Out of this appropriation, $260,000,000 the first year and $150,000,000 the second year from the general fund is designated for capital costs of the following maintenance reserve projects:

Agency Name/Code	Project Code	FY 2027	FY 2028
Virginia General Assembly	18820	$10,000,000	$0
Department of Military Affairs (123)	10893	$3,377,977	$2,026,786
The Science Museum of Virginia (146)	13634	$1,618,404	$971,042
Department of State Police (156)	10886	$586,173	$351,704
Department of General Services (194)	14260	$17,119,660	$10,271,796
Department of General Services (194) on behalf of the Fort Monroe Authority	18644	$7,081,208	$4,248,725
Department of Conservation and Recreation (199)	16646	$7,661,005	$4,596,603
The Library of Virginia (202)	17423	$250,000	$250,000

ITEM C-26.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
Wilson Workforce and Rehabilitation Center (203)	10885	$723,576		$434,145	
The College of William and Mary (204)	12713	$5,943,693		$3,566,216	
University of Virginia (207)	12704	$18,485,381		$11,091,228	
Virginia Polytechnic Institute and State University (208)	12707	$24,303,045		$14,581,827	
Virginia Military Institute (211)	12732	$1,125,572		$675,343	
Virginia State University (212)	12733	$5,188,875		$3,113,325	
Norfolk State University (213)	12724	$3,655,255		$2,193,153	
Longwood University (214)	12722	$3,600,015		$2,160,009	
University of Mary Washington (215)	12723	$3,935,130		$2,361,078	
James Madison University (216)	12718	$5,949,813		$3,569,888	
Radford University (217)	12731	$2,602,547		$1,561,528	
Virginia School for the Deaf and the Blind (218)	14082	$1,225,211		$735,126	
Old Dominion University (221)	12710	$5,788,173		$3,472,904	
Virginia Commonwealth University (236)	12708	$19,968,045		$11,980,827	
Virginia Museum of Fine Arts (238)	13633	$5,125,982		$2,275,589	
Frontier Culture Museum of Virginia (239)	15045	$250,000		$250,000	
Richard Bland College (241)	12716	$583,992		$350,395	
Christopher Newport University (242)	12719	$2,156,027		$1,293,616	
University of Virginia's College at Wise (246)	12706	$1,670,865		$1,002,519	
George Mason University (247)	12712	$4,779,567		$2,867,740	
Virginia Community College System (260)	12611	$32,135,132		$19,281,079	
Virginia Institute of Marine Science (268)	12331	$979,743		$587,846	
Eastern Virginia Medical School (274)	18190	$2,925,720		$1,755,432	
Department of Agriculture and Consumer Services (301)	12253	$423,628		$254,177	
Department of Energy (409)	13096	$250,000		$250,000	
Department of Forestry (411)	13986	$3,588,551		$2,153,130	
Gunston Hall (417)	12382	$250,000		$250,000	

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Jamestown-Yorktown Foundation (425)	13605	$2,153,752		$1,292,251	
Department for the Blind and Vision Impaired (702)	13942	$357,821		$250,000	
Department of Behavioral Health and Developmental Services (720)	10880	$10,141,432		$6,084,859	
Department of Juvenile Justice (777)	15081	$2,964,871		$1,778,922	
Department of Forensic Science (778)	16320	$407,737		$250,000	
Department of Corrections (799)	10887	$36,656,107		$21,753,003	
Institute for Advanced Learning and Research (885)	18044	$250,000		$250,000	
Department of Veterans Services (912)	17073	$250,000		$250,000	
Roanoke Higher Education Authority (935)	17916	$510,315		$306,189	
Southern Virginia Higher Education Center (937)	18131	$250,000		$250,000	
West Piedmont Higher Education Center (938)	18132	$250,000		$250,000	
Virginia Museum of Natural History (942)	14439	$250,000		$250,000	
Southwest Virginia Higher Education Center (948)	16499	$250,000		$250,000	
Total		**$260,000,000**		**$150,000,000**	

B. Expenditures for amounts appropriated in this Item are subject to conditions defined in §2-0 E. and § 4-4.01 c. of this act.

C.1. In the use of its maintenance reserve appropriation, agencies and institutions shall give first priority to the repair or replacement of roof on buildings under control of the agency. Agencies and institutions may give a secondary priority to maintenance reserve projects which result in guaranteed savings pursuant to § 45.2-1703, Code of Virginia, in order to reduce building operation costs and repay capital investments.

2. Agencies and institutions of higher education may use maintenance reserve funds to finance the following capital costs: to repair or replace damaged or inoperable equipment, components of plant, and utility systems; to correct deficiencies in property and plant required to conform with building and safety codes or those associated with hazardous condition corrections, including asbestos abatement; to correct deficiencies in fire protection, safety and security, energy conservation and handicapped access; and to address such other physical plant deficiencies as the Director, Department of Planning and Budget, may approve. Agencies and institutions of higher education may also use maintenance reserve funds to make other necessary improvements that do not meet the criteria for maintenance reserve funding with the prior approval of the Director, Department of Planning and Budget.

D.1. The Department of General Services is authorized to use the funds from its maintenance reserve allocation and any balances left from prior maintenance reserve

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allocations for necessary repairs and improvements in and around Capitol Square for items such as repair and conservation of the historic fence, repair and improvements to the grounds, upkeep and ongoing repairs to the exterior of the Capitol and Bell Tower, needed safety and security upgrades to public areas in and around Capitol Square and as needed within Department managed buildings in the seat of government, and conservation and maintenance of monuments and statues. The use of and allocation of these funds shall be as deemed appropriate by the Director, Department of General Services.

2. Out of amounts provided in this Item, the Department of General Services is authorized to use an amount estimated at $1,000,000 to (i) assess, upgrade, and increase capabilities of systems associated with the management of Commonwealth capital assets, and (ii) utilize amounts as needed to hire a consultant to audit data utilized in its Maintenance Reserve Facilities Index.

3. Amounts provided in this Item to the Department of General Services may be used as needed, and upon direction of the Clerks of the House and Senate, for renovations to the subbasement of the parking deck at the corner of 9th Street and Broad Street in Richmond for storage. Any such project shall be exempt from restrictions applied to maintenance reserve funds.

4. Out of amounts provided in this Item, the Department of General Services is authorized to purchase furniture for the executive cottage at the State Military Reservation.

E.1. The amount in this Item allocated for the Department of General Services on behalf of the Fort Monroe Authority under project code 18644 is designated for building and utility repairs at Fort Monroe. After determining those buildings and utilities to be repaired, and the priority in which repairs will be undertaken within the available allocation in this Item, the Fort Monroe Authority shall present an annual plan to the Director, Department of Planning and Budget. The Fort Monroe Authority is authorized to use a portion of this funding allocation to secure the services of a project manager for overseeing and coordinating the on-site efforts involving the various repairs at Fort Monroe. The project manager shall work in consultation and coordination with the Department of General Services. The Department of General Services shall act as fiscal agent for the authorized funds.

2. Fort Monroe may use a portion of its annual maintenance reserve allocation for painting projects that encapsulate exterior lead-based paint to prevent the release of lead-based paint into the environment. Fort Monroe may also use a portion of its annual maintenance reserve allocation for the removal of non-historic temporary warehouse buildings and non-historic brick infill and may install storefront glass windows.

F. The Jamestown-Yorktown Foundation may use an amount not to exceed 20 percent of its annual maintenance reserve allocation from this Item for the conservation of art and artifacts. Furthermore, it may utilize its annual maintenance reserve allocation to restore, repair, or renew exhibits.

G. The Virginia Museum of Fine Arts may use an amount not to exceed 20 percent of its annual maintenance reserve allocation from this Item for the conservation of art works owned by the Museum.

H. The Frontier Culture Museum may use an amount not to exceed 20 percent of its annual maintenance reserve allocation from this Item for the conservation of art and artifacts. Furthermore, it may use its maintenance reserve allocation to pave the loop roads, paths, and parking lots, repair and replace restroom facilities, improve public entrance accessibility, improve the grounds at the museum, and restore, repair or renew exhibits.

I. The Science Museum of Virginia may use an amount not to exceed 20 percent of its annual maintenance reserve allocation from this Item to restore, repair or renew exhibits and to improve the grounds at the museum.

J.1. Gunston Hall may use an amount not to exceed 20 percent of its annual maintenance reserve allocation from this Item to restore, repair, or renew exhibits. Furthermore, it may use its maintenance reserve allocation to pave the roads, paths, and parking lots, improve entrance accessibility, and improve the grounds at the museum.

2. Gunston Hall may use an amount not to exceed 20 percent of its annual maintenance

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reserve allocation from this Item for any maintenance project associated with the preservation and care of historic resources, including the National Historic Landmark, Gunston Hall.

K.1. The Department of Corrections may use a portion of its annual maintenance reserve allocation to make modifications to correctional facilities needed to enable the agency to meet the requirements of the federal Prison Rape Elimination Act.

2. The Department of Corrections is authorized to use funds from its maintenance reserve allocation and any balances left from prior maintenance reserve allocations to supplement the Department's Capital Infrastructure Fund. The Department shall separately delineate the spending of maintenance reserve funding in its annual Capital Infrastructure Report as required by Item C-32 A. of Chapter 725, 2025 Acts of Assembly. The Department shall also include the spending of this maintenance reserve funding in the Maintenance Reserve Annual Report required by § 4-4.01 c. of this Act.

L. The amount in this Item allocated to Eastern Virginia Medical School and any balances left from prior maintenance reserve allocations may be transferred to Old Dominion University to ensure the continued operations of the schools and divisions existing as Eastern Virginia Medical School prior to the effective date of Chapters 756 and 778, 2023 Acts of Assembly.

M. The amounts in this Item allocated to the Department of Juvenile Justice shall be used to address facility issues at the Bon Air Juvenile Correctional Center.

N. The amount in this Item allocated for the General Assembly of Virginia is designated to maintain buildings controlled by the General Assembly as approved by the Clerks of the House and Senate. Amounts provided in this Item to the Department of General Services may be used as needed, and upon direction of the Clerks of the House and Senate, to assist with maintenance reserve projects to address HVAC/air quality, occupancy, and security improvements necessary in buildings controlled by the General Assembly. Any maintenance reserve project for a building controlled by the General Assembly shall be exempt from restrictions applied to maintenance reserve funds.

C-27.	Central Reserve for Capital Equipment Funding (17954)			$49,275,000	$0
	Fund Sources: General	$49,275,000	$0		

A. There is hereby appropriated $49,275,000 the first year from the general fund to provide funds for equipment for the following projects for which construction was previously authorized.

Agency Code	Agency Name	Project Title
146	The Science Museum of Virginia	Construct Regional Science Center in Northern Virginia (18428)
212	Virginia State University	Construct Admissions Building (18521)
213	Norfolk State University	Science Building Replacement (18385)
216	James Madison University	Renovate Johnston Hall (18758)
221	Old Dominion University	Construct a New Biology Building (18473)
234	Cooperative Extension and Agricultural Research Services	Renovate Summerseat for Urban Agriculture Center (18545)
236	Virginia Commonwealth University	New Arts and Innovation Building (18500)

ITEM C-28.		Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
C-28.	Planning: Planning Pool for Capital Projects (17968)			$20,203,899	$0
	Fund Sources: General	$7,769,388	$0		
	Higher Education Operating	$10,920,511	$0		
	Dedicated Special Revenue	$1,514,000	$0		

A. Included in the appropriation for this Item is $7,769,388 from the general fund, $1,514,000 from the Central Capital Planning Fund (09650) established under the authority of § 2.2-1520, Code of Virginia, and $10,920,511 from Higher Education Operating Funds the first year to be used for planning of authorized projects. The general funds shall be transferred into the Central Capital Planning Fund (09650).

1. Out of this appropriation, funding is provided from the Central Capital Planning Fund to support the following projects to proceed through detailed planning.

Agency Code	Agency Name	Project Title
194	Department of General Services	Construct New Pharmacy Office and Cold Storage
204	The College of William and Mary in Virginia	Construct Sunken Garden Geothermal Field
268	Virginia Institute of Marine Science	Replace Fisheries Science Research Building (18819)

2. Out of this appropriation, funding is provided from the Central Capital Planning Fund to support the following projects to proceed with planning through working drawings.

Agency Code	Agency Name	Project Title
777	Department of Juvenile Justice	Modernize utility systems at Bon Air Juvenile Correctional Center

3. Out of this appropriation, funding is provided from Higher Education Operating Funds to support the following projects to proceed through detailed planning.

Agency Code	Agency Name	Project Title
204	The College of William and Mary in Virginia	Renovate Sunken Garden District
207	University of Virginia	Construct Engineering Building

B. Included in this appropriation is funding for the University of Mary Washington to conduct a feasibility study regarding the most cost effective long-term solution for remedying building deficiencies and to address modern needs for its Simpson Library building.

C-29.	2026 Capital Construction Pool (18805)			$1,743,492,137	$220,000,000
	Fund Sources: General	$732,857,532	$0		
	Higher Education Operating	$148,385,987	$0		
	Bond Proceeds	$862,248,618	$220,000,000		

A.1. The capital projects in paragraph B. of this Item are hereby authorized and may be financed in whole or in part through bonds of the Virginia College Building Authority pursuant to § 23.1-1200 et seq., Code of Virginia, or the Virginia Public Building Authority pursuant to § 2.2-2260 et seq., Code of Virginia. Bonds of the Virginia College Building Authority issued to finance these projects may be sold and issued under the 21st Century College Program at the same time with other obligations of the Authority as separate issues or as a combined issue. The aggregate principal amounts shall not exceed $1,056,148,618 plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to and during the acquisition or construction and for one year after completion thereof, and other

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financing expenses, in accordance with § 2.2-2263, Code of Virginia.

2. From the list of projects included in paragraph B. of this Item, the Director, Department of Planning and Budget, shall provide to the Chairmen of the Virginia College Building Authority and the Virginia Public Building Authority the specific projects, as well as the amounts for these projects, to be financed by each authority within the dollar limit established by this authorization.

3. Debt service on the projects contained in this Item shall be provided from appropriations to the Treasury Board.

B. There is hereby appropriated $732,857,532 the first year from the general fund, $836,148,618 the first year and $220,000,000 the second year from bond proceeds of the Virginia Public Building Authority or the Virginia College Building Authority, and $174,485,987 the first year from nongeneral funds for the construction, acquisition, and other capital costs of the following projects subject to the pool process delineated in § 2.2-1515 et. seq., Code of Virginia. Nongeneral fund amounts include $26,100,000 authorized from bonds pursuant to Article X, Section 9(d), Constitution of Virginia, as specified in Item C-38 of this Act.

Agency Code	Agency Title	Project Title
194	Department of General Services	Commonwealth Courts Building (18537)
207	University of Virginia	Construct Center for the Arts (18602)
208	Virginia Polytechnic Institute and State University	Expand Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute (18682)
208	Virginia Polytechnic Institute and State University	Renovate Derring Hall (18674)
212	Virginia State University	Renovate Virginia Hall (18757)
214	Longwood University	Replace Roof, Windows, and External Doors at Lankford Hall
214	Longwood University	Replace and Renovate Building Systems in Coyner Hall (18817)
216	James Madison University	Renovate Johnston Hall (18758)
216	James Madison University	Expand College of Health and Behavioral Studies Building (18739)
218	Virginia School for the Deaf and the Blind	Upgrade Mass Communication System
221	Old Dominion University	Construct Engineering and Arts Building (18741)
236	Virginia Commonwealth University	Acquire Altria Building
236	Virginia Commonwealth University	Construct New School of Dentistry (18676)
246	University of Virginia's College at Wise	Renovate Darden Hall (18760)
260	Virginia Community College System	Renovate Amherst/Campbell Hall, Central Virginia (18343)
268	Virginia Institute of Marine Science	Construct Marine Operations Administration Complex

ITEM C-29.			Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
			(18746)			
	777	Department of Juvenile Justice	Replace Emergency Back-up Generator at Bon Air Juvenile Correctional Center Cottages			
	885	Institute for Advanced Learning and Research	Expand Center for Manufacturing Advancement (18705)			
	935	Roanoke Higher Education Authority	Replace Windows (18818)			

C. The Department of General Services shall serve as the project manager responsible for overseeing and coordinating the project to Renovate Virginia Hall (18757) with Virginia State University.

D. To execute the project titled "Acquire Altria Building," Virginia Commonwealth University (VCU) shall remit lease payments above the actual operating costs of the building to the general fund or shall reduce the general fund portion of the purchase price equal to the amount of such excess lease payments while VCU leases space in the building to Altria or any other entity not related to Virginia Commonwealth University or the Virginia Commonwealth University Health System Authority.

E. The Indigent Defense Commission (the Commission), in collaboration with the Department of General Services, may undergo a review of its current leasing arrangements to determine (i) the cost efficiency of current lease agreements with respect to comparable space within respective real estate markets; (ii) the potential for long-term savings and efficiencies by co-locating with other public entities; and (iii) consideration of any cost benefits to purchasing purpose-use properties for use by the Commission.

F. The Director, Department of Planning and Budget, shall transfer to this item the full balance of Virginia Public Building Authority bond authorization and appropriation in an amount estimated at $9,761,906 from the Department of General Services' project Monroe Building Critical Systems Replacements (194-18368), first authorized in Item C-1 Chapter 2, 2018 Acts of Assembly, Special Session I, in order to fund projects listed herein.

G. The Director, Department of Planning and Budget, shall transfer to this item Virginia Public Building Authority bond authorization and appropriation and/or general fund appropriation in an amount estimated at $7,500,000 from the Department of Forensic Science's project 778-18167, Expand and Renovate Current or Construct New Central Forensic Laboratory and Office of the Chief Medical Examiner, first authorized in Item C-44 Chapter 3, 2014 Acts of Assembly, Special Session I, in order to fund projects listed herein.

H. The scope of the Department of General Services (DGS) project for the Commonwealth Courts Building (194-18537), as previously authorized in Item C-1.30, Chapter 552, 2021 Acts of Assembly, Special Session I, and amended in Item C-2, Chapter 1, 2023 Acts of Assembly, Special Session I, and in Item C-2 of Chapter 725 of the 2025 Acts of Assembly, is hereby revised to include improvements and safety and security enhancements to be constructed or installed within the sidewalk areas lying within the northern portion of the right-of-way of East Main Street (between North 9th Street and North 10th Street), within the eastern portion of North 9th Street (between East Main Street and Bank Street), which rights-of-way are owned by the City of Richmond (City), and more specifically as determined by the DGS project team and in collaboration with the City with respect to such rights-of-way. Accordingly, the City and DGS shall enter into a deed of easement or other proper instruments, in such form approved by the Offices of the City Attorney and of the Commonwealth Office of the Attorney General, whereby the City, without charge to the Commonwealth, shall grant to DGS, as agent of the Commonwealth, where mutually agreeable across, over, under, and above the referenced right-of-way of East Main Street and North 9th Street, (a) the perpetual and irrevocable right, privilege and easement to construct, install, use, operate, inspect, maintain, repair, replace, rebuild, improve, alter and remove (i) any construction or installation contracted for by DGS either as part of the referenced construction projects or at any time with respect to safety and security enhancements around the perimeter of Capitol Square deemed appropriate by DGS, and (ii) all equipment, accessories, utilities and appurtenances necessary to support such construction projects and

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such incorporation of safety and security enhancements, (b) the perpetual and irrevocable right, privilege and easement to inspect, maintain, repair, replace and rebuild the sidewalks and elements thereof (but not traffic control devices and signage or street lighting located thereupon) of the referenced right-of-way of East Main Street and North 9th Street, and (c) any necessary or appropriate temporary construction easements, upon terms approved by the Mayor of Richmond and the Governor, pursuant to § 2.2-1149, Code of Virginia; approval by Richmond City Council shall not be required. 2. The City, without expending City funds, shall cooperate with DGS (i) to support the referenced construction project work and incorporation of safety and security enhancements at and along East Main Street and North 9th Street, (ii) to relocate any utilities located in the agreed upon easement area, if necessary, and (iii) to coordinate any closure or other traffic flow controls of East Main Street and North 9th Street during the performance of the construction projects and the incorporation of any safety and security features that will enhance safety and security around the perimeter of Capitol Square. At no time shall DGS make any permanent changes to the East Main Street or North 9th Street rights-of-way without the prior approval of the Chief Administrative Officer of the City or the City hinder or delay construction of the referenced construction projects. Notwithstanding the foregoing, DGS may commence the construction project work and safety and security enhancements within the referenced right-of-way of East Main Street and North 9th Street prior to the execution of a deed of easement or other proper instruments, if deemed necessary by DGS to avoid delay in the implementation of the construction project work or safety and security enhancements.

C-30. 2022 Capital Supplement Pool (18646)..... $0 $0

A. Funding remaining from Item C-69.60 of Chapter 1, 2022 Acts of Assembly, Special Session I, C-79.50 of Chapter 1, 2023 Acts of Assembly, Special Session I, and C-49 of Chapter 725, 2025 Acts of Assembly, may be transferred and used for the purposes described in paragraph B. of this Item, pursuant to the approval process and requirements in paragraph C. of this Item.

B.1. Notwithstanding § 2.2-1519 E.1., Code of Virginia., funding may be used to address shortfalls for capital projects that (i) were previously authorized for construction in a central construction pool subject to the process delineated in § 2.2-1515 et. seq., Code of Virginia; and (ii) have satisfied the requirements of § 2.2-1519 C. and E.2., Code of Virginia.

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

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

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

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

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

4. After receiving funds pursuant to paragraphs B.1. or B.2. of this Item, projects shall

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	comply with the provisions of paragraph K. of § 2.0 of this act.				
C-31.	New Construction: 2018 Capital Construction Pool (18371).....			$0	$0
	A. The scope and title of the Department of State Police project to Acquire, Renovate or Construct Area 13 Barracks (156-18393), as previously authorized in Item C-45 of Chapter 2 of the 2018 Acts of Assembly, Special Session I, and amended in Item C-72.70 of Chapter 552 of the 2021 Acts of Assembly, Special Session I, is hereby changed to Acquire, Renovate or Construct Area 13 Office. Additionally, the Department of State Police shall, using existing project funding, study the agency's office needs and determine the most cost-effective method to achieve the project's goal. The methods to study include construction, acquisition, renovation, lease, and lease-to-own.				
C-32.	2020 VPBA Capital Construction Pool (18493).....			$0	$0
	A. From the amount authorized in the original Funding Report for the project “Construct Addition to Current State Records Center Building & Repurpose Workspace in Facility” (194-18515) originally authorized in Item C-67, Chapter 1289, 2020 Acts of Assembly, items including art collections and book trays may be relocated to the newly constructed State Records Center expansion wing.				
C-33.	2022 State Agency Capital Account (18587).....			$0	$0
	A. The scope and title of the Department of State Police project to Construct Area 5 Office in Fredericksburg (156-18658), as previously authorized in Item C-76 of Chapter 2 of the 2022 Acts of Assembly, Special Session I, is hereby changed to Acquire, Renovate, or Construct Area 5 Office. Additionally, the Department of State Police shall, using existing project funding, study the agency's office needs and determine the most cost-effective method to achieve the project's goal. The methods to study include construction, acquisition, renovation, lease, and lease-to-own.				
	B. The scope and title of the Department of State Police project to Construct Area 11 Office in Manassas (156-18659), as previously authorized in Item C-76 of Chapter 2 of the 2022 Acts of Assembly, Special Session I, is hereby changed to Acquire, Renovate, or Construct Area 11 Office. Additionally, the Department of State Police shall, using existing project funding, study the agency's office needs and determine the most cost-effective method to achieve the project's goal. The methods to study include construction, acquisition, renovation, lease, and lease-to-own.				
C-33.50	- 2024 State Agency Capital Account (18718)			$0	$0
	The Jamestown-Yorktown Foundation project to Replace Roofs at Jamestown Settlement and Emerson Central Support Complex (425-18749), as previously authorized in C-51 of Chapter 2, 2024 Acts of Assembly, Special Session I, shall be considered a standalone umbrella project and shall no longer be subject to the pool process. Any funds originally assumed for this project in Central Capital Outlay shall be transferred to the project and used to complete roof replacements across the Jamestown Settlement Museum campus and the Emerson Central Support Complex, including living-history structures, to the extent that funding is available.				
C-34.	2025 State Agency Capital Account (18764).....			$0	$0
	The scope of the Department of State Police project to Acquire Division Six Headquarters (156-18326), as previously authorized in the fourth enactment clause of Chapters 759 and 769 of the 2016 Acts of Assembly, amended in Item C-66 of Chapter 552 of the 2021 Acts of Assembly, Special Session I, and amended in Item C-52.20 of Chapter 725 of the 2025 Acts of Assembly, is hereby revised to allow for improvements to any facility that the Department acquires under this project consistent with the amounts budgeted for this project.				
C-35.	Improvements: Workforce Development Projects (18418).....			$12,020,120	$0
	Fund Sources: General.....	$12,020,120	$0		
	Included in this Item is $12,020,120 the first year from the general fund, which shall be				

ITEM C-35.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
allocated in accordance with signed Memorandums of Understanding under the provisions established in § 23.1-1239 through § 23.1-1243, Code of Virginia, and shall be used to support the efforts of qualified institutions to increase by fiscal year 2039 the number of new eligible degrees by at least 25,000 more degrees than the number of such degrees awarded in 2018 and to improve the readiness of graduates to be employed in technology-related fields and fields that align with traded-sector growth opportunities identified by the Virginia Economic Development Partnership.				
C-36. Authorization of Leases and Financed Purchase Agreements (18715).....			$0	$0
A. The Department of General Services is authorized to enter into long-term leases requiring capital approval pursuant to the guidelines authorized in § 4-3.03 a. of this Act as follows:				
1. On behalf of the Department of Motor Vehicles, to address lease space needs for a customer service center to replace or renew the lease for the existing facility in Arlington County, Fairfax County, Fauquier County, Shenandoah County, Warren County, and the City of Petersburg.				
2. On behalf of the Department of Motor Vehicles, to address customer service needs in the City of Chesapeake by leasing space for an additional customer service center.				
3. On behalf of the Department of Corrections, to address space needs for probation and parole offices in Alexandria, Arlington, Bristol, Charlottesville, Chesapeake, Chesterfield, Danville, Farmville, the City of Franklin, Fredericksburg, Gloucester, Henrico, Leesburg, Lynchburg, Newport News, Petersburg, Prince George/Hopewell, Roanoke, South Boston, Staunton, Tazewell, and Winchester.				
4. On behalf of the Department of Health, to address lease space needs for local health departments, WIC offices, and other agency functions in Alexandria, Chesterfield, Colonial Heights, Hampton, Louisa, Newport News, Norfolk, Petersburg, the Rockbridge-Buena Vista-Lexington area, Virginia Beach, and Waynesboro.				
C-37. Transfer Appropriation between Capital Projects and Adjust Authorizations (18716).....			$0	$0
A.1. The Director, Department of Planning and Budget, shall transfer a total of $446,435 unutilized Virginia College Building Authority (VCBA) bond authorization and appropriation and a total of $1,808.08 unutilized general fund appropriation from the projects as identified in the subsections below and in the amounts shown to the 2020 VCBA Capital Construction Pool project 18494, as authorized in Item C-68, Chapter 1289, 2020 Acts of Assembly, and amended in Item C-68, Chapter 552, 2021 Acts of Assembly, Special Session I, and Item C-53.70, Chapter 725, 2025 Acts of Assembly.				
2. Southwest Virginia Higher Education Center “Maintenance Reserve” project 948-16499, as allocated from Central Maintenance Reserve project 949-15776, in the amount of $446,435 in VCBA appropriation.				
3. Jamestown-Yorktown Foundation “Upgrade Security System” project 425-18611, as authorized in C-30 of Chapter 2 of the 2022 Acts of Assembly, Special Session I, in the amount of $1,808.08 in general fund appropriation.				
B.1. The Director, Department of Planning and Budget, shall transfer a total of $389,793.98 unutilized Virginia Public Building Authority (VPBA) bond authorization from the projects as identified in the subsections below and in the amounts shown to the 2020 VPBA Capital Construction Pool project 18493, as authorized in Item C-67 of Chapter 1289 of the 2020 Acts of Assembly, and amended in Item C-78 of Chapter 2 of the 2022 Acts of Assembly, Special Session I.				
2. Department of General Services “Perform waterproofing repairs for Capitol Visitor's Center" project 194-18527, as authorized in C-1.10 of Chapter 552 of the 2021 Acts of Assembly, Special Session I, in the amount of $277,704.66 in VPBA appropriation.				
3. Department of State Police “Refresh Commonwealth Link to Interoperable				

ITEM C-37.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028

Communications (COMLINC) system" project 156-18415, as authorized in C-34.20 of Chapter 854 of the 2019 Acts of Assembly, in the amount of $112,089.32 in VPBA appropriation.

C. Authority for the Department of Conservation and Recreation “Construct Cabins, Breaks Interstate Park” project 199-18439, as authorized in C-48.10 of Chapter 854 of the 2019 Acts of Assembly, is hereby rescinded.

D. Authority for the Virginia Economic Development Partnership and the Commonwealth Center for Advanced Manufacturing “Advanced Manufacturing Apprentice Academy Center and Regional Centers of Excellence" project, as authorized in C-46.10 of Chapter 665 of the 2015 Acts of Assembly and amended in C-50 of Chapter 1 of the 2018 Acts of Assembly, Special Session I, is hereby rescinded. Unutilized bond authorization in the amount of $12,500,000 for this project shall be transferred to the 2020 VPBA Capital Construction Pool project 18493, as authorized in Item C-67 of Chapter 1289 of the 2020 Acts of Assembly, and amended in Item C-78 of Chapter 2 of the 2022 Acts of Assembly, Special Session I.

E. The Director, Department of Planning and Budget may transfer balances from the Department of General Services "Construct Addition to Current State Records Center Building & Repurpose Workspace in Facility" project 194-18515 to the Department of General Services "Replace Central State Hospital" project 194-18438.

Total for Central Capital Outlay			**$2,084,991,156**	**$370,000,000**
Fund Sources: General	$1,061,922,040	$150,000,000		
Higher Education Operating	$159,306,498	$0		
Dedicated Special Revenue	$1,514,000	$0		
Bond Proceeds	$862,248,618	$220,000,000		

§ 2-19. 9(D) REVENUE BONDS (951)

C-38. 1. This Item authorizes the capital projects listed below to be financed pursuant to Article X, Section 9(d), Constitution of Virginia.

2. The appropriations for said capital projects are contained in the appropriation Items listed below and are subject to the conditions in § 2-0 F. of this act.

3. The total amount listed in this Item includes $112,440,000 in bond proceeds.

Agency Name/ Project Title	Item	Project Code	Section 9(d) Bonds
James Madison University (216)			
Construct new parking deck	C-5	18802	$20,000,000
Renovate and expand Festival Conference and Student Center	C-6	18803	$28,840,000
Virginia Polytechnic Institute and State University (208)			
Expand Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute	C-29	18682	$26,100,000
Construct New Business Building	C-12	18800	$37,500,000
Total for Nongeneral			**$112,440,000**

ITEM C-38.	Item Details($) First Year FY2027	Item Details($) Second Year FY2028	Appropriations($) First Year FY2027	Appropriations($) Second Year FY2028
Fund Obligation Bonds 9(d)				
Total for 9(D) Revenue Bonds			**$0**	**$0**
TOTAL FOR CENTRAL APPROPRIATIONS			**$2,084,991,156**	**$370,000,000**
Fund Sources: General	$1,061,922,040	$150,000,000		
Higher Education Operating	$159,306,498	$0		
Dedicated Special Revenue	$1,514,000	$0		
Bond Proceeds	$862,248,618	$220,000,000		
TOTAL FOR EXECUTIVE DEPARTMENT			**$2,740,126,264**	**$541,552,500**
Fund Sources: General	$1,317,116,248	$150,000,000		
Special	$84,100,000	$98,200,000		
Higher Education Operating	$301,316,498	$0		
Commonwealth Transportation	$70,890,900	$68,352,500		
Dedicated Special Revenue	$4,014,000	$1,250,000		
Federal Trust	$14,100,000	$3,750,000		
Bond Proceeds	$948,588,618	$220,000,000		
INDEPENDENT AGENCIES				
§ 2-20. STATE CORPORATION COMMISSION (171)				
C-39. Improvements: Tyler Building Renovation Project (18454)			$0	$94,000,000
Fund Sources: Special	$0	$94,000,000		
A. Notwithstanding any provision of law to the contrary, the State Corporation Commission (SCC) may allocate its nongeneral fund balances to fund its capital project as initiated in Item C-79, Chapter 552, 2021 Acts of Assembly, Special Session I. Commonwealth bond financing shall not be authorized to fund any of the project's capital costs. The amounts provided in this Item are in addition to the SCC nongeneral fund appropriation in Chapter 522, 2021 Acts of Assembly, Special Session I. The scope of the project includes the renovation of the Tyler Building and leasing swing space for the SCC during the renovation.				
B. The SCC shall not increase operational funding rates for any of its regulatory divisions nor the Health Benefit Exchange to generate fund balances for the purposes of this appropriation.				
Total for State Corporation Commission			**$0**	**$94,000,000**
Fund Sources: Special	$0	$94,000,000		
TOTAL FOR INDEPENDENT AGENCIES			**$0**	**$94,000,000**
Fund Sources: Special	$0	$94,000,000		
TOTAL FOR PART 2: CAPITAL PROJECT EXPENSES			**$2,740,126,264**	**$635,552,500**
Fund Sources: General	$1,317,116,248	$150,000,000		
Special	$84,100,000	$192,200,000		
Higher Education Operating	$301,316,498	$0		
Commonwealth Transportation	$70,890,900	$68,352,500		
Dedicated Special Revenue	$4,014,000	$1,250,000		
Federal Trust	$14,100,000	$3,750,000		
Bond Proceeds	$948,588,618	$220,000,000		

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 2027	FY 2028
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 $146,300,000 the first year and $133,300,000 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 $6,220,116 the first year and $6,220,116 the second year.

E. The State Comptroller shall transfer to the general fund from the Commonwealth Transportation 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 $2,916,422 the first year and $2,916,422 the second year.

F.1. On or before June 30 of each year, the State Comptroller shall transfer $7,845,278 the first year and $7,845,278 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 2027	FY 2028
Administration of Health Insurance (149)	0500	$790,016	$790,016
Tobacco Region Revitalization Commission (851)	0900	$15,399	$15,399
New College Institute (938)	0200	$123	$123
Southwest Virginia Higher Education Center (948)	0200	$7,975	$7,975
The Science Museum of Virginia (146)	0200	$115,363	$115,363
Virginia Museum of Fine Arts (238)	0200	$23,089	$23,089

Virginia Museum of Fine Arts (238)	0500	$30,379	$30,379
Board of Accountancy (226)	0900	$12,590	$12,590
Department of Health (601)	0900	$101,786	$101,786
Grants to Localities (790)	0900	$70,022	$70,022
Virginia Foundation for Healthy Youth (852)	0900	$24,554	$24,554
Opioid Abatement Authority (856)	0200	$36,504	$36,504
State Corporation Commission (171)	0900	$241,277	$241,277
Commonwealth Savers Plan (174)	0500	$328,839	$328,839
Virginia Lottery (172)	0900	$138,838	$138,838
Supreme Court (111)	0900	$277,619	$277,619
Department of Conservation and Recreation (199)	0900	$695,960	$695,960
Department of Wildlife Resources (403)	0900	$177,240	$177,240
Department of Criminal Justice Services (140)	0200	$32,137	$32,137
Department of Emergency Management (127)	0200	$1,145	$1,145
Department of Emergency Management (127)	0900	$46,862	$46,862
Department of Fire Programs (960)	0200	$102,961	$102,961
Department of Aviation (841)	0400	$109,668	$109,668
Department of Motor Vehicles (154)	0400	$2,845,180	$2,845,180
Department of Rail and Public Transportation (505)	0400	$832,479	$832,479
Motor Vehicle Dealer Board (506)	0200	$28,701	$28,701

Virginia Port Authority (407)	0200	$476,752	$476,752
Virginia Port Authority (407)	0400	$275,297	$275,297
Department of Military Affairs (123)	0900	$6,523	$6,523
		$7,845,278	**$7,845,278**

2. Following the transfers authorized in paragraph F.1. of this section, 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 $887,725,168 the first year and $877,725,168 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 $887,725,168 the first year and $877,725,168 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. 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.

2.a. 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.

b. If a transfer is required pursuant to this subparagraph and the Revenue Stabilization Fund is not in excess of the limitation set by Article X, Section 8, of the Constitution of Virginia, the State Comptroller shall first transfer funds from the Revenue Reserve Fund until the requirement of §§ 2.2-1829 and 2.2-1831.3, Code of Virginia, are met.

3. Any transfer pursuant to subparagraph 1. or 2.a. to the general fund shall be reserved by the Comptroller in the Committed Fund Balance of the general fund at year end.

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 09033) 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 $13,791,948 the first year and $13,378,296 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 Marine Resources Commission $4,000,000 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 §§ 28.2-108.1 and 28.2-108.2.

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. Notwithstanding the provisions of §§ 2.2-1150 or 2.2-1156, Code of Virginia or any other provisions of law, the Department of Corrections is authorized to sell the parcel of land consisting of 54.33 acres, more or less, bearing Brunswick County Tax Map No. 53-1B, where the Department of Corrections formerly operated the Brunswick Correctional Center, to Brunswick County for $200,000. The sale price of this property, as directed by this item, shall not be factored into any subsequent valuation of the property. This conveyance shall be made by a quitclaim deed and in a form approved by the Attorney General. Notwithstanding the provisions

of § 2.2-1156 or any other provision of law, after satisfying subsection G of Item 267 and subsection c of § 4-5.08 of this Act, the proceeds from the sale of this property shall be deposited in the general fund of the state treasury.

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 333, 394, and 416 of this act, for the purposes enumerated in Section 17.1-275.12.

W. On or before June 30, 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, 2026, or June 30, 2027, 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 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.

BB. 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.

CC. 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.

DD. 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).

EE. On or before June 30 of each fiscal year, the State Comptroller shall transfer to the general fund the portion of the balance of the Disaster Recovery Fund (Fund 02460) at the Virginia Department of Emergency Management that was received as a federal cost recovery. The amount transferred represents 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.

FF. 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.

GG. The transfer of excess amounts in the Regulatory, Consumer Advocacy, Litigation, and Enforcement Revolving Trust Fund to the general fund pursuant to Item 52 of this act is estimated at $4,616,585 the first year and $500,000 the second year.

HH. 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.

II. The Culpeper Correctional Center operated by the Department of Corrections shall be sold. Notwithstanding the provisions of § 2.2-1156, Code of Virginia or any other provisions of law, the proceeds of the sale of the Culpeper Correctional Center shall be paid into the general fund.

JJ. On or before June 30, the State Comptroller shall transfer an estimated $34,545,715 the first year and $34,545,715 the second year to the general fund from the State Racing Operations Fund (02280) at the Virginia Racing Commission (405) in

accordance with the provisions in Item 99 of this act and § 59.1-392.

KK.1. Notwithstanding the provisions in § 2.2-1156, Code of Virginia, the Department of Behavioral Health and Developmental Services is authorized to convey to the Petersburg Battlefields Foundation approximately three acres of real property together with any improvements thereon a portion of the campus of Central State Hospital, Dinwiddie County Tax Map Parcel Number 10-7, containing the site known as Fort Whitworth, as identified by the department. This conveyance shall be for no consideration and upon terms satisfactory to the Department of Behavioral Health and Developmental Services. The Department of Behavioral Health and Developmental Services is also authorized to convey any necessary easements, including without limitation any necessary access easements, to the Petersburg Battlefields Foundation, for no consideration and upon terms satisfactory to the department.

2. The Petersburg Battlefields Foundation will be responsible for all expenses, including fees of the Department of General Services and the Office of the Attorney General, related to the subdivision and the conveyance of the Property and any necessary easements.

3. The conveyance of the property and the conveyance of any necessary easements are subject to (i) the review and prior written recommendation of the Department of General Services to the Governor; (ii) the approval as to form by the Attorney General of the conveyance deed and any necessary deeds of easement; and (iii) the written approval of the Governor.

LL. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, or any other provisions of law, proceeds from the sale of state property bearing the Augusta Correctional Center in Craigsville shall, after satisfying subsection G of Item 267 and subsection c of § 4-5.08 of this Act, the proceeds from the sale of this property shall be deposited in the general fund of the state treasury.

MM. Notwithstanding the provisions of § 2.2-1156 or any other provision of law, the Department of General Services shall sell the James Monroe Building and, after satisfying subsection G of Item 267 and subsection c of § 4-5.08 of this Act, the proceeds from the sale of this property shall be deposited in the general fund of the state treasury.

NN. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, or any other provisions of law, proceeds from the sale of state property at the corner of 7th and Main Streets in the City of Richmond shall, after satisfying subsection G of Item 267 and subsection c of § 4-5.08 of this Act, be deposited into the general fund as directed in Item C-3.50, Chapter 725, 2025 Acts of Assembly.

OO. Notwithstanding the provisions of § 2.2-1156 or any other provision of law, the Department of General Services (DGS) shall sell the Department of Forensic (DFS) Laboratory at 700 North 5th Street, Richmond, VA 23219. DGS shall sell the building once DFS notifies DGS that it no longer has an operational need for the facility after occupying the new central laboratory facility in Hanover. Notwithstanding the provisions of § 2.2-1156 or any other provision of law, after satisfying subsection G of Item 267 and subsection c of § 4-5.08 of this Act, the proceeds from the sale of this property shall be deposited in the general fund of the state treasury.

PP. Notwithstanding § 22.1-349.2 of the Code of Virginia, on or before June 30, the State Comptroller shall transfer an estimated $10,670,000 the first year to the general fund from the College Partnership Laboratory School Fund (09063). The Comptroller shall transfer any additional interest accrued to the Fund in the first year.

QQ. Notwithstanding any other provision of law, on or before June 30, 2027, $10,000,000 from the unobligated balances of fund 09035 shall be transferred to the general fund.

RR. On or before July 15, 2026, the State Comptroller shall transfer to the general fund $5,000,000 from fund 09074 contained in the State Council of Higher Education for Virginia's Higher Education Academic, Fiscal, and Facility Planning and Coordination Program (11100).

SS. The Comptroller shall establish a Cannabis Control Authority Enterprise Fund in accordance with the provisions of Item 4-14 of this Act. Transfers of net profits from the Cannabis Control Authority 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. Net profits are estimated at $16,100,000 the second year.

TT. On or before June 30, the State Comptroller shall transfer an estimated $1,839,993 the first year to the general fund from the Property Analytics Firm Infrastructure Grant Fund (02014). The Comptroller shall transfer any additional interest accrued to the Fund in the first year.

UU. On or before July 15 the first year, the State Comptroller shall transfer an estimated $80,775,153 to the general fund from the Virginia Business Ready Sites Acquisition Fund (Fund 09124). The Comptroller shall transfer any additional interest accrued to the Fund in the first year.

VV. On or before June 30, the State Comptroller shall transfer an estimated $99,500,000 the first year to the general fund from the 2025 Income Tax Rebate Fund (09671). The Comptroller shall transfer any additional interest accrued to the Fund in the first year.

The Virginia Department of Transportation shall transfer, from motor fuel tax revenues, $550,000 the first year and $550,000 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 Commonwealth Transportation 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 Commonwealth Transportation 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 Commonwealth Transportation 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 Commonwealth Transportation 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 Commonwealth Transportation Fund.

§ 3-2.00 WORKING CAPITAL FUNDS AND LINES OF CREDIT

§ 3-2.01 ADVANCES TO WORKING CAPITAL FUNDS

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.

§ 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	$500,000

Processing	
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
Virginia Employment Commission	$30,000,000
Department of General Services, for Federal Grant Processing	$2,000,000

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 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.

h. The Virginia Employment Commission may use the line of credit authorized in paragraph a. with approval from the Secretary of Labor, in consultation with the Secretary of Finance, for operational costs of the administration of Unemployment Compensation programs in times of significant increases in unemployment. For the purposes of this paragraph, significant increases in unemployment shall mean the unemployment rate is five percent or higher and is one-hundred and twenty percent of the average unemployment rate for the same 13-week period in the two previous years.

i. The Department of Workforce Development and Advancement may use the line of credit authorized in paragraph a. with approval from the Secretary of Labor, in consultation with the Secretary of Finance, for operational costs when there is a significant delay in the receipt of awarded federal grant funding for programs administered by the agency. For the purposes of this paragraph, a significant delay shall mean at least one payroll cycle.

§ 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, 2027 and an amount estimated at $50,000 on or before June 30, 2028, 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.

2. The State Comptroller shall credit those institutions meeting the requirement with the interest earned by the investment of funds of their auxiliary enterprise programs.

3. 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 2026-2028 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.

C. Annually or as required, the Auditor of Public Accounts, or a legally authorized representative, shall perform attestation services over each higher education institution's Statement of Revenues and Expenses of Intercollegiate Athletics Programs to satisfy the financial reporting requirements of the National Collegiate Athletic Association (or comparable intercollegiate athletics governing body). The cost of such attestation services, estimated at a statewide total of $450,000 annually, shall be borne by the intercollegiate athletics program at each institution.

§ 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 Commonwealth Transportation 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

A. 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 $627,900,000 the first year and $644,000,000 the second year.

B. Staff from the Department of Planning and Budget, Department of Taxation, House Appropriations Committee, and Senate Finance and Appropriations Committee shall collaborate to propose statutory amendments and budget language amendments for the 2026-2028 biennial budget as needed to allow the sales tax revenues collected pursuant to § 58.1-638 F to be deposited directly to the general fund for public education purposes in lieu of the current requirement that these funds be first deposited into the fund established in § 58.1-638.1.

§ 3-5.04 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.

§ 3-5.05 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.

§ 3-5.06 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.

§ 3-5.07 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.

§ 3-5.08 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.

§ 3-5.09 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 Commonwealth Savers 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).

§ 3-5.10 RETAIL SALES AND USE TAX EXEMPTION FOR RESEARCH FOR FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS

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.

§ 3-5.11 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 last 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.

§ 3-5.12 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, 2030. Any new sales tax exemption or tax credit enacted by the General Assembly after the 2019 regular legislative session, but prior to the 2029 regular legislative session, shall have a sunset date of not later than June 30, 2030. 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.

§ 3-5.13 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.

§ 3-5.14 PROVIDER PAYMENT RATE ASSESSMENT

A. The Department of Medical Assistance Services (DMAS) is hereby authorized to levy a payment rate assessment upon private hospitals operating in Virginia in accordance with this item. Private 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 hospitals shall include acute care hospitals and critical access hospitals and shall exclude public hospitals, freestanding psychiatric and rehabilitation hospitals,

children's hospitals, long stay hospitals, and long-term acute care 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 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 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 hospital 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.

4. DMAS is authorized to define hospital classes and set variable assessment rates for different hospital classes in accordance with CMS regulations.

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 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 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 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 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 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 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 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. The department shall have the authority to submit a State Plan amendment and preprint to the Centers for Medicare and Medicaid Services (CMS) to revise the “net patient service revenue" calculation for the state in accordance with CMS regulations to include currently excluded providers to attain the maximum assessment allowed under federal law as the upper limit of total assessments. The department shall have the authority to implement this change effective July 1, 2024, and prior to the completion of any regulatory process undertaken in order to effect such change.

J. The Department of Medical Assistance Services shall not provide private enhanced payments in the form of state directed payments to any rural hospital that does not currently operate a labor and delivery unit but such unit was operational in the rural hospital on January 1, 2026. For the purposes of this item, rural hospital is the same as defined by the Centers for Medicare and Medicaid Services.

K. Any provision of this Section is contingent upon approval by the Centers for Medicare and Medicaid Services if necessary.

§ 3-5.15 HISTORIC PRESERVATION TAX CREDIT

A. Notwithstanding § 58.1-339.2 or any other provision of law, effective for taxable years beginning on and after January 1, 2017, but before January 1, 2025, 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.

B. Notwithstanding § 58.1-339.2 or any other provision of law, effective for taxable years beginning on and after January 1, 2025, 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 $7.5 million for any taxable year.

§ 3-5.16 NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT

A. Notwithstanding § 58.1-439.20 or any other provision of law, for fiscal Year 2027 and fiscal year 2028, 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 or § 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.

§ 3-5.17 CIGARETTE TAX, TOBACCO PRODUCTS TAX AND TAX ON LIQUID NICOTINE

A.1. Notwithstanding any other provision of law except as provided in subdivision 2, the cigarette tax imposed under subsection A1 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.

2. Notwithstanding any other provision of law, the excise tax imposed under subsection A2 of § 58.1-1001 of the Code of Virginia shall be 2.25 cents per stick on each cigarette intended to be heated, as defined in § 58.1-1000 of the Code of Virginia, sold, stored or received on and after July 1, 2024. No cigarettes intended to be heated shall be certified in accordance with § 3.2-4205 of the Code of Virginia until the Department of Taxation has developed a stamp for purposes of the tax levied on cigarettes intended to be heated.

B.1. 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.

2. 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, until July 1, 2024 for taxable sales or purchases occurring before such date.

C.1. 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, as defined in § 58.1-1021.01 of the Code of Virginia, at the rate of $0.066 per milliliter beginning July 1, 2020 for taxable sales or purchases occurring on and after such date, until July 1, 2024 for taxable sales occurring before such date.

2. 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, as defined in § 58.1-1021.01 of the Code of Virginia, at the rate of $0.11 per milliliter beginning July 1, 2024 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, as defined in § 58.1-1021.01 of the Code of Virginia, at the rate of 20 percent of the wholesale price beginning July 1, 2024, 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.

§ 3-5.18 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.

§ 3-5.19 LAND PRESERVATION TAX CREDIT CLAIMED

A. 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.

B. Notwithstanding § 58.1-512 or any other provision of law, effective for the taxable year beginning on and after January 1, 2024, 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 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, 2028.

§ 3-5.21 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.).

§ 3-5.22 RETAIL SALES AND USE TAX EXEMPTION FOR BULLION AND LEGAL TENDER COINS

Notwithstanding any other provision of law or regulation, the retail sales and use tax exemption provided for in subdivision 19 of § 58.1-609.1 of the Code of Virginia, applicable to gold, silver, or platinum bullion or legal tender coins shall remain in effect through July 1, 2028.

§ 3-5.23 RECYCLABLE MATERIALS PROCESSING EQUIPMENT TAX CREDIT

Notwithstanding any other provision of law or regulation, the tax credit authorized in § 58.1-439.7 of the Code of Virginia for the purchase of machinery and equipment used for advanced recycling and processing recyclable materials shall remain in effect through taxable years beginning before January 1, 2027.

§ 3-5.24 DATA CENTER ELECTRICITY CONSUMPTION TAX

A.1 Beginning on and after July 1, 2026, but before July 1, 2028, there is hereby levied and imposed upon every data center operator, in addition to all other taxes and fees of every kind now imposed by law, an electricity consumption tax at the rate of $0.011/kWh of all electricity consumed at each data center per month.

2. For the purposes of this Item:

"Data center" means a facility whose primary services are to centralize the storage, management, and processing of digital data and is used to house (i) computer and network systems, including associated components such as servers, network equipment and appliances, telecommunications, and data storage systems; (ii) systems for monitoring and managing infrastructure performance; (iii) equipment used for the transformation, transmission, distribution, or management of at least one megawatt of capacity of electrical power and cooling, including substations, uninterruptible power supply systems, all electrical plant equipment, and associated air handlers; (iv) Internet-related equipment and services; (v) data communications connections; (vi) environmental controls; (vii) fire protection systems; and (viii) security systems and services. “Data center" does not include a facility whose primary function is to facilitate the provision of internet access service, a communication service as defined in § 58.1-647, or any combination thereof.

“Data center operator" means any person who (i) owns, operates, or occupies a data center in the Commonwealth, or (ii) owns or operates a data center in the Commonwealth that utilizes self-supplied electricity generation. Where multiple persons qualify as data center operators with respect to a single data center, the person responsible for payment of the electric utility account for the applicable service point shall be liable for the tax imposed under this Item with respect to electricity delivered through that account, and the person responsible for the self-supplied generation shall be liable for the tax imposed under this Item with respect to self-supplied electricity.

“Electricity consumption tax" means the amount that each data center operator shall pay for each kWh used pursuant to this Item, regardless of whether the electricity is provided through an incumbent electric utility, an incumbent electric cooperative, a competitive service provider, or is self-supplied. For electricity that is self-supplied, the data center operator shall report its usage quarterly to the Department of Environmental Quality, who shall verify such usage with the State Corporation Commission. For electricity supplied by an incumbent electric utility, an incumbent electric cooperative, or a competitive service provider, the supplier shall list the applicable tax as a separate line item on the data center operator’s billing invoice.

“Self-supplied" means electricity that is (i)(a) generated at a data center, (b) for use at such data center, and (c) not provided through an incumbent electric utility, an incumbent electric cooperative, or a competitive service provider or (ii)(a) otherwise generated for use at a data center and (b) capable of lawful delivery to such data center without an incumbent electric utility, an incumbent electric cooperative, or a competitive service provider.

B. The tax imposed by this Item shall be collected monthly by the State Corporation Commission. All provisions of Chapter 29 of Title 58.1 of the Code of Virginia (§58.1-2900 et seq.), including those governing assessment, collection, audit, interest, penalties, and appeal, shall apply mutatis mutandis to the tax imposed under this Item, except that the Commission may issue such additional rules and guidelines that it finds necessary to administer this Item. For self-supplied electricity, the data center operator shall remit the tax imposed under subsection A on such self-supplied electricity directly to the State Corporation Commission on a monthly return, in the form and manner prescribed by the Commission, due on or before the last day of the month following the month in which the electricity was consumed.

C. During any fiscal year, no more than $600,000,000 of the revenues from the tax imposed under this Item shall be deposited to the general fund. Any revenues from the tax imposed under this Item in excess of $600,000,000, less any costs incurred by the State Corporation Commission to administer the tax under this Item, shall be deposited to a special, nonreverting fund where (i) any moneys remaining in such fund at the end of each fiscal year shall not revert to the general fund and shall remain in the fund and (ii) interest earned on moneys in such fund shall accrue to the general fund. Moneys in the fund shall be used solely for the purpose of providing the refunds authorized in subsection D below. The fund shall be administered by the State Corporation Commission.

D. In every fiscal year beginning on and after July 1, 2027, the State Corporation Commission shall allocate and distribute refunds from any excess revenue collections deposited to the fund, established in subsection C, in the prior fiscal year. The refund amount for each data center operator paying the tax under this Item shall be determined by the data center operator's pro rata share of tax collections in the fiscal year for which such refund is made. Any refund due to a data center operator from the tax remitted by an

incumbent electric utility or electric cooperative or a competitive service provider shall be credited to the account of the data center operator by the incumbent electric utility or electric cooperative or a competitive service provider. Any refund due to a data center operator with respect to self-supplied electricity shall be paid directly to the data center operator by the State Corporation Commission. In no case shall any interest be paid on any refund due pursuant to this subsection by the Commonwealth, any incumbent electric utility or electric cooperative, or a competitive service provider.

E. The State Corporation Commission shall issue guidelines to effectuate the provisions of this Item 60 days after the passage of this act. Notwithstanding section B of this Item, (i) the first collection of the tax imposed under this Item shall occur in September of 2026, and (ii) the payment due for such first collection, shall include all taxes owed for the period beginning on and after July 1, 2026, through September 1, 2026. Collections shall be made pursuant to section B of this Item after such first collection.

§ 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. 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, meeting by electronic communication means under the provisions of § 2.2-3708.2, Code of Virginia, 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 the governing board shall distribute minutes of such meeting by the same method used to provide notice of the meeting.

f. 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 01000 and 03000 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, the Department of Behavioral Health and Developmental Services, and the Virginia Community College System 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. In the final report, the Governor shall include an explanation for the reappropriated amounts in each state agency and a description of how the agency plans to expend any reappropriated amounts.

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. Notwithstanding any other provisions of law, funds and gifts from private sources received by the Virginia War Memorial Foundation shall neither be taken into consideration in nor used to reduce state appropriations or payments to the Virginia War Memorial and shall be used in accordance with the wishes of the donors of such funds to strengthen the services provided by the Virginia War Memorial.

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 federally declared states of emergency 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 for those public institutions of higher education that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act, each institution shall work with the State Council of Higher Education for Virginia and the Commonwealth Savers 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 Facilities Bond Act of 2002.

8. a) Except for those public institutions of higher education that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act, 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.

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.

11. a) For institutions complying with paragraph B of § 23.1-1309 Code of Virginia, the annual report for the preceding fiscal year shall also be submitted to the Intercollegiate Athletics Review Commission, Governor, Senate Finance and Appropriations Committee, and House Appropriations Committee by July 1.

b) For institutions complying with paragraph C of § 23.1-1309 Code of Virginia, general fund appropriations or revenues from tuition and E&G fees shall not be used to fund intercollegiate athletics.

c) The Joint Legislative Audit and Review Commission shall study the provisions of § 23.1- 1309 for the purpose of determining whether the provisions of this Act should be amended permanently. In conducting the study, the Joint Legislative Audit and Review Commission shall: (i) consult with representatives of the governing boards of baccalaureate public institutions of higher education in the Commonwealth, representatives of intercollegiate athletics programs in the Commonwealth, and such other interested stakeholders deemed appropriate; (ii) evaluate approaches taken by other states to create sustainable funding models for intercollegiate athletics; (iii) assess the local, regional, and statewide economic impact of college athletics; (iv) consider the impact of the provisions of § 23.1-1309 on intercollegiate athletics in the Commonwealth in light of evolving trends in intercollegiate athletics; and (v) assess the impact of federal regulatory or legislative proposals on college athletics in the Commonwealth. The Joint Legislative Audit and Review Commission shall submit a final report to the Intercollegiate Athletics Review Commission, Senate Finance and Appropriations Committee, the House Appropriations Committee by November 1, 2028.

c. HIGHER EDUCATION PLANNED EXCESS REVENUES:

An institution of higher education, except for those public institutions of higher education that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act, 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 49 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 biennial 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 or acquisition of property through a lease or financed purchase that may qualify as a capital project based on a lease agreement, as defined in the guidance below, and that may be supported in whole, or in part, from appropriations provided for in this Act, shall submit proposals to the Department of Planning and Budget through the capital budget request process.

2. A capital project based on a lease agreement is defined as meeting at least one of the following criteria:

a.) The lease transfers ownership of the property to the lessee by the end of the lease term or contains a purchase option.

b.) The lease arrangement is used to support the construction of a new facility.

3. The proposals shall be submitted in such form as the capital budget request instructions may prescribe. The State Treasurer shall be responsible for incorporating existing and authorized applicable lease agreements into the annual Debt Capacity Advisory Committee reports.

4. All lease agreements required to be treated as a capital budget request must be authorized in an Appropriation Act or other legislation except as otherwise provided in this section.

b. APPROVAL OF FINANCINGS:

1. For any project 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 where the lease transfers ownership of the property to the lessee by the end of the lease or the lease is used to support the construction of a new facility, and for which costs will exceed $5,000,000 and which is financed through a lease or financed purchase transaction, the Treasury Board shall approve the financing terms and structure of such lease or financed purchase in addition to such other reviews and approvals as may be required by law. The State Treasurer shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Secretary of Finance, and the Director, Department of Planning and Budget, of any such action within five business days.

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 Chairs of the House Appropriations and Senate Finance and Appropriations Committees with recommendations involving proposed lease agreements subject to § 4-3.03 a.

d. This section shall not apply to leases or financed purchases that are funded entirely with nongeneral fund revenues and are entered into by public institutions of higher education that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act. Furthermore, the Department of General Services is authorized to enter into leases for executive branch agencies provided that the resulting lease or financed purchase 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.

e.1. The Governor may authorize proposed building projects or acquisition of property through a financed purchase that may qualify as a capital project based on a lease agreement as defined in § 4-3.03 a.2. above that are not authorized in an Appropriation Act or other legislation and support a program approved by the General Assembly through appropriations, under one or more of the following conditions: (i) the nongeneral fund share of the lease obligations does not exceed the agency's expected available nongeneral fund revenues; (ii) the general fund share of the annual lease obligations does not result in the agency exceeding its current available annual general fund appropriation.

2. The Secretary of Finance shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees within 30 days of the Governor's authorization pursuant to this subsection.

§ 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 that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act, 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 l 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 i.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 i.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.

l. 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 l 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.

8. Notwithstanding any Management Agreement or Memorandum of Understanding pursuant to the Restructured Higher Education Financial and Administrative Operations Act, or any other provision of law, any institution initiating a project under the delegated operational authority for capital projects for a building intended to be used for educational and general purposes shall notify the Six-Year Capital Outlay Plan Advisory Committee prior to initiating detailed planning for such project.

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 that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act.

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 that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act.

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 of 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 that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act, 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. To support the maintenance and deferred maintenance of the Commonwealth's existing facilities, the Budget Bill submitted pursuant to § 2.2-1509 shall provide at least $200,000,000 from the general fund each year for maintenance reserve projects at 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)1) 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.

i) In determining financial need for student financial assistance, the institution shall recognize the federal Student Aid Index at no less than zero.

j) Students receiving student financial assistance in 2023-2024 may be considered for Virginia Student Financial Assistance Program awards based on the Expected Family Contribution demonstrated in 2023-2024, or appropriately adjusted need as determined by the institution, for as long as the student maintains continuous enrollment, unless granted an exception for cause by the State Council of Higher Education for Virginia, until current degree completion or current degree program eligibility limits have otherwise expired, whichever comes first.

k) Notwithstanding any other provision of law to the contrary, the Student Aid Index as calculated according to federal Title IV financial aid methodology shall be deemed an approved replacement of any mention or use of the precedent federal Expected Family Contribution for purposes of administrating state higher education financial aid programs.

l) Notwithstanding any other provision of law to the contrary, private institutions admitted on or after January 1, 2024 in any state program of higher education financial assistance shall (i) be a nonprofit private institution of higher education whose primary purpose is to provide collegiate, graduate, or professional education and not to provide religious training or theological education; (ii) be formed, chartered, established, or incorporated within the Commonwealth; (iii) have their principal place of business within the Commonwealth; (iv) conduct their primary educational activity within the Commonwealth; and (v) be accredited by a nationally recognized regional institutional accrediting agency.

m)1) Notwithstanding any other provision of law to the contrary or § 23.1-601 A.6., grants provided pursuant § 23.1-601, Code of Virginia, shall cover tuition and mandatory education and general fees, except those fees established for the purpose of paying for course materials such as laboratory fees, and, if the student is enrolled on-campus into a baccalaureate public institution of higher education, on-campus housing and a standard meal plan.

2) The eligible student must be a Virginia student, who at the time of admission is aged 27 years or less, and who graduated from high school in Virginia or has passed a high school equivalency examination approved by the Virginia Board of Education and has received a high school diploma or has passed a high school equivalency examination approved by the Virginia Board of Education and, at any time after he turned 14, was in foster care in the Commonwealth or in the custody of the Department of Social Services. Such grants must consist of one or a combination of grants, scholarships, and / or waivers from any source, but the award cannot be reduced by loans, work-study or student aid index.

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)1) 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.

d) Of the amount allocated for undergraduate need-based financial aid, up to one percent may be used for emergency assistance programs for students facing a financial emergency that puts them at risk of dropping out. The Council shall establish reporting guidelines and approve criteria for making student awards.

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)1) 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 PROGRAM

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.

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. 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.

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, and insurance programs authorized under Title 2.2, Chapter 18, Article 5, 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. 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.

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. 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. For the purposes of § 4-5.04 of this act, “executive branch agency” means the same as that term is defined in § 2.2-2006, Code of Virginia.

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 824 and 829 of the 2008 Acts of Assembly, and those public institutions of higher education that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act, 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 an organization established to promote the development of shared advanced network and other cyberinfrastructure resources to serve the Commonwealth and the Mid-Atlantic region.

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 824 and 829 of the 2008 Acts of Assembly, those public institutions of higher education that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act, 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 that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act, 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. If the head of the state agency concerned certifies that a state-owned vehicle was not available for use by a state employee, 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 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 executive branch 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. Executive branch agencies providing employees with telecommunication devices shall develop agency-specific policies, incorporating the guidance provided in § 4-5.04 j. 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 executive branch 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 executive branch 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 executive branch 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.

n. LOANS: No state agency shall make loans to non-state entities from general or nongeneral fund sources appropriated to the agency unless the authority to issue such loans is included in state statute, a general appropriation act, or is otherwise explicitly approved by the Governor with notice given within 10 days to Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

§ 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. 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.

g. This section shall not apply to public institutions of higher education that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act.

§ 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 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 Chairs 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. If either Chair objects to the conveyance, the planned conveyance shall only occur if authorized in an appropriation act.

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. Notwithstanding any other provision of law including but not limited to any provision of this Act, if tax-advantaged 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 thereon shall first be made available to the issuer of such tax-advantaged bonds to be applied toward remediation options available under federal law, to the extent remediation is determined by the issuer to be appropriate, in order to maintain the tax-advantaged status of such bonds.

d. Notwithstanding § 2.2-1150, Code of Virginia, the Governor shall notify the Chairs of the House Appropriations and Senate Finance and Appropriations Committees in writing at least thirty days before any planned conveyance of property under subsections A.1. and A.2. in § 2.2-1150, Code of Virginia. If either Chair objects to such conveyance, the conveyance shall only occur if authorized in an appropriation act.

§ 4-5.09 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. 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.

§ 4-5.10 SEAT OF GOVERNMENT TRAFFIC AND PEDESTRIAN SAFETY

a. To implement and maintain traffic and pedestrian operational safety and security enhancements and secure the seat of government, 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 rights-of-way and pedestrian and vehicular traffic that are in the state's primary highway system located in the capitol complex.

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 state 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 and shall be subject to the requirements of this item. 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 Governor and subject to confirmation 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 25 ,2026 - June 9, 2027	**June l0, 2027 - June 30, 2028**
Chief of Staff	$238,379	$246,722
Secretary of Administration	$229,136	$237,156
Secretary of Agriculture and Forestry	$234,290	$242,490
Secretary of Commerce and Trade	$229,136	$237,156
Secretary of the Commonwealth	$234,291	$242,491
Secretary of Education	$229,136	$237,156
Secretary of Finance	$239,712	$248,102
Secretary of Health and Human Resources	$229,136	$237,156
Secretary of Labor	$229,136	$237,156
Secretary of Natural and Historic	$229,136	$237,156

Resources		
Secretary of Public Safety and Homeland Security	$236,883	$245,174
Secretary of Transportation	$229,136	$237,156
Secretary of Veterans and Defense Affairs	$234,290	$242,490

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 be based on relevant experience and shall be between the minimum and the midpoint of the established range. The starting salary shall not exceed the midpoint of the range, except by exception as approved by the Governor. In such cases, an appointee's starting salary may be set at a rate deemed appropriate, provided that the maximum of the range is not exceeded.

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 the Legislative Department 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. 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, the Frontier Culture Museum of Virginia, 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. 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 25 ,2026 - June 9, 2027	June l0, 2027 - June 30, 2028
Level I Range	**$229,201 - $343,802**	**$237,223 - $355,835**
Midpoint	**$286,501**	**$296,529**
Chief Information Officer, Virginia Information Technologies Agency	$270,135	$279,590
Commissioner, Department of Behavioral Health and Developmental Services	$313,064	$324,021
Commissioner, Department of Motor Vehicles	$229,599	$237,635
Commissioner, Department of Social Services	$240,928	$249,360
Commonwealth Transportation Commissioner	$283,303	$293,219
Director, Department of Corrections	$242,501	$250,988
Director, Department of Environmental Quality	$266,204	$275,521
Director, Department of Medical Assistance Services	$313,064	$324,021
Director, Department of Planning and Budget	$235,199	$243,431
State Health Commissioner	$279,999	$289,799
State Tax Commissioner	$229,201	$237,223
Superintendent of Public Instruction	$279,999	$289,799
Superintendent of State Police	$251,598	$260,404

	July 25 ,2026 - June 9, 2027	June l0, 2027 - June 30, 2028
Level II Range	**$179,199 - $268,799**	**$185,471 - $278,207**
Midpoint	**$223,999**	**$231,839**
Commissioner, Department for Aging and Rehabilitative Services	$212,355	$219,787
Commissioner, Department of Agriculture and Consumer Services	$229,201	$237,223
Commissioner, Department of Veterans Services	$198,743	$205,699
Commissioner, Department of Workforce Development and Advancement	$202,550	$209,639

Commissioner, Marine Resources Commission	$179,199	$185,471
Commissioner, Virginia Employment Commission	$212,798	$220,246
Director, Department of Energy	$194,038	$200,829
Director, Department of Forensic Science	$228,252	$236,241
Director, Department of General Services	$229,201	$237,223
Director, Department of Human Resource Management	$206,078	$213,291
Director, Department of Juvenile Justice	$212,798	$220,246
Director, Department of Rail and Public Transportation	$229,201	$237,223
Director, Department of Small Business and Supplier Diversity	$205,799	$213,002
Executive Director, Department of Wildlife Resources	$187,239	$193,792
Executive Director, Virginia Port Authority	$192,477	$199,214
State Comptroller	$229,201	$237,223
State Inspector General	$183,342	$189,759
State Treasurer	$205,798	$213,001

	July 25 ,2026 - June 9, 2027	**June l0, 2027 - June 30, 2028**
Level III Range	**$155,250 - $232,875**	**$160,684 - $241,026**
Midpoint	**$194,063**	**$200,855**
Adjutant General	$218,398	$226,042
Chairman, Virginia Parole Board	$213,917	$221,404
Commissioner, Department of Elections	$156,406	$161,880
Commissioner, Department of Labor and Industry	$191,393	$198,092
Coordinator, Department of Emergency Management	$202,653	$209,746
Director, Department of Aviation	$199,827	$206,821
Director, Department of Conservation and Recreation	$210,243	$217,601
Director, Department of Criminal Justice	$218,398	$226,042

Services		
Director, Department of Health Professions	$184,110	$190,554
Director, Department of Historic Resources	$172,342	$178,374
Director, Department of Housing and Community Development	$206,600	$213,832
Director, Department of Professional and Occupational Regulation	$179,096	$185,365
Director, The Science Museum of Virginia	$189,066	$195,683
Director, Virginia Museum of Fine Arts	$200,513	$207,531
Director, Virginia Museum of Natural History	$161,390	$167,039
Executive Director, Board of Accountancy	$193,168	$199,929
Executive Director, Jamestown-Yorktown Foundation	$180,610	$186,931
Executive Director, Office of Children's Services	$159,189	$164,761
Executive Secretary, Virginia Racing Commission	$164,812	$170,580
Librarian of Virginia	$207,686	$214,955
State Forester, Department of Forestry	$192,205	$198,932
Superintendent, Virginia School for the Deaf and the Blind	$191,475	$198,177
	July 25 ,2026 - June 9, 2027	**June l0, 2027 - June 30, 2028**
Level IV Range	**$123,328 - $184,993**	**$127,644 - $191,468**
Midpoint	**$154,160**	**$159,556**
Administrator, Commonwealth's Attorneys' Services Council	$146,787	$151,925
Commissioner, Virginia Department for the Blind and Vision Impaired	$160,523	$166,141
Director, Gunston Hall	$191,475	$198,177
Director, Virginia Board for People with Disabilities	$136,136	$140,901
Director, Virginia Department for the Deaf and Hard-of-Hearing	$134,278	$138,978
Executive Director, Department of Fire Programs	$147,706	$152,876
Executive Director, Frontier Culture	$137,216	$142,019

Museum of Virginia		
Executive Director, Motor Vehicle Dealer Board	$159,908	$165,504
Executive Director, Veteran's Services Foundation	$142,744	$147,740
Executive Director, Virginia Commission for the Arts	$136,455	$141,231
Vice Chairman, Virginia Parole Board	$156,799	$162,287
Member, Virginia Parole Board	$154,305	$159,706

7. Annual salaries of the current 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 25 ,2026 - June 9, 2027	**June l0, 2027 - June 30, 2028**
Independent Range	**$162,070 - $312,939**	**$167,742 - $323,892**
Midpoint	**$237,505**	**$245,818**
Chief Executive Officer, Commonwealth Savers Plan	$207,378	$214,636
Chief Executive Officer, Virginia Alcoholic Beverage Control Authority	$312,939	$323,892
Chief Executive Officer, Virginia Cannabis Control Authority	$194,038	$200,829
Director, Virginia Retirement System	$247,615	$256,282
Executive Director, Virginia Lottery	$239,861	$248,256
Executive Director, Virginia Opioid Abatement Authority	$258,719	$267,774

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 Commonwealth Savers 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. State-funded 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 Executive 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, the Executive Director of the New College Institute, and the Chancellor of Community Colleges, as listed in this paragraph, shall not exceed 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 Executive Director of the State Council of Higher Education on or after the date of enactment of this act, the salary for the new executive 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 executive director.

	July 25 ,2026 - June 9, 2027	**June l0, 2027 - June 30, 2028**
WESTERN PIEDMONT HIGHER EDUCATION CENTER		
Executive Director, West Piedmont Higher Education Center	$192,316	$199,047
STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA		
Executive Director, State Council of Higher Education for Virginia	$302,758	$313,355
SOUTHERN VIRGINIA HIGHER EDUCATION CENTER		
Director, Southern Virginia Higher Education Center	$192,316	$199,047
SOUTHWEST VIRGINIA HIGHER EDUCATION CENTER		
Director, Southwest Virginia Higher Education Center	$192,316	$199,047
VIRGINIA COMMUNITY COLLEGE SYSTEM		
Chancellor of Community Colleges	$246,518	$255,146

SENIOR COLLEGE PRESIDENTS' SALARIES		
Chancellor, University of Virginia's College at Wise	$160,187	$165,794
President, Christopher Newport University	$194,256	$201,055
President, The College of William and Mary in Virginia	$224,486	$232,343
President, George Mason University	$209,664	$217,002
President, James Madison University	$229,736	$237,777
President, Longwood University	$209,580	$216,915
President, Norfolk State University	$244,411	$252,965
President, Old Dominion University	$231,442	$239,542
President, Radford University	$216,959	$224,553
President, Richard Bland College	$184,925	$191,397
President, University of Mary Washington	$201,699	$208,758
President, University of Virginia	$249,692	$258,431
President, Virginia Commonwealth University	$241,660	$250,118
President, Virginia Polytechnic Institute and State University	$264,127	$273,371
President, Virginia State University	$203,638	$210,765
Superintendent, Virginia Military Institute	$206,203	$213,420

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.

l. 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.1. 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.

2. If an employee whose salary is specified in this item is not eligible to receive the compensation adjustments authorized elsewhere in this Act, then the employee's salary shall remain at its existing amount.

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. BUILDING AND 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 parking facility and office space at the corner of 9th and Broad Streets in the City of Richmond, shall be under the control of, 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. The occupancy of Old City Hall shall be under the control of, and administered by, the Clerk of the House and the Clerk of the Senate. The Clerk of the House and the Clerk of the Senate shall have, and be solely responsible for, security access control to the parking facility and office space at the corner of 9th and Broad Streets and Old City Hall. No access to such facilities shall be granted unless approved by the Clerk of the House or the Clerk of the Senate. The Clerk of the House and the Clerk of the Senate and/or any affected legislative agency may enter into a memorandum of agreement with the Department of General Services for operations and maintenance of these facilities.

§ 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 MANAGEMENT AGREEMENTS WITH THE COMMONWEALTH OF VIRGINIA

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 that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act, with regard to their participating covered employees, as that term is defined in those Management Agreements, 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 and d, the Position Level number stipulated in an agency's appropriation is the upper limit for agency employment (the maximum employment level) 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. The Director, Department of Human Resource Management, shall review the number of full-time filled positions on a monthly basis to determine if the agency has exceeded its Position Level. In any month that an agency or agencies exceed their Position Level, the Director, Department of Human Resource Management, shall notify the Governor, the Director, Department of Planning and Budget, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees indicating which agency or agencies exceeded their Position Level for that month, including the number of positions in excess. Any state agency that exceeds its Position Level shall seek approval for a temporary Position Level increase or develop a plan through attrition to reduce their number to be at or below their Position Level.

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.

h. As part of the annual budget process, executive branch agencies shall provide an accounting of how turnover and vacancy savings were used in the prior fiscal year and a plan for use of any projected turnover and vacancy savings in the budget under consideration. The Department of Planning and Budget shall collect this information, and shall include it as part of the requirements in § 2.2-1508, Code of Virginia.

§ 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, 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 of Descriptor	Authority	Action
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. A. 14.	Change reporting from annually to monthly.
Department of Human Resource Management State Employee Workers' Compensation Program	Work-related injuries and illnesses report -- goals, strategies, and results	Agency Directive -- Executive Order 94 (2005)	Suspend reporting.
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.

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 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 Communications, Technology, and Innovation, the Senate Committee on Finance and Appropriations, 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 n).

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 § 4-5.03 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.

e.1) Any entity specifically identified in this Act as a recipient of state funds that is not a political subdivision of the Commonwealth of Virginia shall annually provide a report delineating the use of the funds, as well as the outcomes generated because of the funds. The report will be due by September 15 each year and shall be submitted to the state agency distributing the funding. The report will be used to help determine whether future funding should be provided by the state to the reporting entity.

2) For an entity providing services or programs on behalf of the Commonwealth, at a minimum the entity's report shall provide a description of the programs or services being provided, the number of individuals served or treated, and any outcomes from the program or services that demonstrate their success or benefits to individuals or families in Virginia.

3) For an entity receiving state funds for the improvement of facilities, at a minimum the entity's report shall provide a description of the improvements, any increase in visitors or patrons served by the facility or programs held at the facility due to the improvements, and any economic benefits to the Commonwealth resulting from these expenditures.

4) The provisions of this paragraph shall not apply to any entity that has an existing reporting requirement in this act or the Code of Virginia for the use of state funds.

§ 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 bienially 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 redisclosed, 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 § 23.1-306.

d. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to all institutions except those institutions that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act.

1. As specified in § 23.1-1001, 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, as defined in § 4-4.01 of this act, 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, as defined in § 2.2-2006, Code of Virginia, 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 that have a Management Agreement with the Commonwealth of

Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act. They shall be measured by the administrative standards outlined in the Management Agreements and § 4-9.01.d. 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 of higher education that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act.

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, as defined in §4-4.01 of this act, 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, as defined in § 2.2-2006, Code of Virginia, 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 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; 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 State Comptroller and institutions of higher education governed under Management Agreements, shall develop uniform reporting requirements and formats for revenue and expenditure data.

§ 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.

c. 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.

d. 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.

e. As part of a five-year pilot program, Virginia State University is authorized, for a period of five years, to exercise additional financial and administrative authority as set out in each of the two functional areas of information technology and procurement as set forth and subject to all the conditions in §§ 2.0 and 3.0 of the second enactment of Chapter 824 and 829 of the Acts of Assembly of 2008 except that any effective dates contained in Chapter 824 and 829 of the Acts of Assembly of 2008 are superseded by the provisions of this item.

§ 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

d. References in this act to public institutions of higher education that have a Management Agreement with the Commonwealth of Virginia pursuant to the Restructured Higher Education Financial and Administrative Operations Act shall include those 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, Chapters 124 and 125 of the 2019 Acts of Assembly, and Chapters 76 and 77 of the 2021 Acts of Assembly, Special Session I.

§ 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. 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, 2028, 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.

§ 4-14.00 EFFECTIVE DATE

This act is effective on July 1, 2026.

ADDITIONAL ENACTMENTS

2. That §§ 33.2-3404, 33.2-1526.1, 58.1-602, 58.1-605, 58.1-605.1, and 58.1-606.1 of the Code of Virginia are amended and reenacted as follows:

§ 33.2-3404. Local transportation support for WMATA.

A. Each county or city that (i) is located in a transportation district that as of January 1, 2018, meets the criteria established in § 33.2-1936 and (ii) has financial obligations to a transit system that operates a rapid heavy rail mass transit system operating on an exclusive right-of-way that is funded and controlled in part by such transportation district shall annually pay to the Fund an amount as determined by subsection B.

B. The amount to be paid by each local government pursuant to subsection A shall be determined by multiplying $27.12 million *plus the amount determined in subsection C* by a fraction the numerator of which shall be such local government's share of capital funding for WMATA and the denominator of which shall be the total share of capital funding for WMATA for all local governments in the Commonwealth.

C. In fiscal year 2029, such amount shall equal $136 million. For each fiscal year after 2029, such amount shall be equal to 103 percent of the amount required in the preceding fiscal year. However, the amount required by this subsection, if necessary, shall be adjusted to ensure the amount is proportional to the contributions made by the District of Columbia and Maryland based on the WMATA capital formula to WMATA for capital purposes.

~~C.~~*D.* A locality subject to subsection A shall pay the amount determined by subsection B *from revenues available pursuant to § 58.1-605.1, subsection B of § 33.2-2510, or other revenues available from taxes levied by such jurisdiction* ~~by transferring a portion of the revenues received pursuant to subsection B of § 33.2-2510 to the Fund. However, in any fiscal year in which a locality subject to subsection A has adopted a budget and a corresponding resolution to provide the amount of funds determined pursuant to subsection B from a source other than the revenues received pursuant to subsection B of § 33.2-2510, such locality~~

~~may provide the funds for that fiscal year from such other source, and shall not be required to transfer funds received pursuant to subdivision B of § 33.2-2510~~.

§ 33.2-1526.1. Use of the Commonwealth Mass Transit Fund.

A. All funds deposited pursuant to § 33.2-1524.1 into the Commonwealth Mass Transit Fund (the Fund), established pursuant to § 33.2-1526, shall be allocated as set forth in this section.

B. From funds available pursuant to subsection D, up to $50 million shall be allocated to the Washington Metropolitan Area Transit Authority as matching funds to federal and other funds provided by the Federal Transit Administration, the District of Columbia, and the State of Maryland. However, such funds shall only be provided if the District of Columbia and the State of Maryland each provide an amount equal to one-third of the funding provided by the Federal Transit Administration to the Washington Metropolitan Area Transit Authority. The funds provided by the Commonwealth shall not exceed the funds provided by the District of Columbia or the State of Maryland.

C. The Board may establish policies for the implementation of this section, including the determination of the state share of operating, capital, and administrative costs related to mass transit. For purposes of this section, capital costs may include debt service payments on local or agency transit bonds. Funds may be paid to any local governing body, transportation district commission, or public service corporation for the purposes as set forth in this section. No funds from the Fund shall be allocated without a local match from the recipient.

D. Each year the Director of the Department of Rail and Public Transportation shall make recommendations to the Board for the allocation of funds from the Fund. Such recommendations, and the final allocations approved by the Board, shall adhere to the following, except as provided in subsection E:

1. Twenty-four and one-half percent of the funds shall be allocated to support operating costs of transit providers and shall be distributed by the Board on the basis of service delivery factors, based on effectiveness and efficiency as established by the Board. Such measures and their relative weight shall be evaluated every three years and shall be finalized 6 months prior to the fiscal year of implementation. The Washington Metropolitan Area Transit Authority (WMATA) and the commuter rail system jointly operated by the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission (PRTC), established pursuant to Chapter 19 (§ 33.2-1900 et seq.) shall not be eligible for an allocation of funds pursuant to this subdivision.

2. Seventeen percent of the funds shall be allocated for capital purposes and distributed utilizing the transit capital prioritization process established by the Board pursuant to § 33.2-214.4. WMATA and the commuter rail system jointly operated by NVTC and PRTC, established pursuant to Chapter 19 (§ 33.2-1900 et seq.) shall not be eligible for an allocation of funds pursuant to this subdivision.

3. Three and one-half percent of funds may be allocated to NVTC for distribution to the commuter rail system jointly operated by NVTC and PRTC, established pursuant to Chapter 19 (§ 33.2-1900 et seq.), for operating and capital purposes. The amount of funds distributed pursuant to this subdivision and the selection of systems receiving funds pursuant to this subdivision shall be based on service delivery factors including effectiveness and efficiency as established by the Board. Such measures and their relative weight shall be evaluated every three years and shall be finalized six months prior to the fiscal year of implementation. Any funds remaining after such distribution shall be redistributed to subdivision 2.

4. Forty-six and one-half percent of the funds shall be allocated to the NVTC for distribution to WMATA for capital purposes and operating assistance, as determined by the Commission. All allocations pursuant to this subdivision shall not exceed 50 percent of the total operating and capital assistance required to be provided by NVTC or other Virginia entities in the approved WMATA budget. If the default allocation pursuant to this subdivision exceeds an amount equal to 50 percent of the total operating and capital assistance required to be provided by NVTC or other Virginia entities in the approved WMATA budget, the remaining funds shall be redistributed to subdivision 2. No contributions made to WMATA pursuant to § 33.2-3401 by the Commonwealth or NVTC shall be relevant for the purposes of administering this subdivision.

5. Six percent of the funds shall be allocated by the Board for the Transit Ridership Incentive Program established pursuant to § 33.2-1526.3.

6. Two and one-half percent of the funds shall be allocated for special programs, including ridesharing, transportation demand management programs, experimental transit, public transportation promotion, operation studies, and technical assistance, and may be allocated to any local governing body, planning district commission, transportation district commission, or public transit corporation. Remaining funds may also be used directly by the Department of Rail and Public Transportation to (i) finance a program administered by the Department of Rail and Public Transportation designed to promote the use of public transportation and ridesharing throughout the Commonwealth or (ii) finance up to 80 percent of the cost of development and implementation of projects with a purpose of enhancing the provision and use of public transportation services.

E. The Board may consider the transfer of funds from subdivisions D 2 and 6 to subdivision D 1 in times of statewide economic distress or statewide special need.

F. The Department of Rail and Public Transportation may reserve a balance of up to five percent of the Fund revenues in order to

ensure stability in providing operating and capital funding to transit entities from year to year, provided that such balance shall not exceed five percent of revenues in a given biennium.

G. The Board may allocate up to 3.5 percent of the funds set aside for the Fund to support costs of project development, project administration, and project compliance incurred by the Department of Rail and Public Transportation in implementing rail, public transportation, and congestion management grants and programs.

H. Funds allocated to the Northern Virginia Transportation Commission (NVTC) for WMATA pursuant to subdivision D 4 shall be credited to the Counties of Arlington, Fairfax, and Loudoun and the Cities of Alexandria, Fairfax, and Falls Church. Funds allocated pursuant to this subsection shall be credited as follows:

1. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality using WMATA's capital formula shall be paid first by NVTC, which shall use 95 percent state aid for these payments.

2. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall include 20 percent of annual local bus capital expenses. Local transit subsidies and local capital costs of Loudoun County shall not be included. Hold harmless protections and obligations for NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

I. Appropriations from the Fund are intended to provide a stable and reliable source of revenue, as defined by P.L. 96-184.

J. Notwithstanding any other provision of law, funds allocated to WMATA may be disbursed by the Department of Rail and Public Transportation directly to WMATA or to any other transportation entity that has an agreement to provide funding to WMATA.

K. ~~In any year that the total Virginia operating assistance in the approved WMATA budget increases by more than three percent from the total operating assistance in the prior year's approved WMATA budget, the~~ *The* Board shall withhold an amount equal to 35 percent of the funds available under subdivision D 4. *if:* ~~The following items shall not be included in the calculation of any WMATA budget increase: (i) any service, equipment, or facility that is required by any applicable law, rule, or regulation; (ii) any capital project approved by the WMATA Board before or after the effective date of this provision; (iii) any payments or obligations of any kind arising from or related to legal disputes or proceedings between or among WMATA and any other person or entity; and (iv) any service increases approved by the WMATA Board.~~

1. In fiscal year 2027, the WMATA Board of Directors does not adopt a policy to establish a methodology for determining the measurement of Metrorail and Metrobus annual unit cost growth using mode-specific operating costs and vehicle revenue hours. Such policy shall determine a baseline year and associated data from which annual unit cost growth will be measured. Baseline operating cost and vehicle revenue data shall be actual and for the most recent year and may be preliminary and not yet audited by the Federal Transit Administration's National Transit Database;

2. In fiscal year 2028, WMATA does not publish the results of the annual unit cost growth calculation as described in the policy adopted pursuant to subdivision 1, detailing the year-over-year operating expenses and vehicle revenue hours by mode for rail and bus and percentage growth increase from the prior year; and

3. Starting in fiscal year 2029, and for each fiscal year thereafter, the approved WMATA budget's unit cost of rail or bus service increases by more than three percent.

L. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 if (i) any alternate directors participate or take action at an official WMATA Board meeting or committee meeting as Board directors for a WMATA compact member when both directors appointed by that same WMATA compact member are present at the WMATA Board meeting or committee meeting or (ii) the WMATA Board of Directors has not adopted bylaws that would prohibit such participation by alternate directors.

M. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 unless *the following conditions have been met:* (i) WMATA has adopted a detailed capital improvement program covering the current fiscal year and, at a minimum, the next five fiscal years, and at least one public hearing on such capital improvement program has been held in a locality embraced by the Northern Virginia Transportation Commission (NVTC)~~;~~*;* ~~and~~ (ii) ~~WMATA has adopted or updated a strategic plan within the preceding 36 months, and at least one public hearing on such plan or updated plan has been held in a locality embraced by NVTC.~~ *WMATA, by June 30, 2027 and each fiscal year thereafter, has complied with its reporting commitments under the DMV Moves Plan, comprised of the most recent 20-year capital plan, to be updated every five years, including: (a) an analysis of potential capital investments that reduce operating costs; (b) funding or financial plans for major projects with capital costs greater than $300 million, adjusted with inflation; (c) an assessment of state of good repair needs; (d) a review of the performance of fixed-route bus service, including schedules, route design, connectivity, and vehicle sizes; (e) an evaluation of opportunities to improve operating efficiency of the transit network, including reliability of trips and travel speed; (f) an examination and identification of opportunities to share services where multiple transit providers' services overlap; and (g) an examination of opportunities to improve service in underserved areas; and (iii) WMATA has submitted an annual report to the Metropolitan Washington Council of Governments and the Northern Virginia Transportation Commission on system performance,*

detailing progress toward DMV Moves goals and objectives.

~~The strategic plan shall require (a) an assessment of state of good repair needs; (b) a review of the performance of fixed-route bus service, including schedules, route design, connectivity, and vehicle sizes; (c) an evaluation of opportunities to improve operating efficiency of the transit network, including reliability of trips and travel speed; (d) an examination and identification of opportunities to share services where multiple transit providers' services overlap; and (e) an examination of opportunities to improve service in underserved areas.~~

N. 1. For fiscal year 2029, the Board shall withhold 35 percent of the appropriation of funds available pursuant to subdivision D 4 if the Board of Directors of the Washington Metropolitan Area Transit Authority has not approved a rail signaling and automation workforce transition plan, developed in consultation with affected collective bargaining units, on or before July 1, 2028.

2. Starting July 1, 2028, if a rail or bus operator employed by the Washington Metropolitan Area Transit Authority is terminated due to a reduction in force caused by the automation of the rail system, the Board shall withhold 35 percent of the appropriation of funds available pursuant to subdivision D 4 in the subsequent fiscal year.

~~N~~*O*. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 unless WMATA prepares and submits a proposed detailed annual operating budget and any proposed capital expenditures and projects for the following fiscal year to the Board by April 1 of each year. The budget shall include information on expenditures, indebtedness, pensions and other liabilities, and other information as prescribed by the Board. Additionally such funds shall be withheld if the Commonwealth's and Northern Virginia Transportation Commission's representatives to the WMATA Board of Directors and the WMATA General Manager fail to annually address the Commonwealth Transportation Board regarding the WMATA budget, system performance, and utilization of the Commonwealth's investment in the WMATA system.

~~O~~*P*. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 3 unless the commuter rail system jointly operated by Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission, established pursuant to Chapter 19 (§ 33.2-1900 et seq.), submits a detailed annual operating budget and any proposed capital expenditures and projects for the following fiscal year to the Board by February 1 of each year. The operating plan and budget shall include information on expenditures, indebtedness, and other information as prescribed by the Board.

§ 58.1-602. Definitions.

As used in this chapter, unless the context clearly shows otherwise:

"Accommodations" means any room or rooms, lodgings, or accommodations in any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, short-term rental, or any other place in which rooms, lodging, space, or accommodations are regularly furnished to transients for a consideration. "Accommodations" does not include rooms or space offered by a person in the business of providing conference rooms, meeting space, or event space if the person does not also offer rooms available for overnight sleeping.

"Accommodations fee" means the room charge less the discount room charge, if any, provided that the accommodations fee shall not be less than $0.

"Accommodations intermediary" means any person other than an accommodations provider that

(i) facilitates the sale of an accommodation and (ii) either (a) charges a room charge to the customer, and charges an accommodations fee to the customer, which fee it retains as compensation for facilitating the sale; (b) collects a room charge from the customer; or (c) charges a fee, other than an accommodations fee, to the customer, which fee it retains as compensation for facilitating the sale. For purposes of this definition, "facilitates the sale" includes brokering, coordinating, or in any other way arranging for the purchase of the right to use accommodations via a transaction directly, including via one or more payment processors, between a customer and an accommodations provider.

"Accommodations intermediary" does not include a person:

1. If the accommodations are provided by an accommodations provider operating under a trademark, trade name, or service mark belonging to such person;

2. Who facilitates the sale of an accommodation if (i) the price paid by the customer to such person is equal to the price paid by such person to the accommodations provider for the use of the accommodations and (ii) the only compensation received by such person for facilitating the sale of the accommodation is a commission paid from the accommodations provider to such person; or

3. Who is licensed as a real estate licensee pursuant to Article 1 (§ 54.1-2100 et seq.) of Chapter 21 of Title 54.1, when acting within the scope of such license.

"Accommodations provider" means any person that furnishes accommodations to the general public for compensation. The term "furnishes" includes the sale of use or possession or the sale of the right to use or possess.

"Advertising" means the planning, creating, or placing of advertising in newspapers, magazines, billboards, broadcasting and other

media, including, without limitation, the providing of concept, writing, graphic design, mechanical art, photography and production supervision. Any person providing advertising as defined in this section shall be deemed to be the user or consumer of all tangible personal property purchased for use in such advertising. "Affiliate" means the same as such term is defined in § 58.1-439.18.

"Amplification, transmission, distribution, and network equipment" means production, distribution, and other equipment used to provide Internet-access services, such as computer and communications equipment and software used for storing, processing, and retrieving end-user subscribers' requests. A "network" includes modems, fiber optic cables, coaxial cables, radio equipment, routing equipment, switching equipment, a cable modem termination system, associated software, transmitters, power equipment, storage devices, servers, multiplexers, and antennas, which network is used to provide Internet service, regardless of whether the provider of such service is also a telephone common carrier or whether such network is also used to provide services other than Internet services.

"Business" includes any activity engaged in by any person, or caused to be engaged in by him, with the object of gain, benefit or advantage, either directly or indirectly.

"Cost price" means the actual cost of an item or article of tangible personal property computed in the same manner as the sales price as defined in this section without any deductions therefrom on account of the cost of materials used, labor, or service costs, transportation charges, or any expenses whatsoever.

"Custom program" means a computer program that is specifically designed and developed only for one customer. The combining of two or more prewritten programs does not constitute a custom computer program. A prewritten program that is modified to any degree remains a prewritten program and does not become custom.

"Discount room charge" means the full amount charged by the accommodations provider to the accommodations intermediary, or an affiliate thereof, for furnishing the accommodations. "Distribution" means the transfer or delivery of tangible personal property for use, consumption, or storage by the distributee, and the use, consumption, or storage of tangible personal property by a person that has processed, manufactured, refined, or converted such property, but does not include the transfer or delivery of tangible personal property for resale or any use, consumption, or storage otherwise exempt under this chapter.

"Gross proceeds" means the charges made or voluntary contributions received for the lease or rental of tangible personal property or for furnishing services, computed with the same deductions, where applicable, as for sales price as defined in this section over the term of the lease, rental, service, or use, but not less frequently than monthly. "Gross proceeds" does not include finance charges, carrying charges, service charges, or interest from credit extended on the lease or rental of tangible personal property under conditional lease or rental contracts or other conditional contracts providing for the deferred payments of the lease or rental price. "Gross sales" means the sum total of all retail sales of tangible personal property or services as defined in this chapter, without any deduction, except as provided in this chapter. "Gross sales" does not include the federal retailers' excise tax or the federal diesel fuel excise tax imposed in § 4091 of the Internal Revenue Code if the excise tax is billed to the purchaser separately from the selling price of the article, or the Virginia retail sales or use tax, or any sales or use tax imposed by any county or city under § 58.1-605 or 58.1-606.

"Import" and "imported" are words applicable to tangible personal property imported into the Commonwealth from other states as well as from foreign countries, and "export" and "exported" are words applicable to tangible personal property exported from the Commonwealth to other states as well as to foreign countries.

"In this Commonwealth" or "in the Commonwealth" means within the limits of the Commonwealth of Virginia and includes all territory within these limits owned by or ceded to the United States of America.

"Integrated process," when used in relation to semiconductor manufacturing, means a process that begins with the research or development of semiconductor products, equipment, or processes, includes the handling and storage of raw materials at a plant site, and continues to the point that the product is packaged for final sale and either shipped or conveyed to a warehouse. Without limiting the foregoing, any semiconductor equipment, fuel, power, energy, supplies, or other tangible personal property shall be deemed used as part of the integrated process if its use contributes, before, during, or after production, to higher product quality, production yields, or process efficiencies. Except as otherwise provided by law, "integrated process" does not mean general maintenance or administration.

"Internet" means, collectively, the myriad of computer and telecommunications facilities, which comprise the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor to such protocol, to communicate information of all kinds by wire or radio.

"Internet service" means a service that enables users to access content, information, and other services offered over the Internet.

"Lease or rental" means the leasing or renting of tangible personal property and the possession or use thereof by the lessee or renter for a consideration, without transfer of the title to such property.

"Manufacturing, processing, refining, or conversion" includes the production line of the plant starting with the handling and

storage of raw materials at the plant site and continuing through the last step of production where the product is finished or completed for sale and conveyed to a warehouse at the production site, and also includes equipment and supplies used for production line testing and quality control. "Manufacturing" also includes the necessary ancillary activities of newspaper and magazine printing when such activities are performed by the publisher of any newspaper or magazine for sale daily or regularly at average intervals not exceeding three months.

The determination of whether any manufacturing, mining, processing, refining or conversion activity is industrial in nature shall be made without regard to plant size, existence or size of finished product inventory, degree of mechanization, amount of capital investment, number of employees or other factors relating principally to the size of the business. Further, "industrial in nature" includes, but is not limited to, those businesses classified in codes 10 through 14 and 20 through 39 published in the Standard Industrial Classification Manual for 1972 and any supplements issued thereafter.

"Modular building" means, but is not limited to, single and multifamily houses, apartment units, commercial buildings, and permanent additions thereof, comprised of one or more sections that are intended to become real property, primarily constructed at a location other than the permanent site, built to comply with the Virginia Industrialized Building Safety Law (§ 36-70 et seq.) as regulated by the Virginia Department of Housing and Community Development, and shipped with most permanent components in place to the site of final assembly. For purposes of this chapter, "modular building" does not include a mobile office as defined in § 58.1-2401 or any manufactured building subject to and certified under the provisions of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. § 5401 et seq.).

"Modular building manufacturer" means a person that owns or operates a manufacturing facility and is engaged in the fabrication, construction and assembling of building supplies and materials into modular buildings, as defined in this section, at a location other than at the site where the modular building will be assembled on the permanent foundation and may or may not be engaged in the process of affixing the modules to the foundation at the permanent site. "Modular building retailer" means any person that purchases or acquires a modular building from a modular building manufacturer, or from another person, for subsequent sale to a customer residing within or outside of the Commonwealth, with or without installation of the modular building to the foundation at the permanent site.

"Motor vehicle" means a "motor vehicle" as defined in § 58.1-2401, taxable under the provisions of the Virginia Motor Vehicles Sales and Use Tax Act (§ 58.1-2400 et seq.) and upon the sale of which all applicable motor vehicle sales and use taxes have been paid. "Occasional sale" means a sale of tangible personal property not held or used by a seller in the course of an activity for which it is required to hold a certificate of registration, including the sale or exchange of all or substantially all the assets of any business and the reorganization or liquidation of any business, provided that such sale or exchange is not one of a series of sales and exchanges sufficient in number, scope and character to constitute an activity requiring the holding of a certificate of registration.

"Open video system" means an open video system authorized pursuant to 47 U.S.C. § 573 and, for purposes of this chapter only, also includes Internet service regardless of whether the provider of such service is also a telephone common carrier.

"Person" includes any individual, firm, copartnership, cooperative, nonprofit membership corporation, joint venture, association, corporation, estate, trust, business trust, trustee in bankruptcy, receiver, auctioneer, syndicate, assignee, club, society, or other group or combination acting as a unit, body politic or political subdivision, whether public or private, or quasi-public, and the plural of "person" means the same as the singular.

"Prewritten program" means a computer program that is prepared, held or existing for general or repeated sale or lease, including a computer program developed for in-house use and subsequently sold or leased to unrelated third parties.

~~"Qualifying locality" means Charlotte County, Gloucester County, Halifax County, Henry County, Mecklenburg County, Northampton County, Patrick County, Pittsylvania County, or the City of Danville.~~

"Railroad rolling stock" means locomotives, of whatever motive power, autocars, railroad cars of every kind and description, and all other equipment determined by the Tax Commissioner to constitute railroad rolling stock.

"Remote seller" means any dealer deemed to have sufficient activity within the Commonwealth to require registration under § 58.1-613 under the criteria specified in subdivision C 10 or 11 of § 58.1-612 or any software provider acting on behalf of such dealer.

"Retail sale" or a "sale at retail" means a sale to any person for any purpose other than for resale in the form of tangible personal property or services taxable under this chapter, and shall include any such transaction as the Tax Commissioner upon investigation finds to be in lieu of a sale. All sales for resale must be made in strict compliance with regulations applicable to this chapter. Any dealer making a sale for resale which is not in strict compliance with such regulations shall be personally liable for payment of the tax.

The terms "retail sale" and a "sale at retail" specifically include the following: (i) the sale or charges for any accommodations furnished to transients for less than 90 continuous days; (ii) sales of tangible personal property to persons for resale when because of the operation of the business, or its very nature, or the lack of a place of business in which to display a certificate of registration, or the lack of a place of business in which to keep records, or the lack of adequate records, or because such persons are minors or transients, or because such persons are engaged in essentially service businesses, or for any other reason there is likelihood that the Commonwealth will lose tax funds due to the difficulty of policing such business operations;

(iii) the separately stated charge made for automotive refinish repair materials that are permanently applied to or affixed to a motor vehicle during its repair; and (iv) the separately stated charge for equipment available for lease or purchase by a provider of satellite television programming to the customer of such programming. Equipment sold to a provider of satellite television programming for subsequent lease or purchase by the customer of such programming shall be deemed a sale for resale. The Tax Commissioner is authorized to promulgate regulations requiring vendors of or sellers to such persons to collect the tax imposed by this chapter on the cost price of such tangible personal property to such persons and may refuse to issue certificates of registration to such persons. The terms "retail sale" and a "sale at retail" also specifically include the separately stated charge made for supplies used during automotive repairs whether or not there is transfer of title or possession of the supplies and whether or not the supplies are attached to the automobile. The purchase of such supplies by an automotive repairer for sale to the customer of such repair services shall be deemed a sale for resale. The term "transient" does not include a purchaser of camping memberships, time-shares, condominiums, or other similar contracts or interests that permit the use of, or constitute an interest in, real estate, however created or sold and whether registered with the Commonwealth or not. Further, a purchaser of a right or license which entitles the purchaser to use the amenities and facilities of a specific real estate project on an ongoing basis throughout its term shall not be deemed a transient, provided, however, that the term or time period involved is for seven years or more.

The terms "retail sale" and "sale at retail" do not include a transfer of title to tangible personal property after its use as tools, tooling, machinery or equipment, including dies, molds, and patterns, if (i) at the time of purchase, the purchaser is obligated, under the terms of a written contract, to make the transfer and (ii) the transfer is made for the same or a greater consideration to the person for whom the purchaser manufactures goods.

"Retailer" means every person engaged in the business of making sales at retail, or for distribution, use, consumption, or storage to be used or consumed in the Commonwealth. "Room charge" means the full retail price charged to the customer for the use of the accommodations before taxes. "Room charge" includes any fee charged to the customer and retained as compensation for facilitating the sale, whether described as an accommodations fee, facilitation fee, or any other name. The room charge shall be determined in accordance with 23VAC10-210-730 and the related rulings of the Department on the same.

"Sale" means any transfer of title or possession, or both, exchange, barter, lease or rental, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property and any rendition of a taxable service for a consideration, and includes the fabrication of tangible personal property for consumers who furnish, either directly or indirectly, the materials used in fabrication, and the furnishing, preparing, or serving for a consideration of any tangible personal property consumed on the premises of the person furnishing, preparing, or serving such tangible personal property. A transaction whereby the possession of property is transferred but the seller retains title as security for the payment of the price shall be deemed a sale.

"Sales price" means the total amount for which tangible personal property or services are sold, including any services that are a part of the sale, valued in money, whether paid in money or otherwise, and includes any amount for which credit is given to the purchaser, consumer, or lessee by the dealer, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, losses or any other expenses whatsoever. "Sales price" does not include (i) any cash discount allowed and taken; (ii) finance charges, carrying charges, service charges or interest from credit extended on sales of tangible personal property under conditional sale contracts or other conditional contracts providing for deferred payments of the purchase price; (iii) separately stated local property taxes collected; (iv) that portion of the amount paid by the purchaser as a discretionary gratuity added to the price of a meal; or (v) that portion of the amount paid by the purchaser as a mandatory gratuity or service charge added by a restaurant to the price of a meal, but only to the extent that such mandatory gratuity or service charge does not exceed 20 percent of the price of the meal. Where used articles are taken in trade, or in a series of trades as a credit or part payment on the sale of new or used articles, the tax levied by this chapter shall be paid on the net difference between the sales price of the new or used articles and the credit for the used articles.

"Semiconductor cleanrooms" means the integrated systems, fixtures, piping, partitions, flooring, lighting, equipment, and all other property used to reduce contamination or to control airflow, temperature, humidity, vibration, or other environmental conditions required for the integrated process of semiconductor manufacturing.

"Semiconductor equipment" means (i) machinery or tools or repair parts or replacements thereof; (ii) the related accessories, components, pedestals, bases, or foundations used in connection with the operation of the equipment, without regard to the proximity to the equipment, the method of attachment, or whether the equipment or accessories are affixed to the realty; (iii) semiconductor wafers and other property or supplies used to install, test, calibrate or recalibrate, characterize, condition, measure, or maintain the equipment and settings thereof; and (iv) equipment and supplies used for quality control testing of product, materials, equipment, or processes; or the measurement of equipment performance or production parameters regardless of where or when the quality control, testing, or measuring activity takes place, how the activity affects the operation of equipment, or whether the equipment and supplies come into contact with the product.

"Short-term rental" means the same as such term is defined in § 15.2-983.

"Storage" means any keeping or retention of tangible personal property for use, consumption or distribution in the Commonwealth, or for any purpose other than sale at retail in the regular course of business.

"Tangible personal property" means personal property that may be seen, weighed, measured, felt, or touched, or is in any other manner perceptible to the senses. "Tangible personal property" does not include stocks, bonds, notes, insurance or other

obligations or securities. "Tangible personal property" includes (i) telephone calling cards upon their initial sale, which shall be exempt from all other state and local utility taxes, and (ii) manufactured signs.

"Use" means the exercise of any right or power over tangible personal property incident to the ownership thereof, except that it does not include the sale at retail of that property in the regular course of business. "Use" does not include the exercise of any right or power, including use, distribution, or storage, over any tangible personal property sold to a nonresident donor for delivery outside of the Commonwealth to a nonresident recipient pursuant to an order placed by the donor from outside the Commonwealth via mail or telephone. "Use" does not include any sale determined to be a gift transaction, subject to tax under § 58.1-604.6.

"Use tax" refers to the tax imposed upon the use, consumption, distribution, and storage as defined in this section.

"Used directly," when used in relation to manufacturing, processing, refining, or conversion, refers to those activities that are an integral part of the production of a product, including all steps of an integrated manufacturing or mining process, but not including ancillary activities such as general maintenance or administration. When used in relation to mining, "used directly" refers to the activities specified in this definition and, in addition, any reclamation activity of the land previously mined by the mining company required by state or federal law.

"Video programmer" means a person that provides video programming to end-user subscribers. "Video programming" means video and/or information programming provided by or generally considered comparable to programming provided by a cable operator, including, but not limit.

§ 58.1-605. To what extent and under what conditions cities and counties may levy local sales taxes; collection thereof by Commonwealth and return of revenue to each city or county entitled thereto.

A. No county, city or town shall impose any local general sales or use tax or any local general retail sales or use tax except as authorized by this section or § 58.1-605.1.

B. The council of any city and the governing body of any county may levy a general retail sales tax at the rate of one percent to provide revenue for the general fund of such city or county. Such tax shall be added to the rate of the state sales tax imposed by §§ 58.1-603 and 58.1-604 and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed on a local sales tax.

C.1. The council of any city and the governing body of any county desiring to impose a local sales tax under this section may do so by the adoption of an ordinance stating its purpose and referring to this section, and providing that such ordinance shall be effective on the first day of a month at least 60 days after its adoption. A certified copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received within five days after its adoption.

2. Prior to any change in the rate of any local sales and use tax, the Tax Commissioner shall provide remote sellers with at least 30 days' notice. Any change in the rate of any local sales and use tax shall only become effective on the first day of a calendar quarter. Failure to provide notice pursuant to this section shall require the Commonwealth and the ~~locality~~ *county or city* to apply the preceding effective rate until 30 days after notification is provided.

D. Any local sales tax levied under this section shall be administered and collected by the Tax Commissioner in the same manner and subject to the same penalties as provided for the state sales tax.

E. All local sales tax moneys collected by the Tax Commissioner under this section shall be paid into the state treasury to the credit of a special fund which is hereby created on the Comptroller's books under the name "Collections of Local Sales Taxes." Such local sales tax moneys shall be credited to the account of each particular city or county levying a local sales tax under this section. The basis of such credit shall be the city or county in which the sales were made as shown by the records of the Department and certified by it monthly to the Comptroller, namely, the city or county of location of each place of business of every dealer paying the tax to the Commonwealth without regard to the city or county of possible use by the purchasers. If a dealer has any place of business located in more than one political subdivision by reason of the boundary line or lines passing through such place of business, the amount of sales tax paid by such a dealer with respect to such place of business shall be treated for the purposes of this section as follows: one-half shall be assignable to each political subdivision where two are involved, one-third where three are involved, and one-fourth where four are involved.

F. As soon as practicable after the local sales tax moneys have been paid into the state treasury in any month for the preceding month, the Comptroller shall draw his warrant on the Treasurer of Virginia in the proper amount in favor of each city or county entitled to the monthly return of its local sales tax moneys, and such payments shall be charged to the account of each such city or county under the special fund created by this section. If errors are made in any such payment, or adjustments are otherwise necessary, whether attributable to refunds to taxpayers, or to some other fact, the errors shall be corrected and adjustments made in the payments for the next two months as follows: one-half of the total adjustment shall be included in the payments for the next two months. In addition, the payment shall include a refund of amounts erroneously not paid to the city or county and not previously refunded during the three years preceding the discovery of the error. A correction and adjustment in payments described in this subsection due to the misallocation of funds by the dealer shall be made within three years of the date of the payment error.

G. Such payments to counties are subject to the qualification that in any county wherein is situated any incorporated town constituting a special school district and operated as a separate school district under a town school board of three members appointed by the town council, the county treasurer shall pay into the town treasury for general governmental purposes the proper proportionate amount received by him in the ratio that the school age population of such town bears to the school age population of the entire county. If the school age population of any town constituting a separate school district is increased by the annexation of territory since the last estimate of school age population provided by the Weldon Cooper Center for Public Service, such increase shall, for the purposes of this section, be added to the school age population of such town as shown by the last such estimate and a proper reduction made in the school age population of the county or counties from which the annexed territory was acquired.

H. One-half of such payments to counties are subject to the further qualification, other than as set out in subsection G, that in any county wherein is situated any incorporated town not constituting a separate special school district that has complied with its charter provisions providing for the election of its council and mayor for a period of at least four years immediately prior to the adoption of the sales tax ordinance, the county treasurer shall pay into the town treasury of each such town for general governmental purposes the proper proportionate amount received by him in the ratio that the school age population of each such town bears to the school age population of the entire county, based on the latest estimate provided by the Weldon Cooper Center for Public Service. The preceding requirement pertaining to the time interval between compliance with election provisions and adoption of the sales tax ordinance shall not apply to a tier-city. If the school age population of any such town not constituting a separate special school district is increased by the annexation of territory or otherwise since the last estimate of school age population provided by the Weldon Cooper Center for Public Service, such increase shall, for the purposes of this section, be added to the school age population of such town as shown by the last such estimate and a proper reduction made in the school age population of the county or counties from which the annexed territory was acquired.

I. Notwithstanding the provisions of subsection H, the board of supervisors of a county may, in its discretion, appropriate funds to any incorporated town not constituting a separate school district within such county that has not complied with the provisions of its charter relating to the elections of its council and mayor~~, an amount not to exceed the amount it would have received from the tax imposed by this chapter if such election had been held; however, Charlotte County, Gloucester County, Halifax County, Henry County, Mecklenburg County, Northampton County, Patrick County, and Pittsylvania County may appropriate any amount to any such incorporated town~~.

J. It is further provided that if any incorporated town which would otherwise be eligible to receive funds from the county treasurer under subsection G or H be located in a county that does not levy a general retail sales tax under the provisions of this law, such town may levy a general retail sales tax at the rate of one percent to provide revenue for the general fund of the town, subject to all the provisions of this section generally applicable to cities and counties. Any tax levied under the authority of this subsection shall in no case continue to be levied on or after the effective date of a county ordinance imposing a general retail sales tax in the county within which such town is located.

§ 58.1-605.1. Additional local sales tax in certain localities; use of revenues for public transportation, or construction and renovation of schools.

A.1.*a.* In addition to the sales tax authorized under § 58.1-605, ~~a qualifying locality~~ *any county or city not located in Planning District 8,* may levy a general retail sales tax at a rate not to exceed one percent as determined by its governing body to provide revenue solely for capital projects for the construction or renovation of schools ~~in~~ *serving* each such ~~locality~~ *county or city*. Such tax shall be added to the rates of the state and local sales tax imposed by this chapter and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed on this local sales tax.

~~2.~~ *b.* Any tax imposed pursuant to this ~~section~~ *subsection* shall expire (i) if the capital projects for the construction or renovation of schools are to be financed by bonds or loans, on the date by which such bonds or loans shall be repaid or (ii) if the capital projects for the construction or renovation of schools are not to be financed by bonds or loans, on a date chosen by the governing body and specified in any resolution passed pursuant to the provisions of subdivision ~~B 1~~ *2.a*. Such expiration date shall not be more than 20 years after the date of the resolution passed pursuant to the provisions of subdivision ~~B 1~~*2.a*.

~~B.1. This tax~~ *2.a. The tax authorized by this subsection* may be levied only if the tax is approved in a referendum within the ~~qualifying locality~~ *county or city* held in accordance with § 24.2-684 and initiated by a resolution of the local governing body. Such resolution shall state (i) if the capital projects for the construction or renovation of schools are to be financed by bonds or loans, the date by which such bonds or loans shall be repaid or (ii) if the capital projects for the construction or renovation of schools are not to be financed by bonds or loans, a specified date on which the sales tax shall expire.

~~2.~~*b*. The clerk of the circuit court shall publish notice of the referendum in a newspaper of general circulation in the ~~qualifying locality~~ *county or city* once a week for three consecutive weeks prior to the election. The question on the ballot for the referendum shall include language stating (i) that the revenues from the sales tax *authorized by this subsection* shall be used solely for capital projects for the construction or renovation of schools and (ii) the date on which the sales tax shall expire.

~~C.~~*3.* The governing body of the ~~qualifying locality~~ *county or city*, if it elects to impose a local sales tax under this section after approval at a referendum as provided in ~~subsection B~~ *subdivision A.2.* shall do so by the adoption of an ordinance stating its

purpose and referring to this ~~section~~ *subsection* and providing that such ordinance shall be effective on the first day of a month at least 120 days after its adoption. Such ordinance shall state the date on which the sales tax shall expire. A certified copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received within five days after its adoption.

~~D.~~*4.* Any local sales tax levied under this ~~section~~ *subsection* shall be administered and collected by the Tax Commissioner in the same manner and subject to the same exemptions and penalties as provided for the state sales tax; however, the local sales tax levied under ~~this section~~ *subsection A.1.a.* shall not be levied on food purchased for human consumption or essential personal hygiene products, as such terms are defined in § 58.1-611.1.

~~E.~~*5.* All local sales tax moneys collected by the Tax Commissioner under this ~~section~~ *subsection* shall be paid into the state treasury to the credit of a special fund that is hereby created on the Comptroller's books for each ~~qualifying locality~~ *county or city* under the name "Collections of Additional Local Sales Taxes in __ (INSERT NAME OF THE ~~QUALIFYING LOCALITY~~ *COUNTY OR CITY*)." Each fund shall be administered as provided in § 58.1-605. A separate fund shall be created for each ~~qualifying locality~~ *county or city*. Only local sales tax moneys collected *pursuant to this subsection* in that ~~qualifying locality~~ *county or city* shall be deposited in that ~~locality's~~ *county's or city's* fund.

~~F.~~*6.* As soon as practicable after the local sales tax moneys *pursuant to this subsection* have been paid into the state treasury in any month for the preceding month, the Comptroller shall draw his warrant on the State Treasurer in the proper amount in favor of each ~~qualifying locality~~ *county or city*, and such payments shall be charged to the account of the ~~qualifying locality~~ *county or city* under its special fund created by ~~this section~~ *subdivision A.5*. If errors are made in any such payment, or adjustments are otherwise necessary, whether attributable to refunds to taxpayers or to some other fact, the errors shall be corrected and adjustments made in the payments for the next two months as follows: one-half of the total adjustment shall be included in the payment for each of the next two months. In addition, the payment shall include a refund of amounts erroneously not paid to each ~~qualifying locality~~ *county or city* and not previously refunded during the three years preceding the discovery of the error. A correction and adjustment in payments described in this subsection due to the misallocation of funds by the dealer shall be made within three years of the date of the payment error.

~~G.~~*7.* The revenues from ~~this~~ *the* tax *authorized in this subsection* shall be used solely for capital projects for new construction or major renovation of schools ~~in~~ *serving* the ~~qualifying locality~~ *county or city*, including bond and loan financing costs related to such construction or renovation.

B.1.a. In addition to the sales tax authorized under § 58.1-605, any county or city that is located in Planning District 8 may levy a general retail sales tax at a rate not to exceed one percent as determined by its governing body to provide revenue solely for (i) capital projects for the construction or renovation of schools serving each such county or city, or (ii) public transportation purposes serving such county or city or (iii) both capital projects for the construction or renovation of schools serving each such county or city, and public transportation purposes serving each such county or city. Such tax shall be added to the rates of the state and local sales tax imposed by this chapter and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed on this local sales tax.

b. Any taxing authority authorized by subsection B.1.a of § 58.1-605.1 shall expire for any county or city that does not comply with the provisions of § 33.2-3404.

2.a. A tax pursuant to this subsection may be levied only if the tax is approved in a referendum within the county or city held in accordance with § 24.2-684 and initiated by a resolution of the local governing body.

b. The clerk of the circuit court shall publish notice of the referendum in a newspaper of general circulation in the county or city once a week for three consecutive weeks prior to the election. The question on the ballot for the referendum shall include language stating that the revenues from the sales tax authorized by subsection B.1.a shall be used solely for public transportation or for capital projects for the construction or renovation of schools.

3. The governing body of the county or city, if it elects to impose a local sales tax under subsection B.1.a after approval at a referendum as provided in subdivision B.2 shall do so by the adoption of an ordinance stating its purpose and referring to this subsection and providing that such ordinance shall be effective on the first day of a month at least 120 days after its adoption. A certified copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received within five days after its adoption.

4. Any local sales tax levied under this subsection shall be administered and collected by the Tax Commissioner in the same manner and subject to the same exemptions and penalties as provided for the state sales tax; however, the local sales tax levied under subsection B.1.a shall not be levied on food purchased for human consumption or essential personal hygiene products, as such terms are defined in § 58.1-611.1.

5. All local sales tax moneys collected by the Tax Commissioner under subsection B.1.a shall be paid into the state treasury to the credit of a special fund that is hereby created on the Comptroller's books for each county or city under the name "Collections of Additional Local Sales Taxes in __ (INSERT NAME OF THE COUNTY OR CITY)." Each fund shall be administered as provided in § 58.1-605. A separate fund shall be created for each county or city. Only local sales tax moneys collected pursuant to subsection B.1.a in that county or city shall be deposited in that county's or city's fund.

6. As soon as practicable after the local sales tax moneys authorized by subsection B.1.a have been paid into the state treasury in any month for the preceding month, the Comptroller shall draw his warrant on the State Treasurer in the proper amount in favor of each county or city, and such payments shall be charged to the account of the county or city under its special fund created by subsection B.5. If errors are made in any such payment, or adjustments are otherwise necessary, whether attributable to refunds to taxpayers or to some other fact, the errors shall be corrected and adjustments made in the payments for the next two months as follows: one-half of the total adjustment shall be included in the payment for each of the next two months. In addition, the payment shall include a refund of amounts erroneously not paid to each county or city and not previously refunded during the three years preceding the discovery of the error. A correction and adjustment in payments described in this subsection due to the misallocation of funds by the dealer shall be made within three years of the date of the payment error.

7. The revenues from the tax pursuant to this subsection shall be used solely for (i) capital projects for new construction or major renovation of schools serving each such county or city, including bond and loan financing costs related to such needs, or (ii) public transportation purposes serving such county or city, including bond and loan financing costs related to such needs, or (iii) both capital projects for the new construction or renovation of schools serving each such county or city and public transportation purposes serving such county or city. Appropriate uses of such revenues shall include bond and loan financing costs related to clauses (i), (ii), and (iii). Revenues from this tax shall not be used for repayment of existing indebtedness authorized by the county or city for public school capital projects that began or were completed prior to the imposition of such tax.

§58.1-606.1. Additional local use tax in certain localities; use of revenues for public transportation, or construction and renovation of schools.

A.1.*a.* The governing body of a ~~qualifying~~ ~~locality~~ *county or city not located in Planning District 8* may levy a use tax at the rate of such sales tax under *subsection A.1.a. of* § 58.1-605.1 to provide revenue for capital projects for the construction or renovation of schools ~~in~~ *serving* such ~~locality~~ *county or city*. Such tax shall be added to the rates of the state and local use tax imposed by this chapter and shall be subject to all the provisions of this chapter, and all amendments thereof, and the rules and regulations published with respect thereto, except that no discount under § 58.1-622 shall be allowed on a local use tax.

b. The governing body of a county or city located in Planning District 8 may levy a use tax at the rate of such sales tax under subsection B.1.a of § 58.1-605.1 to provide revenue for capital projects for the construction or renovation of schools or for public transportation purposes. Such tax shall be added to the rates of the state and local use tax imposed by this chapter and shall be subject to all the provisions of this chapter, and all amendments thereof, and the rules and regulations published with respect thereto, except that no discount under § 58.1-622 shall be allowed on a local use tax.

2.a. Any tax imposed pursuant to ~~this~~ ~~section~~ *subsection A.1.a.* shall expire (i) if the capital projects for the construction or renovation of schools are to be financed by bonds or loans, on the date by which such bonds or loans shall be repaid or (ii) if the capital projects for the construction or renovation of schools are not to be financed by bonds or loans, on a date chosen by the governing body and specified in any resolution passed pursuant to the provisions of subsection B. Such expiration date shall not be more than 20 years after the date of the resolution passed pursuant to the provisions of subsection B.

b. Any tax imposed pursuant to subsection A.1.b shall expire for any county or city that does not comply with the provisions of § 33.2-3404.

B. The governing body of the ~~*qualifying*~~ ~~*locality*~~ *county or city,* if it elects to impose a local use tax under ~~this~~ ~~section~~ *subsection A.1.a or subsection B.1.a* may do so only if it has previously imposed the local sales tax authorized by *subsection A.1.a or subsection B.1.a of* § 58.1-605.1, by the adoption of an ordinance stating its purpose and referring to ~~this~~ ~~section~~ *subsection A.1.a or subsection A.1.b* and providing that the local use tax shall become effective on the first day of a month at least 120 days after its adoption. Such ordinance *for a tax imposed under subsection A.1.a* shall state the date on which the use tax shall expire. A certified copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received within five days after its adoption.

C. Any local use tax levied under this section shall be administered and collected by the Tax Commissioner in the same manner and subject to the same exemptions and penalties as provided for the state use tax; however, the local use tax levied under this section shall not be levied on food purchased for human consumption or essential personal hygiene products, as such terms are defined in § 58.1-611.1.

D. The local use tax authorized by this section shall not apply to transactions to which the sales tax applies, the situs of which for state and local sales tax purposes is the ~~locality~~ *county or city* of location of each place of business of every dealer paying the tax to the Commonwealth without regard to the ~~locality~~ *county or city* of possible use by the purchasers. However, the local use tax authorized by this section shall apply to tangible personal property purchased outside the Commonwealth for use or consumption within the ~~locality~~ *county or city* imposing the local use tax, or stored within the ~~locality~~ *county or city* for use or consumption, where the property would have been subject to the sales tax if it had been purchased within the Commonwealth. The local use tax shall also apply to leases or rentals of tangible personal property where the place of business of the lessor is outside the Commonwealth and such leases or rentals are subject to the state tax. Moreover, the local use tax shall apply in all cases in which the state use tax applies.

E. Out-of-state dealers who hold certificates of registration to collect the use tax from their customers for remittance to the Commonwealth shall, to the extent reasonably practicable, in filing their monthly use tax returns with the Tax Commissioner, break down their shipments into the Commonwealth by counties and cities so as to show the county or city of destination. If, however, the out-of-state dealer is unable accurately to assign any shipment to a particular county or city, the local use tax on the tangible personal property involved shall be remitted to the Commonwealth by such dealer without attempting to assign the shipment to any county or city.

F. Local use tax revenue shall be deposited in the special fund established pursuant to subsection ~~E~~ *A.5 or subsection B.5* of § 58.1-605.1. The Comptroller shall distribute the revenue to the ~~qualifying locality~~ *county or city*.

G.*1.* ~~All revenue from this local use tax revenue~~ *The revenues from the tax authorized by subsection A.1.a* shall be used solely for capital projects for new construction or major renovation of schools ~~in~~ *serving* the ~~qualifying locality~~ *county or city*, including bond and loan financing costs related to such construction or renovation.

2. The revenues from the tax authorized by subsection A.1.b shall be used solely for (i) capital projects for new construction or major renovation of schools serving each such county or city, including bond and loan financing costs related to such needs, or (ii) public transportation purposes serving each such county or city, including bond and loan financing costs related to such needs, or (iii) both capital projects for the new construction or renovation of schools serving each such county or city and public transportation purposes serving each such county or city. Appropriate uses of such revenues shall include bond and loan financing costs related to clauses (i), (ii), and (iii). Revenues from this tax shall not be used for repayment of existing indebtedness authorized by the county or city for public school capital projects that began or were completed prior to the imposition of such tax.

3. That §§ 58.1-322.03 and 58.1-339.8 of the Code of Virginia are amended and reenacted as follows:

In computing Virginia taxable income pursuant to § 58.1-322, there shall be deducted from Virginia adjusted gross income as defined in § 58.1-321:

1. a. The amount allowable for itemized deductions for federal income tax purposes where the taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted on such federal return and increased by an amount that, when added to the amount deducted under § 170 of the Internal Revenue Code for mileage, results in a mileage deduction at the state level for such purposes at a rate of 18 cents per mile; or

b. Provided that the taxpayer has not itemized deductions for the taxable year on his federal income tax return: (i) for taxable years beginning before January 1, 2019, and on and after January 1, ~~2027~~*2030*, $3,000 for single individuals and $6,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return); (ii) for taxable years beginning on and after January 1, 2019, but before January 1, 2022, $4,500 for single individuals and $9,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return); (iii) for taxable years beginning on and after January 1, 2022, but before January 1, 2024, $8,000 for single individuals and $16,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return); (iv) for taxable years beginning on and after January 1, 2024, but before January 1, 2025, $8,500 for single individuals and $17,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return); ~~and~~ (v) for taxable years beginning on and after January 1, 2025, but before January 1, 2027, $8,750 for single individuals and $17,500 for married persons (one-half of such amounts in the case of a married individual filing a separate return); *(vi) for taxable years beginning on and after January 1, 2027, but before January 1, 2028, $9,200 for single individuals and $18,400 for married persons (one-half of such amounts in the case of a married individual filing a separate return); and (vii) for taxable years beginning on and after January 1, 2028, but before January 1, 2030, $9,300 for single individuals and $18,600 for married persons (one-half of such amounts in the case of a married individual filing a separate return).* For purposes of this section, any person who may be claimed as a dependent on another taxpayer's return for the taxable year may compute the deduction only with respect to earned income.

2. a. A deduction in the amount of $930 for each personal exemption allowable to the taxpayer for federal income tax purposes.

b. Each blind or aged taxpayer as defined under § 63(f) of the Internal Revenue Code shall be entitled to an additional personal exemption in the amount of $800. The additional deduction for blind or aged taxpayers allowed under this subdivision shall be allowable regardless of whether the taxpayer itemizes deductions for the taxable year for federal income tax purposes.

3. A deduction equal to the amount of employment-related expenses upon which the federal credit is based under § 21 of the Internal Revenue Code for expenses for household and dependent care services necessary for gainful employment.

4. An additional $1,000 deduction for each child residing for the entire taxable year in a home under permanent foster care placement as defined in § 63.2-908, provided that the taxpayer can also claim the child as a personal exemption under § 151 of the Internal Revenue Code.

5. a. A deduction in the amount of $12,000 for individuals born on or before January 1, 1939.

b. A deduction in the amount of $12,000 for individuals born after January 1, 1939, who have attained the age of 65. This deduction shall be reduced by $1 for every $1 that the taxpayer's adjusted federal adjusted gross income exceeds $50,000 for single taxpayers or

$75,000 for married taxpayers. For married taxpayers filing separately, the deduction shall be reduced by $1 for every $1 that the total combined adjusted federal adjusted gross income of both spouses exceeds $75,000.
For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal adjusted gross income minus any benefits received under Title II of the Social Security Act and other benefits subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code, as amended.

6. The amount an individual pays as a fee for an initial screening to become a possible bone marrow donor, if (i) the individual is not reimbursed for such fee or (ii) the individual has not claimed a deduction for the payment of such fee on his federal income tax return.

7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed during the taxable year for a prepaid tuition contract or college savings trust account entered into with the Commonwealth Savers Plan, pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1. Except as provided in subdivision b, the amount deducted on any individual income tax return in any taxable year shall be limited to $4,000 per prepaid tuition contract or college savings trust account. No deduction shall be allowed pursuant to this subdivision 7 if such payments or contributions are deducted on the purchaser's or contributor's federal income tax return. If the purchase price or annual contribution to a college savings trust account exceeds $4,000, the remainder may be carried forward and subtracted in future taxable years until the purchase price or college savings trust contribution has been fully deducted; however, except as provided in subdivision b, in no event shall the amount deducted in any taxable year exceed $4,000 per contract or college savings trust account. Notwithstanding the statute of limitations on assessments contained in § 58.1-312, 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 higher education expenses, as defined in § 529 of the Internal Revenue Code or (ii) the beneficiary's death, disability, or receipt of a scholarship. For the purposes of this subdivision, "purchaser" or "contributor" means the person shown as such on the records of the Commonwealth Savers Plan as of December 31 of the taxable year. In the case of a transfer of ownership of a prepaid tuition contract or college savings trust account, the transferee shall succeed to the transferor's tax attributes associated with a prepaid tuition contract or college savings trust account, including, but not limited to, carryover and recapture of deductions.

b. A purchaser of a prepaid tuition contract or contributor to a college savings trust account who has attained age 70 shall not be subject to the limitation that the amount of the deduction not exceed $4,000 per prepaid tuition contract or college savings trust account in any taxable year. Such taxpayer shall be allowed a deduction for the full amount paid for the contract or contributed to a college savings trust account, less any amounts previously deducted.

8. The total amount an individual actually contributed in funds to the Virginia Public School Construction Grants Program and Fund, established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1, provided that the individual has not claimed a deduction for such amount on his federal income tax return.

9. An amount equal to 20 percent of the tuition costs incurred by an individual employed as a primary or secondary school teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1 to attend continuing teacher education courses that are required as a condition of employment; however, the deduction provided by this subdivision shall be available only if (i) the individual is not reimbursed for such tuition costs and (ii) the individual has not claimed a deduction for the payment of such tuition costs on his federal income tax return.

10. The amount an individual pays annually in premiums for long-term health care insurance, provided that the individual has not claimed a deduction for federal income tax purposes, or, for taxable years beginning before January 1, 2014, a credit under § 58.1-339.11. For taxable years beginning on and after January 1, 2014, no such deduction for long-term health care insurance premiums paid by the individual during the taxable year shall be allowed if the individual has claimed a federal income tax deduction for such taxable year for long-term health care insurance premiums paid by him.

11. Contract payments to a producer of quota tobacco or a tobacco quota holder, or their spouses, as provided under the American Jobs Creation Act of 2004 (P.L. 108-357), but only to the extent that such payments have not been subtracted pursuant to subsection D of § 58.1-402, as follows:

a. If the payment is received in installment payments, then the recognized gain may be subtracted in the taxable year immediately following the year in which the installment payment is received.

b. If the payment is received in a single payment, then 10 percent of the recognized gain may be subtracted in the taxable year immediately following the year in which the single payment is received. The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

12. An amount equal to 20 percent of the sum paid by an individual pursuant to Chapter 6 (§ 58.1-600 et seq.), not to exceed $500 in each taxable year, in purchasing for his own use the following items of tangible personal property: (i) any clothes washers, room air conditioners, dishwashers, and standard size refrigerators that meet or exceed the applicable energy star efficiency requirements developed by the U.S. Environmental Protection Agency and the U.S. Department of Energy; (ii) any fuel cell that (a) generates electricity using an electrochemical process, (b) has an electricity-only generation efficiency greater than 35 percent, and (c) has a generating capacity of at least two kilowatts; (iii) any gas heat pump that has a coefficient of performance of at least 1.25 for heating and at least 0.70 for cooling; (iv) any electric heat pump hot water heater that yields an energy factor of at least

1.7; (v) any electric heat pump that has a heating system performance factor of at least 8.0 and a cooling seasonal energy efficiency ratio of at least 13.0; (vi) any central air conditioner that has a cooling seasonal energy efficiency ratio of at least 13.5; (vii) any advanced gas or oil water heater that has an energy factor of at least 0.65; (viii) any advanced oil-fired boiler with a minimum annual fuel-utilization rating of 85; (ix) any advanced oil-fired furnace with a minimum annual fuel-utilization rating of 85; and (x) programmable thermostats.

13. The lesser of $5,000 or the amount actually paid by a living donor of an organ or other living tissue for unreimbursed out-of-pocket expenses directly related to the donation that arose within 12 months of such donation, provided that the donor has not taken a medical deduction in accordance with the provisions of § 213 of the Internal Revenue Code for such expenses. The deduction may be taken in the taxable year in which the donation is made or the taxable year in which the 12-month period expires.

14. For taxable years beginning on and after January 1, 2013, the amount an individual age 66 or older with earned income of at least $20,000 for the year and federal adjusted gross income not in excess of $30,000 for the year pays annually in premiums for (i) a prepaid funeral insurance policy covering the individual or (ii) medical or dental insurance for any person for whom individual tax filers may claim a deduction for such premiums under federal income tax laws. As used in this subdivision, "earned income" means the same as that term is defined in § 32(c) of the Internal Revenue Code. The deduction shall not be allowed for any portion of such premiums paid for which the individual has (a) been reimbursed, (b) claimed a deduction for federal income tax purposes, (c) claimed a deduction or subtraction under another provision of this section, or (d) claimed a federal income tax credit or any income tax credit pursuant to this chapter.

15. Business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code:

a. For taxable years beginning on and after January 1, 2018, but before January 1, 2022, 20 percent of such disallowed business interest;

b. For taxable years beginning on and after January 1, 2022, but before January 1, 2024, 30 percent of such disallowed business interest;

c. For taxable years beginning on and after January ~~2~~ *1*, 2024, *but before January 1, 2025,* 50 percent of such disallowed business interest; *and*

d. For taxable years beginning on and after January 1, 2025, 20 percent of such disallowed business interest.

For purposes of subdivision 15, "business interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

16. For taxable years beginning on and after January 1, 2019, the actual amount of real and personal property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the Internal Revenue Code.

17. For taxable years beginning before January 1, 2021, up to $100,000 of the amount that is not deductible when computing federal adjusted gross income solely on account of the portion of subdivision B 10 of § 58.1-301 related to Paycheck Protection Program loans.

18. For taxable years beginning on and after January 1, 2022, but before January 1, 2025, *and for taxable years beginning on and after January 1, 2026,* the lesser of $500 or the actual amount paid or incurred for eligible educator qualifying expenses. For purposes of this subdivision, "eligible educator" means an individual who for at least 900 hours during the taxable year in which the credit under this section is claimed served as a teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1, instructor, student counselor, principal, special needs personnel, or student aide serving accredited public or private primary and secondary school students in Virginia, and "qualifying expenses" means 100 percent of the amount paid or incurred by an eligible educator during the taxable year for participation in professional development courses and the purchase of books, supplies, computer equipment (including related software and services), other educational and teaching equipment, and supplementary materials used directly in that individual's service to students as an eligible educator, provided that such purchases were neither reimbursed nor claimed as a deduction on the eligible educator's federal income tax return for such taxable year.

19. For taxable years beginning on and after January 1, 2026, the amount paid or cost incurred for installing a qualifying upgrade required to interconnect a triggering project. No deduction shall be allowed under this section for a taxpayer who has claimed a deduction under subsection I of § 58.1-402 for the same amount paid or cost incurred to install such qualifying upgrade.
For purposes of this subdivision, "qualifying upgrade" and "triggering project" have the same meanings as provided for those terms in § 56-596.5.

§ 58.1-339.8. Income tax credit for low-income taxpayers.

A. For purposes of this section:

"Family Virginia adjusted gross income" means the combined Virginia adjusted gross income of an individual, the individual's spouse, and any person claimed as a dependent on the individual's or his spouse's income tax return for the taxable year.

"Household" means an individual, or in the case of married individuals, an individual and his spouse, regardless of whether or not the

individual and his spouse file combined or separate Virginia individual income tax returns.

"Poverty guidelines" means the poverty guidelines for the 48 contiguous states and the District of Columbia updated annually in the Federal Register by the U.S. Department of Health and Human Services under the authority of § 673(2) of the Omnibus Budget Reconciliation Act of 1981.

"Virginia adjusted gross income" has the same meaning as the term is defined in § 58.1-321.

B. 1. For taxable years beginning on and after January 1, 2000, any individual or married individuals filing jointly whose family Virginia adjusted gross income does not exceed 100 percent of the poverty guideline amount corresponding to a household of an equal number of persons as listed in the poverty guidelines published during such taxable year, shall be allowed a nonrefundable credit against the tax levied pursuant to § 58.1-320 in an amount equal to $300 each for the individual, the individual's spouse, and any person claimed as a dependent on the individual's or married individuals' income tax return for the taxable year. For any taxable year in which married individuals file separate Virginia income tax returns, the credit provided under this section shall be allowed against the tax for only one of such two tax returns. Additionally, the credit provided under this section shall not be allowed against such tax of a dependent of the individual or of married individuals.

2. For taxable years beginning on and after January 1, 2006, any individual or married individuals filing jointly, eligible for a tax credit pursuant to § 32 of the Internal Revenue Code, may for the taxable year, in lieu of the credit authorized under subdivision 1, claim a nonrefundable credit against the tax imposed pursuant to § 58.1-320 in an amount equal to 20 percent of the credit claimed by the individual or married individuals for federal individual income taxes pursuant to § 32 of the Internal Revenue Code for the taxable year. In no case shall a household be allowed a credit pursuant to this subdivision and subdivision 1 or 3 for the same taxable year.

3. a. For taxable years beginning on and after January 1, 2022, but before January 1, 2025 any individual or married individuals filing jointly, eligible for a tax credit pursuant to § 32 of the Internal Revenue Code, may for the taxable year, in lieu of the credit authorized under subdivision 1 or 2, claim a refundable credit against the tax imposed pursuant to § 58.1-320 in an amount equal to 15 percent of the credit claimed by the individual or married individuals for federal individual income taxes pursuant to § 32 of the Internal Revenue Code for the taxable year.

b. For taxable years beginning on and after January 1, 2025 but before January 1, ~~2027~~ *2030*, any individual or married individuals filing jointly may, for the taxable year, in lieu of the credit authorized under subdivision 1 or 2, claim a refundable credit against the tax imposed pursuant to § 58.1-320 in an amount equal to 20 percent of the credit claimed by the individual or married individuals for federal individual income taxes pursuant to § 32 of the Internal Revenue Code for the taxable year.

c. The refundable credit claimed pursuant to this subdivision 3 shall be claimed on the Virginia income tax return and redeemed by the Tax Commissioner. In no case shall a household be allowed a credit pursuant to this subdivision 3 and subdivision 1 or 2 for the same taxable year.

C. The amount of the credit claimed pursuant to subdivision B 1 and B 2, or in the case of a nonresident or a person to which § 58.1-303 applies, subdivision B 3, for any taxable year shall not exceed the individual's or married individuals' Virginia income tax liability.

D. Notwithstanding any other provision of this section, no credit shall be allowed pursuant to subsection B in any taxable year in which the individual, the individual's spouse, or both, or any person claimed as a dependent on such individual's or married individuals' income tax return, claims one or any combination of the following on his or their income tax return for such taxable year:

1. The subtraction under subdivision 8 of § 58.1-322.02;

2. The subtraction under subdivision 15 of § 58.1-322.02;

3. The subtraction under subdivision 16 of § 58.1-322.02;

4. The deduction for the additional personal exemption for blind or aged taxpayers under subdivision 2 b of § 58.1-322.03; or

5. The deduction under subdivision 5 of § 58.1-322.03.

4. That, notwithstanding any other provision of law, as to any petition filed by a Phase II Utility, as that term is defined in subdivision A 1 of § 56-585.1 of the Code of Virginia (Phase II Utility), on or after July 1, 2026, pursuant to clause (iv) of subdivision A 6 of § 56-585.1 of the Code of Virginia for recovery of costs relating to the replacement of overhead distribution facilities with new underground facilities (strategic undergrounding program), the Phase II Utility shall not seek any annual incremental increase in the level of investments associated with such a petition that exceeds three percent of such utility's distribution rate base, as such rate base was determined for the most recently ended 12-month test period in the Phase II Utility's most recently concluded biennial review proceeding conducted pursuant to subdivision A 3 of § 56-585.1 of the Code of Virginia prior to the filing of such petition, and any strategic undergrounding program of the Phase II Utility for which cost recovery is sought pursuant to clause (iv) of subdivision A 6 of § 56-585.1 of the Code of Virginia

shall have an overall cap of 4000 miles of overhead distribution facilities converted to underground service. That, further, a Phase II Utility shall permit a customer executing a new electric service agreement on or after July 1, 2026, or a customer that executed a new electric service agreement between July 1, 2024, and July 1, 2026, to serve facilities that are under construction as of July 1, 2026, that has a contracted or measured electric demand of 25 megawatts or greater and an anticipated or measured average annual electric load factor of 75 percent or greater which maintains a full-time equivalent employment workforce engaged in manufacturing, industrial, or consumer goods warehousing and distribution activities other than data storage, of at least 200 individuals at facilities located within the Phase II Utility's service territory at a single or contiguous customer account location to elect to take service on any rate schedule for which such customer qualifies based on its contracted or measured electric demand, regardless of anticipated or measured annual electric load factor, provided, however, that the electric demand, in the aggregate, of such electing customers shall not exceed 150 megawatts, and the electric demand of any individual customer shall not exceed 50 megawatts, unless the State Corporation Commission (the Commission), in its discretion, determines that exceeding that aggregate cap is in the public interest. In determining the average annual electric load factor of any such customer, or of any such customer making such an election on or before July 1, 2026, the determination of average annual electric load factor shall be in accordance with the Commission-approved terms of the default rate schedule applicable to such customers on and after January 1, 2027. And that, further, with respect to any petition filed by a Phase II Utility between May 1, 2026, and July 15, 2026, for a financing order regarding deferred fuel costs as provided in § 56-249.6:2 of the Code of Virginia, the provisions of the fourth enactment of Chapter 757 or the fourth enactment of Chapter 775 of the Acts of Assembly of 2023 shall apply to any retail customer that is receiving electric service from the Phase II Utility whose demand exceeded five megawatts during calendar year 2025.

5. That §§ 2.2-2499.8, 2.2-2818, 2.2-2905, 2.2-3114, 2.2-3711, as it is currently effective and as it shall become effective, 2.2-3802, 2.2-4024, 3.2-4112, 3.2-4113, 3.2-4116, 3.2-4126, 3.2-5145.1, 3.2-5145.2:1, 3.2-5145.4, 4.1-103, 4.1-352, 4.1-600, 4.1-601, 4.1-603, 4.1-604, 4.1-606, 4.1-607, 4.1-611, 4.1-614, 4.1-621, 4.1-1100, 4.1-1101, 4.1-1106.1, 4.1-1108, 4.1-1121, 4.1-1402, 4.1-1500, 4.1-1501, 4.1-1502, 4.1-1600 through 4.1-1603.2, 4.1-1604, 5.1-13, 9.1-1101, 15.2-912.4, 16.1-69.40:1, 16.1-260, 16.1-273, 16.1-278.9, 18.2-46.1, 18.2-247, 18.2-248, 18.2-248.01, 18.2-251, 18.2-251.03, 18.2-251.1:1, 18.2-251.1:2, 18.2-251.1:3, 18.2-252, 18.2-254, 18.2-255, 18.2-255.1, 18.2-255.2, 18.2-258, 18.2-258.02, 18.2-258.1, 18.2-265.1, 18.2-265.2, 18.2-265.3, 18.2-287.2, 18.2-308.012, 18.2-308.4, 18.2-371.2, 18.2-460, 18.2-474.1, 19.2-66, 19.2-81, 19.2-81.1, 19.2-83.1, 19.2-188.1, 19.2-303.01, 19.2-386.22 through 19.2-386.25, 19.2-389, as it is currently effective and as it shall become effective, 19.2-389.3, 19.2-392.02, 19.2-392.6 and 19.2-392.12:1 as they shall become effective, 22.1-206, 22.1-277.08, 23.1-1301, 46.2-105.2, 46.2-347, 48-17.1, 53.1-231.2, 54.1-2903, 54.1-3401, 54.1-3443, 58.1-301, and 59.1-200 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 6 of Title 4.1 sections numbered 4.1-629 and 4.1-630, by adding in Title 4.1 chapters numbered 7 through 10, consisting of sections numbered 4.1-700 through 4.1-1010, by adding sections numbered 4.1-1102 through 4.1-1105, 4.1-1106, 4.1-1113, 4.1-1114, 4.1-1115, 4.1-1117, 4.1-1118, and 4.1-1119, by adding in Title 4.1 a chapter numbered 12, consisting of sections numbered 4.1-1200 through 4.1-1206, by adding in Chapter 13 of Title 4.1 sections numbered 4.1-1300, 4.1-1301, and 4.1-1303 through 4.1-1309, by adding in Chapter 14 of Title 4.1 sections numbered 4.1-1403 through 4.1-1407, by adding a section numbered 4.1-1602.1, by adding in Title 4.1 a chapter numbered 17, consisting of sections numbered 4.1-1700 through 4.1-1704, by adding in Article 2 of Chapter 1 of Title 6.2 a section numbered 6.2-108, and by adding in Chapter 44 of Title 54.1 a section numbered 54.1-4426 as follows:

§ 2.2-2499.8. Cannabis Equity Reinvestment Fund.

There is hereby created in the state treasury a special nonreverting fund to be known as the Cannabis Equity Reinvestment Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on 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. Moneys in the Fund shall be used solely for the purposes of:

1. Supporting persons, families, and communities historically and disproportionately targeted and affected by drug enforcement;

2. Providing scholarship opportunities and educational and vocational resources for historically marginalized persons, including persons in foster care, who have been adversely impacted by substance use individually, in their families, or in their communities;

3. Awarding grants to support workforce development, mentoring programs, job training and placement services, apprenticeships, and reentry services that serve persons and communities historically and disproportionately targeted by drug enforcement.

4. Contributing to the Virginia Indigent Defense Commission established pursuant to § 19.2-163.01; and

5. Contributing to the Virginia Cannabis Equity Business Loan Fund established pursuant to § 4.1-1501.

Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by *(i)* the Director of Diversity, Equity, and Inclusion *or (ii) if the Director of Diversity, Equity, and Inclusion position is vacant, a majority of the members of the Cannabis Equity Reinvestment Board established pursuant to § 2.2-2499.5*.

§ 2.2-2818. Health and related insurance for state employees.

A. The Department of Human Resource Management shall establish a plan, subject to the approval of the Governor, for providing health insurance coverage, including chiropractic treatment, hospitalization, medical, surgical, and major medical coverage, for state employees and retired state employees with the Commonwealth paying the cost thereof to the extent of the coverage included in such plan. The same plan shall be offered to all part-time state employees, but the total cost shall be paid by such part-time employees. The Department of Human Resource Management shall administer this section. The plan chosen shall provide means whereby coverage for the families or dependents of state employees may be purchased. Except for part-time employees, the Commonwealth may pay all or a portion of the cost thereof, and for such portion as the Commonwealth does not pay, the employee, including a part-time employee, may purchase the coverage by paying the additional cost over the cost of coverage for an employee.

Such contribution shall be financed through appropriations provided by law.

B. The plan shall:

1. Include coverage for low-dose screening mammograms for determining the presence of occult breast cancer. Such coverage shall make available one screening mammogram to persons age 35 through 39, one such mammogram biennially to persons age 40 through 49, and one such mammogram annually to persons age 50 and over and may be limited to a benefit of $50 per mammogram subject to such dollar limits, deductibles, and coinsurance factors as are no less favorable than for physical illness generally.

The term "mammogram" shall mean an X-ray examination of the breast using equipment dedicated specifically for mammography, including ~~but not limited to~~ the X-ray tube, filter, compression device, screens, film, and cassettes, with an average radiation exposure of less than one rad mid-breast, two views of each breast.

In order to be considered a screening mammogram for which coverage shall be made available under this section:

a. The mammogram shall be (i) ordered by a health care practitioner acting within the scope of his licensure and, in the case of an enrollee of a health maintenance organization, by the health maintenance organization provider; (ii) performed by a registered technologist; (iii) interpreted by a qualified radiologist; and (iv) performed under the direction of a person licensed to practice medicine and surgery and certified by the American Board of Radiology or an equivalent examining body. A copy of the mammogram report shall be sent or delivered to the health care practitioner who ordered it;

b. The equipment used to perform the mammogram shall meet the standards set forth by the Virginia Department of Health in its radiation protection regulations; and

c. The mammography film shall be retained by the radiologic facility performing the examination in accordance with the American College of Radiology guidelines or state law.

2. Include coverage for postpartum services providing inpatient care and a home visit or visits that shall be in accordance with the medical criteria, outlined in the most current version of or an official update to the "Guidelines for Perinatal Care" prepared by the American Academy of Pediatrics and the American College of Obstetricians and Gynecologists or the "Standards for Obstetric-Gynecologic Services" prepared by the American College of Obstetricians and Gynecologists. Such coverage shall be provided incorporating any changes in such Guidelines or Standards within six months of the publication of such Guidelines or Standards or any official amendment thereto.

3. Include an appeals process for resolution of complaints that shall provide reasonable procedures for the resolution of such complaints and shall be published and disseminated to all covered state employees. The appeals process shall be compliant with federal rules and regulations governing nonfederal, self-insured governmental health plans. The appeals process shall include a separate expedited emergency appeals procedure that shall provide resolution within time frames established by federal law. For appeals involving adverse decisions as defined in § 32.1-137.7, the Department shall contract with one or more independent review organizations to review such decisions. Independent review organizations are entities that conduct independent external review of adverse benefit determinations. The Department shall adopt regulations to assure that the independent review organization conducting the reviews has adequate standards, credentials, and experience for such review. The independent review organization shall examine the final denial of claims to determine whether the decision is objective, clinically valid, and compatible with established principles of health care. The decision of the independent review organization shall (i) be in writing, (ii) contain findings of fact as to the material issues in the case and the basis for those findings, and (iii) be final and binding if consistent with law and policy.

Prior to assigning an appeal to an independent review organization, the Department shall verify that the independent review organization conducting the review of a denial of claims has no relationship or association with (i) the covered person or the covered person's authorized representative; (ii) the treating health care provider, or any of its employees or affiliates; (iii) the medical care facility at which the covered service would be provided, or any of its employees or affiliates; or (iv) the development or manufacture of the drug, device, procedure, or other therapy that is the subject of the final denial of a claim. The independent review organization shall not be a subsidiary of, nor owned or controlled by, a health plan, a trade association of health plans, or a professional association of health care providers. There shall be no liability on the part of and no cause of action shall arise against any officer or employee of an independent review organization for any actions taken or not taken or statements made by such

officer or employee in good faith in the performance of his powers and duties.

4. Include coverage for early intervention services. For purposes of this section, "early intervention services" means medically necessary speech and language therapy, occupational therapy, physical therapy and assistive technology services and devices for dependents from birth to age three who are certified by the Department of Behavioral Health and Developmental Services as eligible for services under Part H of the Individuals with Disabilities Education Act (20 U.S.C. § 1471 et seq.). Medically necessary early intervention services for the population certified by the Department of Behavioral Health and Developmental Services shall mean those services designed to help an individual attain or retain the capability to function age-appropriately within his environment, and shall include services that enhance functional ability without effecting a cure.

For persons previously covered under the plan, there shall be no denial of coverage due to the existence of a preexisting condition. The cost of early intervention services shall not be applied to any contractual provision limiting the total amount of coverage paid by the insurer to or on behalf of the insured during the insured's lifetime.

5. Include coverage for prescription drugs and devices approved by the United States Food and Drug Administration for use as contraceptives.

6. Not deny coverage for any drug approved by the United States Food and Drug Administration for use in the treatment of cancer on the basis that the drug has not been approved by the United States Food and Drug Administration for the treatment of the specific type of cancer for which the drug has been prescribed, if the drug has been recognized as safe and effective for treatment of that specific type of cancer in one of the standard reference compendia.

7. Not deny coverage for any drug prescribed to treat a covered indication so long as the drug has been approved by the United States Food and Drug Administration for at least one indication and the drug is recognized for treatment of the covered indication in one of the standard reference compendia or in substantially accepted peer-reviewed medical literature.

8. Include coverage for equipment, supplies, and outpatient self-management training and education, including medical nutrition therapy, for the treatment of insulin-dependent diabetes, insulin-using diabetes, gestational diabetes, and noninsulin-using diabetes if prescribed by a health care professional legally authorized to prescribe such items under law. To qualify for coverage under this subdivision, diabetes outpatient self-management training and education shall be provided by a certified, registered, or licensed health care professional.

9. Include coverage for reconstructive breast surgery. For purposes of this section, "reconstructive breast surgery" means surgery performed on and after July 1, 1998, (i) coincident with a mastectomy performed for breast cancer or (ii) following a mastectomy performed for breast cancer to reestablish symmetry between the two breasts. For persons previously covered under the plan, there shall be no denial of coverage due to preexisting conditions.

10. Include coverage for annual pap smears, including coverage, on and after July 1, 1999, for annual testing performed by any FDA-approved gynecologic cytology screening technologies.

11. Include coverage providing a minimum stay in the hospital of not less than 48 hours for a patient following a radical or modified radical mastectomy and 24 hours of inpatient care following a total mastectomy or a partial mastectomy with lymph node dissection for treatment of breast cancer. Nothing in this subdivision shall be construed as requiring the provision of inpatient coverage where the attending physician in consultation with the patient determines that a shorter period of hospital stay is appropriate.

12. Include coverage (i) to persons age 50 and over and (ii) to persons age 40 and over who are at high risk for prostate cancer, according to the most recent published guidelines of the American Cancer Society, for one prostate-specific antigen test in a 12-month period and digital rectal examinations.

13. Permit any individual covered under the plan direct access to the health care services of a participating specialist (i) authorized to provide services under the plan and (ii) selected by the covered individual. The plan shall have a procedure by which an individual who has an ongoing special condition may, after consultation with the primary care physician, receive a referral to a specialist for such condition who shall be responsible for and capable of providing and coordinating the individual's primary and specialty care related to the initial specialty care referral. If such an individual's care would most appropriately be coordinated by such a specialist, the plan shall refer the individual to a specialist. For the purposes of this subdivision, "special condition" means a condition or disease that is (i) life-threatening, degenerative, or disabling and (ii) requires specialized medical care over a prolonged period of time. Within the treatment period authorized by the referral, such specialist shall be permitted to treat the individual without a further referral from the individual's primary care provider and may authorize such referrals, procedures, tests, and other medical services related to the initial referral as the individual's primary care provider would otherwise be permitted to provide or authorize. The plan shall have a procedure by which an individual who has an ongoing special condition that requires ongoing care from a specialist may receive a standing referral to such specialist for the treatment of the special condition. If the primary care provider, in consultation with the plan and the specialist, if any, determines that such a standing referral is appropriate, the plan or issuer shall make such a referral to a specialist. Nothing contained herein shall prohibit the plan from requiring a participating specialist to provide written notification to the covered individual's primary care physician of any visit to such specialist. Such notification may include a description of the health care services rendered at the time of the visit.

14. Include provisions allowing employees to continue receiving health care services for a period of up to 90 days from the date of the primary care physician's notice of termination from any of the plan's provider panels. The plan shall notify any provider at least 90 days prior to the date of termination of the provider, except when the provider is terminated for cause.

For a period of at least 90 days from the date of the notice of a provider's termination from any of the plan's provider panels, except when a provider is terminated for cause, a provider shall be permitted by the plan to render health care services to any of the covered employees who (i) were in an active course of treatment from the provider prior to the notice of termination and (ii) request to continue receiving health care services from the provider.

Notwithstanding the provisions of this subdivision, any provider shall be permitted by the plan to continue rendering health services to any covered employee who has entered the second trimester of pregnancy at the time of the provider's termination of participation, except when a provider is terminated for cause. Such treatment shall, at the covered employee's option, continue through the provision of postpartum care directly related to the delivery.

Notwithstanding the provisions of this subdivision, any provider shall be permitted to continue rendering health services to any covered employee who is determined to be terminally ill (as defined under § 1861(dd)(3)(A) of the Social Security Act) at the time of a provider's termination of participation, except when a provider is terminated for cause. Such treatment shall, at the covered employee's option, continue for the remainder of the employee's life for care directly related to the treatment of the terminal illness.

A provider who continues to render health care services pursuant to this subdivision shall be reimbursed in accordance with the carrier's agreement with such provider existing immediately before the provider's termination of participation.

15. Include coverage for patient costs incurred during participation in clinical trials for treatment studies on cancer, including ovarian cancer trials.

The reimbursement for patient costs incurred during participation in clinical trials for treatment studies on cancer shall be determined in the same manner as reimbursement is determined for other medical and surgical procedures. Such coverage shall have durational limits, dollar limits, deductibles, copayments, and coinsurance factors that are no less favorable than for physical illness generally.

For purposes of this subdivision:

"Cooperative group" means a formal network of facilities that collaborate on research projects and have an established NIH-approved peer review program operating within the group. "Cooperative group" includes (i) the National Cancer Institute Clinical Cooperative Group and (ii) the National Cancer Institute Community Clinical Oncology Program.

"FDA" means the Federal Food and Drug Administration.

"Multiple project assurance contract" means a contract between an institution and the federal Department of Health and Human Services that defines the relationship of the institution to the federal Department of Health and Human Services and sets out the responsibilities of the institution and the procedures that will be used by the institution to protect human subjects.

"NCI" means the National Cancer Institute.

"NIH" means the National Institutes of Health.

"Patient" means a person covered under the plan established pursuant to this section.

"Patient cost" means the cost of a medically necessary health care service that is incurred as a result of the treatment being provided to a patient for purposes of a clinical trial. "Patient cost" does not include (i) the cost of nonhealth care services that a patient may be required to receive as a result of the treatment being provided for purposes of a clinical trial, (ii) costs associated with managing the research associated with the clinical trial, or (iii) the cost of the investigational drug or device.

Coverage for patient costs incurred during clinical trials for treatment studies on cancer shall be provided if the treatment is being conducted in a Phase II, Phase III, or Phase IV clinical trial. Such treatment may, however, be provided on a case-by-case basis if the treatment is being provided in a Phase I clinical trial.

The treatment described in the previous paragraph shall be provided by a clinical trial approved by:

a. The National Cancer Institute;

b. An NCI cooperative group or an NCI center;

c. The FDA in the form of an investigational new drug application;

d. The federal Department of Veterans Affairs; or

e. An institutional review board of an institution in the Commonwealth that has a multiple project assurance contract approved by the Office of Protection from Research Risks of the NCI.

The facility and personnel providing the treatment shall be capable of doing so by virtue of their experience, training, and expertise.

Coverage under this subdivision shall apply only if:

(1) There is no clearly superior, noninvestigational treatment alternative;

(2) The available clinical or preclinical data provide a reasonable expectation that the treatment will be at least as effective as the noninvestigational alternative; and

(3) The patient and the physician or health care provider who provides services to the patient under the plan conclude that the patient's participation in the clinical trial would be appropriate, pursuant to procedures established by the plan.

16. Include coverage providing a minimum stay in the hospital of not less than 23 hours for a covered employee following a laparoscopy-assisted vaginal hysterectomy and 48 hours for a covered employee following a vaginal hysterectomy, as outlined in Milliman & Robertson's nationally recognized guidelines. Nothing in this subdivision shall be construed as requiring the provision of the total hours referenced when the attending physician, in consultation with the covered employee, determines that a shorter hospital stay is appropriate.

17. Include coverage for biologically based mental illness.

For purposes of this subdivision, a "biologically based mental illness" is any mental or nervous condition caused by a biological disorder of the brain that results in a clinically significant syndrome that substantially limits the person's functioning; specifically, the following diagnoses are defined as biologically based mental illness as they apply to adults and children: schizophrenia, schizoaffective disorder, bipolar disorder, major depressive disorder, panic disorder, obsessive-compulsive disorder, attention deficit hyperactivity disorder, autism, and drug and alcoholism addiction.

Coverage for biologically based mental illnesses shall neither be different nor separate from coverage for any other illness, condition, or disorder for purposes of determining deductibles, benefit year or lifetime durational limits, benefit year or lifetime dollar limits, lifetime episodes or treatment limits, copayment and coinsurance factors, and benefit year maximum for deductibles and copayment and coinsurance factors.

Nothing shall preclude the undertaking of usual and customary procedures to determine the appropriateness of, and medical necessity for, treatment of biologically based mental illnesses under this option, provided that all such appropriateness and medical necessity determinations are made in the same manner as those determinations made for the treatment of any other illness, condition, or disorder covered by such policy or contract.

18. Offer and make available coverage for the treatment of morbid obesity through gastric bypass surgery or such other methods as may be recognized by the National Institutes of Health as effective for the long-term reversal of morbid obesity. Such coverage shall have durational limits, dollar limits, deductibles, copayments, and coinsurance factors that are no less favorable than for physical illness generally. Access to surgery for morbid obesity shall not be restricted based upon dietary or any other criteria not approved by the National Institutes of Health. For purposes of this subdivision, "morbid obesity" means (i) a weight that is at least 100 pounds over or twice the ideal weight for frame, age, height, and gender as specified in the 1983 Metropolitan Life Insurance tables, (ii) a body mass index (BMI) equal to or greater than 35 kilograms per meter squared with comorbidity or coexisting medical conditions such as hypertension, cardiopulmonary conditions, sleep apnea, or diabetes, or (iii) a BMI of 40 kilograms per meter squared without such comorbidity. As used herein, "BMI" equals weight in kilograms divided by height in meters squared.

19. Include coverage for colorectal cancer screening, specifically screening with an annual fecal occult blood test, flexible sigmoidoscopy or colonoscopy, or in appropriate circumstances radiologic imaging, in accordance with the most recently published recommendations established by the American College of Gastroenterology, in consultation with the American Cancer Society, for the ages, family histories, and frequencies referenced in such recommendations. The coverage for colorectal cancer screening shall not be more restrictive than or separate from coverage provided for any other illness, condition, or disorder for purposes of determining deductibles, benefit year or lifetime durational limits, benefit year or lifetime dollar limits, lifetime episodes or treatment limits, copayment and coinsurance factors, and benefit year maximum for deductibles and copayments and coinsurance factors.

20. On and after July 1, 2002, require that a prescription benefit card, health insurance benefit card, or other technology that complies with the requirements set forth in § 38.2-3407.4:2 be issued to each employee provided coverage pursuant to this section, and shall upon any changes in the required data elements set forth in subsection A of § 38.2-3407.4:2, either reissue the card or provide employees covered under the plan such corrective information as may be required to electronically process a prescription claim.

21. Include coverage for infant hearing screenings and all necessary audiological examinations provided pursuant to § 32.1-64.1 using any technology approved by the United States Food and Drug Administration, and as recommended by the national Joint Committee on Infant Hearing in its most current position statement addressing early hearing detection and intervention programs. Such coverage shall include follow-up audiological examinations as recommended by a physician, a physician assistant, an advanced practice registered nurse, or an audiologist and performed by a licensed audiologist to confirm the existence or absence of hearing loss.

22. Notwithstanding any provision of this section to the contrary, every plan established in accordance with this section shall comply with the provisions of § 2.2-2818.2.

C. Claims incurred during a fiscal year but not reported during that fiscal year shall be paid from such funds as shall be appropriated by law. Appropriations, premiums, and other payments shall be deposited in the employee health insurance fund, from which payments for claims, premiums, cost containment programs, and administrative expenses shall be withdrawn from time to time. The funds of the health insurance fund shall be deemed separate and independent trust funds, shall be segregated from all other funds of the Commonwealth, and shall be invested and administered solely in the interests of the employees and their beneficiaries. Neither the General Assembly nor any public officer, employee, or agency shall use or authorize the use of such trust funds for any purpose other than as provided in law for benefits, refunds, and administrative expenses, including ~~but not limited to~~ legislative oversight of the health insurance fund.

D. For the purposes of this section:

"Peer-reviewed medical literature" means a scientific study published only after having been critically reviewed for scientific accuracy, validity, and reliability by unbiased independent experts in a journal that has been determined by the International Committee of Medical Journal Editors to have met the Uniform Requirements for Manuscripts submitted to biomedical journals. "Peer-reviewed medical literature" does not include publications or supplements to publications that are sponsored to a significant extent by a pharmaceutical manufacturing company or health carrier.

"Standard reference compendia" means:

1. American Hospital Formulary Service Drug Information;

2. National Comprehensive Cancer Network's Drugs & Biologics Compendium; or

3. Elsevier Gold Standard's Clinical Pharmacology.

"State employee" means state employee as defined in § 51.1-124.3; employee as defined in § 51.1-201; the Governor, Lieutenant Governor, and Attorney General; judge as defined in § 51.1-301 and judges, clerks, and deputy clerks of regional juvenile and domestic relations, county juvenile and domestic relations, and district courts of the Commonwealth; interns and residents employed by the School of Medicine and Hospital of the University of Virginia, and interns, residents, and employees of the Virginia Commonwealth University Health System Authority as provided in § 23.1-2415; and employees of the Virginia Alcoholic Beverage Control Authority as provided in § 4.1-101.05 *and the Virginia Cannabis Control Authority as provided in § 4.1-623*.

E. Provisions shall be made for retired employees to obtain coverage under the above plan, including, as an option, coverage for vision and dental care. The Commonwealth may, but shall not be obligated to, pay all or any portion of the cost thereof.

F. Any self-insured group health insurance plan established by the Department of Human Resource Management that utilizes a network of preferred providers shall not exclude any physician solely on the basis of a reprimand or censure from the Board of Medicine, so long as the physician otherwise meets the plan criteria established by the Department.

G. The plan shall include, in each planning district, at least two health coverage options, each sponsored by unrelated entities. No later than July 1, 2006, one of the health coverage options to be available in each planning district shall be a high deductible health plan that would qualify for a health savings account pursuant to § 223 of the Internal Revenue Code of 1986, as amended.

In each planning district that does not have an available health coverage alternative, the Department shall voluntarily enter into negotiations at any time with any health coverage provider who seeks to provide coverage under the plan.

This subsection shall not apply to any state agency authorized by the Department to establish and administer its own health insurance coverage plan separate from the plan established by the Department.

H. Any self-insured group health insurance plan established by the Department of Human Resource Management that includes coverage for prescription drugs on an outpatient basis may apply a formulary to the prescription drug benefits provided by the plan if the formulary is developed, reviewed at least annually, and updated as necessary in consultation with and with the approval of a pharmacy and therapeutics committee, a majority of whose members are actively practicing licensed (i) pharmacists, (ii) physicians, and (iii) other health care providers.

If the plan maintains one or more drug formularies, the plan shall establish a process to allow a person to obtain, without additional cost-sharing beyond that provided for formulary prescription drugs in the plan, a specific, medically necessary nonformulary prescription drug if, after reasonable investigation and consultation with the prescriber, the formulary drug is determined to be an inappropriate therapy for the medical condition of the person. The plan shall act on such requests within one business day of receipt of the request.

Any plan established in accordance with this section shall be authorized to provide for the selection of a single mail order pharmacy provider as the exclusive provider of pharmacy services that are delivered to the covered person's address by mail,

common carrier, or delivery service. As used in this subsection, "mail order pharmacy provider" means a pharmacy permitted to conduct business in the Commonwealth whose primary business is to dispense a prescription drug or device under a prescriptive drug order and to deliver the drug or device to a patient primarily by mail, common carrier, or delivery service.

I. Any plan established in accordance with this section requiring preauthorization prior to rendering medical treatment shall have personnel available to provide authorization at all times when such preauthorization is required.

J. Any plan established in accordance with this section shall provide to all covered employees written notice of any benefit reductions during the contract period at least 30 days before such reductions become effective.

K. No contract between a provider and any plan established in accordance with this section shall include provisions that require a health care provider or health care provider group to deny covered services that such provider or group knows to be medically necessary and appropriate that are provided with respect to a covered employee with similar medical conditions.

L. The Department of Human Resource Management shall appoint an Ombudsman to promote and protect the interests of covered employees under any state employee's health plan.

The Ombudsman shall:

1. Assist covered employees in understanding their rights and the processes available to them according to their state health plan.

2. Answer inquiries from covered employees by telephone and electronic mail.

3. Provide to covered employees information concerning the state health plans.

4. Develop information on the types of health plans available, including benefits and complaint procedures and appeals.

5. Make available, either separately or through an existing Internet web site utilized by the Department of Human Resource Management, information as set forth in subdivision 4 and such additional information as he deems appropriate.

6. Maintain data on inquiries received, the types of assistance requested, any actions taken and the disposition of each such matter.

7. Upon request, assist covered employees in using the procedures and processes available to them from their health plan, including all appeal procedures. Such assistance may require the review of health care records of a covered employee, which shall be done only in accordance with the federal Health Insurance Portability and Accountability Act privacy rules. The confidentiality of any such medical records shall be maintained in accordance with the confidentiality and disclosure laws of the Commonwealth.

8. Ensure that covered employees have access to the services provided by the Ombudsman and that the covered employees receive timely responses from the Ombudsman or his representatives to the inquiries.

9. Report annually on his activities to the standing committees of the General Assembly having jurisdiction over insurance and over health and the Joint Commission on Health Care by December 1 of each year.

M. The plan established in accordance with this section shall not refuse to accept or make reimbursement pursuant to an assignment of benefits made to a dentist or oral surgeon by a covered employee.

For purposes of this subsection, "assignment of benefits" means the transfer of dental care coverage reimbursement benefits or other rights under the plan. The assignment of benefits shall not be effective until the covered employee notifies the plan in writing of the assignment.

N. Beginning July 1, 2006, any plan established pursuant to this section shall provide for an identification number, which shall be assigned to the covered employee and shall not be the same as the employee's social security number.

O. Any group health insurance plan established by the Department of Human Resource Management that contains a coordination of benefits provision shall provide written notification to any eligible employee as a prominent part of its enrollment materials that if such eligible employee is covered under another group accident and sickness insurance policy, group accident and sickness subscription contract, or group health care plan for health care services, that insurance policy, subscription contract, or health care plan may have primary responsibility for the covered expenses of other family members enrolled with the eligible employee. Such written notification shall describe generally the conditions upon which the other coverage would be primary for dependent children enrolled under the eligible employee's coverage and the method by which the eligible enrollee may verify from the plan that coverage would have primary responsibility for the covered expenses of each family member.

P. Any plan established by the Department of Human Resource Management pursuant to this section shall provide that coverage under such plan for family members enrolled under a participating state employee's coverage shall continue for a period of at least 30 days following the death of such state employee.

Q. The plan established in accordance with this section that follows a policy of sending its payment to the covered employee or covered family member for a claim for services received from a nonparticipating physician or osteopath shall (i) include language in the

member handbook that notifies the covered employee of the responsibility to apply the plan payment to the claim from such nonparticipating provider, (ii) include this language with any such payment sent to the covered employee or covered family member, and (iii) include the name and any last known address of the nonparticipating provider on the explanation of benefits statement.

R. The plan established by the Department of Human Resource Management pursuant to this section shall provide that coverage under such plan for an incapacitated child enrolled under a participating state employee's coverage shall be valid without regard to whether such child lives with the covered employee as a member of the employee's household so long as the child is dependent upon the employee for more than half of the child's financial support and the child is receiving residential support services.

For purposes of this subsection, "incapacitated child" means an adult child who is incapacitated due to a physical or mental health condition that existed prior to the termination of coverage due to such child attaining the limiting age under the plan for eligible children dependents.

S. The Department of Human Resource Management shall report annually, by November 30 of each year, on cost and utilization information for each of the mandated benefits set forth in subsection B, including any mandated benefit made applicable, pursuant to subdivision B 22, to any plan established pursuant to this section. The report shall be in the same detail and form as required of reports submitted pursuant to § 38.2-3419.1, with such additional information as is required to determine the financial impact, including the costs and benefits, of the particular mandated benefit.

§ 2.2-2905. Certain officers and employees exempt from chapter.

The provisions of this chapter shall not apply to:

1. Officers and employees for whom the Constitution specifically directs the manner of selection;

2. Officers and employees of the Supreme Court and the Court of Appeals;

3. Officers appointed by the Governor, whether confirmation by the General Assembly or by either house thereof is required or not;

4. Officers elected by popular vote or by the General Assembly or either house thereof;

5. Members of boards and commissions however selected;

6. Judges, referees, receivers, arbiters, masters and commissioners in chancery, commissioners of accounts, and any other persons appointed by any court to exercise judicial functions, and jurors and notaries public;

7. Officers and employees of the General Assembly and persons employed to conduct temporary or special inquiries, investigations, or examinations on its behalf;

8. The presidents and teaching and research staffs of state educational institutions;

9. Commissioned officers and enlisted personnel of the National Guard;

10. Student employees at institutions of higher education and patient or inmate help in other state institutions;

11. Upon general or special authorization of the Governor, laborers, temporary employees, and employees compensated on an hourly or daily basis;

12. County, city, town, and district officers, deputies, assistants, and employees;

13. The employees of the Virginia Workers' Compensation Commission;

14. The officers and employees of the Virginia Retirement System;

15. Employees whose positions are identified by the State Council of Higher Education and the boards of the Virginia Museum of Fine Arts, The Science Museum of Virginia, the Jamestown-Yorktown Foundation, the Frontier Culture Museum of Virginia, the Virginia Museum of Natural History, the New College Institute, the Southern Virginia Higher Education Center, and The Library of Virginia, and approved by the Director of the Department of Human Resource Management as requiring specialized and professional training;

16. Employees of the Virginia Lottery;

17. Employees of the Department for the Blind and Vision Impaired's rehabilitative manufacturing and service industries who have a human resources classification of industry worker;

18. Employees of the Virginia Commonwealth University Health System Authority;

19. Employees of the University of Virginia Medical Center. Any changes in compensation plans for such employees shall be subject to the review and approval of the Board of Visitors of the University of Virginia. The University of Virginia shall ensure that its procedures for hiring University of Virginia Medical Center personnel are based on merit and fitness. Such employees shall remain subject to the provisions of the State Grievance Procedure (§ 2.2-3000 et seq.);

20. In executive branch agencies the employee who has accepted serving in the capacity of chief deputy, or equivalent, and the employee who has accepted serving in the capacity of a confidential assistant for policy or administration. An employee serving in either one of these two positions shall be deemed to serve on an employment-at-will basis. An agency may not exceed two employees who serve in this exempt capacity;

21. Employees of Virginia Correctional Enterprises. Such employees shall remain subject to the provisions of the State Grievance Procedure (§ 2.2-3000 et seq.);

22. Officers and employees of the Virginia Port Authority;

23. Employees of the Commonwealth Savers Plan;

24. Directors of state facilities operated by the Department of Behavioral Health and Developmental Services employed or reemployed by the Commissioner after July 1, 1999, under a contract pursuant to § 37.2-707. Such employees shall remain subject to the provisions of the State Grievance Procedure (§ 2.2-3000 et seq.);

25. Employees of the Virginia Foundation for Healthy Youth. Such employees shall be treated as state employees for purposes of participation in the Virginia Retirement System, health insurance, and all other employee benefits offered by the Commonwealth to its classified employees;

26. Employees of the Virginia Indigent Defense Commission;

27. Any chief of a campus police department that has been designated by the governing body of a public institution of higher education as exempt, pursuant to § 23.1-809;

28. The Chief Executive Officer, agents, officers, and employees of the Virginia Alcoholic Beverage Control Authority; ~~and~~

29. *The Chief Executive Officer, agents, officers, and employees of the Virginia Cannabis Control Authority; and*

30. Officers and employees of the Fort Monroe Authority.

§ 2.2-3114. Disclosure by state officers and employees.

A. In accordance with the requirements set forth in § 2.2-3118.2, the Governor, Lieutenant Governor, Attorney General, Justices of the Supreme Court, judges of the Court of Appeals, judges of any circuit court, judges and substitute judges of any district court, members of the State Corporation Commission, members of the Virginia Workers' Compensation Commission, members of the Commonwealth Transportation Board, members of the Board of Trustees of the Virginia Retirement System, members of the Board of Directors of the Virginia Alcoholic Beverage Control Authority, *members of the Board of Directors of the Virginia Cannabis Control Authority*, members of the board of directors of the Commonwealth of Virginia Innovation Partnership Authority, members of the Board of the Commonwealth Savers Plan, and members of the Virginia Lottery Board and other persons occupying such offices or positions of trust or employment in state government, including members of the governing bodies of authorities, as may be designated by the Governor, or officers or employees of the legislative branch, as may be designated by the Joint Rules Committee of the General Assembly, shall file with the Council, as a condition to assuming office or employment, a disclosure statement of their personal interests and such other information as is required on the form prescribed by the Council pursuant to § 2.2-3117 and thereafter shall file such a statement annually on or before February 1.

B. In accordance with the requirements set forth in § 2.2-3118.2, nonsalaried citizen members of all policy and supervisory boards, commissions, and councils in the executive branch of state government, other than the members of the Commonwealth Transportation Board, members of the Board of Trustees of the Virginia Retirement System, members of the board of directors of the Commonwealth of Virginia Innovation Partnership Authority, members of the Board of the Commonwealth Savers Plan, and members of the Virginia Lottery Board, shall file with the Council, as a condition to assuming office, a disclosure form of their personal interests and such other information as is required on the form prescribed by the Council pursuant to § 2.2-3118 and thereafter shall file such form annually on or before February 1. Nonsalaried citizen members of other boards, commissions, and councils, including advisory boards and authorities, may be required to file a disclosure form if so designated by the Governor, in which case the form shall be that prescribed by the Council pursuant to § 2.2-3118.

C. The disclosure forms required by subsections A and B shall be made available by the Council at least 30 days prior to the filing deadline. Disclosure forms shall be filed electronically with the Council in accordance with the standards approved by it pursuant to § 30-356. All forms shall be maintained as public records for five years in the office of the Council. Such forms shall be made public no later than six weeks after the filing deadline.

D. Candidates for the offices of Governor, Lieutenant Governor, or Attorney General shall file a disclosure statement of their personal

interests as required by § 24.2-502.

E. Any officer or employee of state government who has a personal interest in any transaction before the governmental or advisory agency of which he is an officer or employee and who is disqualified from participating in that transaction pursuant to subsection A of § 2.2-3112, or otherwise elects to disqualify himself, shall forthwith make disclosure of the existence of his interest, including the full name and address of the business and the address or parcel number for the real estate if the interest involves a business or real estate, and his disclosure shall also be reflected in the public records of the agency for five years in the office of the administrative head of the officer's or employee's governmental agency or advisory agency or, if the agency has a clerk, in the clerk's office.

F. An officer or employee of state government who is required to declare his interest pursuant to subdivision B 1 of § 2.2-3112, shall declare his interest by stating (i) the transaction involved, (ii) the nature of the officer's or employee's personal interest affected by the transaction, (iii) that he is a member of a business, profession, occupation, or group the members of which are affected by the transaction, and (iv) that he is able to participate in the transaction fairly, objectively, and in the public interest. The officer or employee shall either make his declaration orally to be recorded in written minutes for his agency or file a signed written declaration with the clerk or administrative head of his governmental or advisory agency, as appropriate, who shall, in either case, retain and make available for public inspection such declaration for a period of five years from the date of recording or receipt. If reasonable time is not available to comply with the provisions of this subsection prior to participation in the transaction, the officer or employee shall prepare and file the required declaration by the end of the next business day.

G. An officer or employee of state government who is required to declare his interest pursuant to subdivision B 2 of § 2.2-3112, shall declare his interest by stating (i) the transaction involved, (ii) that a party to the transaction is a client of his firm, (iii) that he does not personally represent or provide services to the client, and (iv) that he is able to participate in the transaction fairly, objectively, and in the public interest. The officer or employee shall either make his declaration orally to be recorded in written minutes for his agency or file a signed written declaration with the clerk or administrative head of his governmental or advisory agency, as appropriate, who shall, in either case, retain and make available for public inspection such declaration for a period of five years from the date of recording or receipt. If reasonable time is not available to comply with the provisions of this subsection prior to participation in the transaction, the officer or employee shall prepare and file the required declaration by the end of the next business day.

H. Notwithstanding any other provision of law, chairs of departments at a public institution of higher education in the Commonwealth shall not be required to file the disclosure form prescribed by the Council pursuant to § 2.2-3117 or 2.2-3118.

§ 2.2-3711. (Effective until July 1, 2026) Closed meetings authorized for certain limited purposes.

A. Public bodies may hold closed meetings only for the following purposes:

1. Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals. Any teacher shall be permitted to be present during a closed meeting in which there is a discussion or consideration of a disciplinary matter that involves the teacher and some student and the student involved in the matter is present, provided that the teacher makes a written request to be present to the presiding officer of the appropriate board. Nothing in this subdivision, however, shall be construed to authorize a closed meeting by a local governing body or an elected school board to discuss compensation matters that affect the membership of such body or board collectively.

2. Discussion or consideration of admission or disciplinary matters or any other matters that would involve the disclosure of information contained in a scholastic record concerning any student of any public institution of higher education in the Commonwealth or any state school system. However, any such student, legal counsel and, if the student is a minor, the student's parents or legal guardians shall be permitted to be present during the taking of testimony or presentation of evidence at a closed meeting, if such student, parents, or guardians so request in writing and such request is submitted to the presiding officer of the appropriate board.

3. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

4. The protection of the privacy of individuals in personal matters not related to public business.

5. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

6. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected.

7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

8. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

9. Discussion or consideration by governing boards of public institutions of higher education of matters relating to gifts, bequests and fund-raising activities, and of grants and contracts for services or work to be performed by such institution. However, the terms and conditions of any such gifts, bequests, grants, and contracts made by a foreign government, a foreign legal entity, or a foreign person and accepted by a public institution of higher education in the Commonwealth shall be subject to public disclosure upon written request to the appropriate board of visitors. For the purpose of this subdivision, (i) "foreign government" means any government other than the United States government or the government of a state or a political subdivision thereof, (ii) "foreign legal entity" means any legal entity (a) created under the laws of the United States or of any state thereof if a majority of the ownership of the stock of such legal entity is owned by foreign governments or foreign persons or if a majority of the membership of any such entity is composed of foreign persons or foreign legal entities or (b) created under the laws of a foreign government, and (iii) "foreign person" means any individual who is not a citizen or national of the United States or a trust territory or protectorate thereof.

10. Discussion or consideration by the boards of trustees of the Virginia Museum of Fine Arts, the Virginia Museum of Natural History, the Jamestown-Yorktown Foundation, the Fort Monroe Authority, and The Science Museum of Virginia of matters relating to specific gifts, bequests, and grants from private sources.

11. Discussion or consideration of honorary degrees or special awards.

12. Discussion or consideration of tests, examinations, or other information used, administered, or prepared by a public body and subject to the exclusion in subdivision 4 of § 2.2-3705.1.

13. Discussion, consideration, or review by the appropriate House or Senate committees of possible disciplinary action against a member arising out of the possible inadequacy of the disclosure statement filed by the member, provided that the member may request in writing that the committee meeting not be conducted in a closed meeting.

14. Discussion of strategy with respect to the negotiation of a hazardous waste siting agreement or to consider the terms, conditions, and provisions of a hazardous waste siting agreement if the governing body in open meeting finds that an open meeting will have an adverse effect upon the negotiating position of the governing body or the establishment of the terms, conditions and provisions of the siting agreement, or both. All discussions with the applicant or its representatives may be conducted in a closed meeting.

15. Discussion by the Governor and any economic advisory board reviewing forecasts of economic activity and estimating general and nongeneral fund revenues.

16. Discussion or consideration of medical and mental health records subject to the exclusion in subdivision 1 of § 2.2-3705.5.

17. Deliberations of the Virginia Lottery Board in a licensing appeal action conducted pursuant to subsection D of § 58.1-4007 regarding the denial or revocation of a license of a lottery sales agent; and discussion, consideration or review of Virginia Lottery matters related to proprietary lottery game information and studies or investigations excluded from disclosure under subdivision 6 of § 2.2-3705.3 and subdivision 11 of § 2.2-3705.7.

18. Those portions of meetings in which the State Board of Local and Regional Jails discusses or discloses the identity of, or information tending to identify, any prisoner who (i) provides information about crimes or criminal activities, (ii) renders assistance in preventing the escape of another prisoner or in the apprehension of an escaped prisoner, or (iii) voluntarily or at the instance of a prison official renders other extraordinary services, the disclosure of which is likely to jeopardize the prisoner's life or safety.

19. Discussion of plans to protect public safety as it relates to terrorist activity or specific cybersecurity threats or vulnerabilities and briefings by staff members, legal counsel, or law-enforcement or emergency service officials concerning actions taken to respond to such matters or a related threat to public safety; discussion of information subject to the exclusion in subdivision 2 or 14 of § 2.2-3705.2, where discussion in an open meeting would jeopardize the safety of any person or the security of any facility, building, structure, information technology system, or software program; or discussion of reports or plans related to the security of any governmental facility, building or structure, or the safety of persons using such facility, building or structure.

20. Discussion by the Board of the Virginia Retirement System, acting pursuant to § 51.1-124.30, or of any local retirement system, acting pursuant to § 51.1-803, or by a local finance board or board of trustees of a trust established by one or more local public bodies to invest funds for postemployment benefits other than pensions, acting pursuant to Article 8 (§ 15.2-1544 et seq.) of Chapter 15 of Title 15.2, or by the board of visitors of the University of Virginia, acting pursuant to § 23.1-2210, or by the Board of the

Commonwealth Savers Plan, acting pursuant to § 23.1-706, regarding the acquisition, holding or disposition of a security or other ownership interest in an entity, where such security or ownership interest is not traded on a governmentally regulated securities exchange, to the extent that such discussion (i) concerns confidential analyses prepared for the board of visitors of the University of Virginia, prepared by the retirement system, or a local finance board or board of trustees, or the Commonwealth Savers Plan or provided to the retirement system, a local finance board or board of trustees, or the Commonwealth Savers Plan under a promise of confidentiality, of the future value of such ownership interest or the future financial performance of the entity, and (ii) would have an adverse effect on the value of the investment to be acquired, held, or disposed of by the retirement system, a local finance board or board of trustees, the board of visitors of the University of Virginia, or the Commonwealth Savers Plan. Nothing in this subdivision shall be construed to prevent the disclosure of information relating to the identity of any investment held, the amount invested or the present value of such investment.

21. Those portions of meetings in which individual child death cases are discussed by the State Child Fatality Review Team established pursuant to § 32.1-283.1, those portions of meetings in which individual child death cases are discussed by a regional or local child fatality review team established pursuant to § 32.1-283.2, those portions of meetings in which individual death cases are discussed by family violence fatality review teams established pursuant to § 32.1-283.3, those portions of meetings in which individual adult death cases are discussed by the state Adult Fatality Review Team established pursuant to § 32.1-283.5, those portions of meetings in which individual adult death cases are discussed by a local or regional adult fatality review team established pursuant to § 32.1-283.6, those portions of meetings in which individual death cases are discussed by overdose fatality review teams established pursuant to § 32.1-283.7, those portions of meetings in which individual maternal death cases are discussed by the Maternal Mortality Review Team pursuant to § 32.1-283.8, and those portions of meetings in which individual death cases of persons with developmental disabilities are discussed by the Developmental Disabilities Mortality Review Committee established pursuant to § 37.2-314.1.

22. Those portions of meetings of the board of visitors of the University of Virginia or Old Dominion University, as the case may be, and those portions of meetings of any persons to whom management responsibilities for the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be, have been delegated, in which there is discussed proprietary, business-related information pertaining to the operations of the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be, including business development or marketing strategies and activities with existing or future joint venturers, partners, or other parties with whom the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be, has formed, or forms, any arrangement for the delivery of health care, if disclosure of such information would adversely affect the competitive position of the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be.

23. Discussion or consideration by the Virginia Commonwealth University Health System Authority or the board of visitors of Virginia Commonwealth University of any of the following: the acquisition or disposition by the Authority of real property, equipment, or technology software or hardware and related goods or services, where disclosure would adversely affect the bargaining position or negotiating strategy of the Authority; matters relating to gifts or bequests to, and fund-raising activities of, the Authority; grants and contracts for services or work to be performed by the Authority; marketing or operational strategies plans of the Authority where disclosure of such strategies or plans would adversely affect the competitive position of the Authority; and members of the Authority's medical and teaching staffs and qualifications for appointments thereto.

24. Those portions of the meetings of the Health Practitioners' Monitoring Program Committee within the Department of Health Professions to the extent such discussions identify any practitioner who may be, or who actually is, impaired pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1.

25. Meetings or portions of meetings of the Board of the Commonwealth Savers Plan wherein personal information, as defined in § 2.2-3801, which has been provided to the Board or its employees by or on behalf of individuals who have requested information about, applied for, or entered into prepaid tuition contracts or savings trust account agreements pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1 is discussed.

26. Discussion or consideration, by the former Wireless Carrier E-911 Cost Recovery Subcommittee created pursuant to former § 56-484.15, of trade secrets submitted by CMRS providers, as defined in § 56-484.12, related to the provision of wireless E-911 service.

27. Those portions of disciplinary proceedings by any regulatory board within the Department of Professional and Occupational Regulation, Department of Health Professions, or the Board of Accountancy conducted pursuant to § 2.2-4019 or 2.2-4020 during which the board deliberates to reach a decision or meetings of health regulatory boards or conference committees of such boards to consider settlement proposals in pending disciplinary actions or modifications to previously issued board orders as requested by either of the parties.

28. Discussion or consideration of information subject to the exclusion in subdivision 11 of § 2.2-3705.6 by a responsible public entity or an affected locality or public entity, as those terms are defined in § 33.2-1800, or any independent review panel appointed to review information and advise the responsible public entity concerning such records.

29. Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

30. Discussion or consideration of grant or loan application information subject to the exclusion in subdivision 17 of § 2.2-3705.6 by the Commonwealth Health Research Board.

31. Discussion or consideration by the Commitment Review Committee of information subject to the exclusion in subdivision 5 of § 2.2-3705.2 relating to individuals subject to commitment as sexually violent predators under Chapter 9 (§ 37.2-900 et seq.) of Title 37.2.

32. Discussion or consideration of confidential proprietary information and trade secrets developed and held by a local public body providing certain telecommunication services or cable television services and subject to the exclusion in subdivision 18 of § 2.2-3705.6. However, the exemption provided by this subdivision shall not apply to any authority created pursuant to the BVU Authority Act (§ 15.2-7200 et seq.).

33. Discussion or consideration by a local authority created in accordance with the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary information and trade secrets subject to the exclusion in subdivision 19 of § 2.2-3705.6.

34. Discussion or consideration by the State Board of Elections or local electoral boards of voting security matters made confidential pursuant to § 24.2-410.2 or 24.2-625.1.

35. Discussion or consideration by the Forensic Science Board or the Scientific Advisory Committee created pursuant to Article 2 (§ 9.1-1109 et seq.) of Chapter 11 of Title 9.1 of criminal investigative files.

36. Discussion or consideration by the Brown v. Board of Education Scholarship Committee of information or confidential matters subject to the exclusion in subdivision A 3 of § 2.2-3705.4, and meetings of the Committee to deliberate concerning the annual maximum scholarship award, review and consider scholarship applications and requests for scholarship award renewal, and cancel, rescind, or recover scholarship awards.

37. Discussion or consideration by the Virginia Port Authority of information subject to the exclusion in subdivision 1 of § 2.2-3705.6 related to certain proprietary information gathered by or for the Virginia Port Authority.

38. Discussion or consideration by the Board of Trustees of the Virginia Retirement System acting pursuant to § 51.1-124.30, by the Investment Advisory Committee appointed pursuant to § 51.1-124.26, by any local retirement system, acting pursuant to § 51.1-803, by the Board of the Commonwealth Savers Plan acting pursuant to § 23.1-706, or by the Commonwealth Savers Plan's Investment Advisory Committee appointed pursuant to § 23.1-702 of information subject to the exclusion in subdivision 24 of § 2.2-3705.7.

39. Discussion or consideration of information subject to the exclusion in subdivision 3 of § 2.2-3705.6 related to economic development.

40. Discussion or consideration by the Board of Education of information relating to the denial, suspension, or revocation of teacher licenses subject to the exclusion in subdivision 11 of § 2.2-3705.3.

41. Those portions of meetings of the Virginia Military Advisory Council or any commission created by executive order for the purpose of studying and making recommendations regarding preventing closure or realignment of federal military and national security installations and facilities located in Virginia and relocation of such facilities to Virginia, or a local or regional military affairs organization appointed by a local governing body, during which there is discussion of information subject to the exclusion in subdivision 8 of § 2.2-3705.2.

42. Discussion or consideration by the Board of Trustees of the Veterans Services Foundation of information subject to the exclusion in subdivision 28 of § 2.2-3705.7 related to personally identifiable information of donors.

43. Discussion or consideration by the Virginia Tobacco Region Revitalization Commission of information subject to the exclusion in subdivision 23 of § 2.2-3705.6 related to certain information contained in grant applications.

44. Discussion or consideration by the board of directors of the Commercial Space Flight Authority of information subject to the exclusion in subdivision 24 of § 2.2-3705.6 related to rate structures or charges for the use of projects of, the sale of products of, or services rendered by the Authority and certain proprietary information of a private entity provided to the Authority.

45. Discussion or consideration of personal and proprietary information related to the resource management plan program and subject to the exclusion in (i) subdivision 25 of § 2.2-3705.6 or (ii) subsection E of § 10.1-104.7. This exclusion shall not apply to the discussion or consideration of records that contain information that has been certified for release by the person who is the subject of the information or transformed into a statistical or aggregate form that does not allow identification of the person who supplied, or is the subject of, the information.

46. Discussion or consideration by the Board of Directors of the Virginia Alcoholic Beverage Control Authority *or the Board of*

Directors of the Virginia Cannabis Control Authority of information subject to the exclusion in subdivision 1 of § 2.2-3705.3 related to investigations of applicants for licenses and permits and of licensees and permittees.

47. Discussion or consideration of grant, loan, or investment application records subject to the exclusion in subdivision 28 of § 2.2-3705.6 for a grant, loan, or investment pursuant to Article 11 (§ 2.2-2351 et seq.) of Chapter 22.

48. Discussion or development of grant proposals by a regional council established pursuant to Article 26 (§ 2.2-2484 et seq.) of Chapter 24 to be submitted for consideration to the Virginia Growth and Opportunity Board.

49. Discussion or consideration of (i) individual sexual assault cases by a sexual assault response team established pursuant to § 15.2-1627.4, (ii) individual child abuse or neglect cases or sex offenses involving a child by a child sexual abuse response team established pursuant to § 15.2-1627.5, (iii) individual cases involving abuse, neglect, or exploitation of adults as defined in § 63.2-1603 pursuant to §§ 15.2-1627.5 and 63.2-1605, or (iv) individual human trafficking cases by any human trafficking response team established pursuant to § 15.2-1627.6.

50. Discussion or consideration by the Board of the Virginia Economic Development Partnership Authority, the Joint Legislative Audit and Review Commission, or any subcommittees thereof, of the portions of the strategic plan, marketing plan, or operational plan exempt from disclosure pursuant to subdivision 33 of § 2.2-3705.7.

51. Those portions of meetings of the subcommittee of the Board of the Virginia Economic Development Partnership Authority established pursuant to subsection F of § 2.2-2237.3 to review and discuss information received from the Virginia Employment Commission pursuant to subdivision C 2 of § 60.2-114 and the Department of Workforce Development and Advancement pursuant to subsection B of § 2.2-2040.

52. Discussion or consideration by the Commonwealth of Virginia Innovation Partnership Authority (the Authority), an advisory committee of the Authority, or any other entity designated by the Authority, of information subject to the exclusion in subdivision 35 of § 2.2-3705.7.

53. Deliberations of the Virginia Lottery Board conducted pursuant to § 58.1-4105 regarding the denial or revocation of a license of a casino gaming operator, or the refusal to issue, suspension of, or revocation of any license or permit related to casino gaming, and discussion, consideration, or review of matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

54. Deliberations of the Virginia Lottery Board in an appeal conducted pursuant to § 58.1-4007 regarding the denial of, revocation of, suspension of, or refusal to renew any license or permit related to sports betting and any discussion, consideration, or review of matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

55. Meetings or portions of meetings of the Board of Criminal Justice Services or the Department of Criminal Justice Services concerning the decertification of an identifiable law-enforcement or jail officer.

B. No resolution, ordinance, rule, contract, regulation or motion adopted, passed or agreed to in a closed meeting shall become effective unless the public body, following the meeting, reconvenes in open meeting and takes a vote of the membership on such resolution, ordinance, rule, contract, regulation, or motion that shall have its substance reasonably identified in the open meeting.

C. Public officers improperly selected due to the failure of the public body to comply with the other provisions of this section shall be de facto officers and, as such, their official actions are valid until they obtain notice of the legal defect in their election.

D. Nothing in this section shall be construed to prevent the holding of conferences between two or more public bodies, or their representatives, but these conferences shall be subject to the same procedures for holding closed meetings as are applicable to any other public body.

E. This section shall not be construed to (i) require the disclosure of any contract between the Department of Health Professions and an impaired practitioner entered into pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1 or (ii) require the board of directors of any authority created pursuant to the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.), or any public body empowered to issue industrial revenue bonds by general or special law, to identify a business or industry to which subdivision A 5 applies. However, such business or industry shall be identified as a matter of public record at least 30 days prior to the actual date of the board's authorization of the sale or issuance of such bonds.

§ 2.2-3711. (Effective July 1, 2026) Closed meetings authorized for certain limited purposes.

A. Public bodies may hold closed meetings only for the following purposes:

1. Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals. Any teacher shall be permitted to be present during a closed meeting in which there is a discussion or consideration of a disciplinary matter that involves the teacher and some student

and the student involved in the matter is present, provided that the teacher makes a written request to be present to the presiding officer of the appropriate board. Nothing in this subdivision, however, shall be construed to authorize a closed meeting by a local governing body or an elected school board to discuss compensation matters that affect the membership of such body or board collectively.

2. Discussion or consideration of admission or disciplinary matters or any other matters that would involve the disclosure of information contained in a scholastic record concerning any student of any public institution of higher education in the Commonwealth or any state school system. However, any such student, legal counsel and, if the student is a minor, the student's parents or legal guardians shall be permitted to be present during the taking of testimony or presentation of evidence at a closed meeting, if such student, parents, or guardians so request in writing and such request is submitted to the presiding officer of the appropriate board.

3. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

4. The protection of the privacy of individuals in personal matters not related to public business.

5. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

6. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected.

7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

8. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

9. Discussion or consideration by governing boards of public institutions of higher education of matters relating to gifts, bequests and fund-raising activities, and of grants and contracts for services or work to be performed by such institution. However, the terms and conditions of any such gifts, bequests, grants, and contracts made by a foreign government, a foreign legal entity, or a foreign person and accepted by a public institution of higher education in the Commonwealth shall be subject to public disclosure upon written request to the appropriate board of visitors. For the purpose of this subdivision, (i) "foreign government" means any government other than the United States government or the government of a state or a political subdivision thereof, (ii) "foreign legal entity" means any legal entity (a) created under the laws of the United States or of any state thereof if a majority of the ownership of the stock of such legal entity is owned by foreign governments or foreign persons or if a majority of the membership of any such entity is composed of foreign persons or foreign legal entities or (b) created under the laws of a foreign government, and (iii) "foreign person" means any individual who is not a citizen or national of the United States or a trust territory or protectorate thereof.

10. Discussion or consideration by the boards of trustees of the Virginia Museum of Fine Arts, the Virginia Museum of Natural History, the Jamestown-Yorktown Foundation, the Fort Monroe Authority, and The Science Museum of Virginia of matters relating to specific gifts, bequests, and grants from private sources.

11. Discussion or consideration of honorary degrees or special awards.

12. Discussion or consideration of tests, examinations, or other information used, administered, or prepared by a public body and subject to the exclusion in subdivision 4 of § 2.2-3705.1.

13. Discussion, consideration, or review by the appropriate House or Senate committees of possible disciplinary action against a member arising out of the possible inadequacy of the disclosure statement filed by the member, provided that the member may request in writing that the committee meeting not be conducted in a closed meeting.

14. Discussion of strategy with respect to the negotiation of a hazardous waste siting agreement or to consider the terms, conditions, and provisions of a hazardous waste siting agreement if the governing body in open meeting finds that an open meeting will have an adverse effect upon the negotiating position of the governing body or the establishment of the terms, conditions and provisions of the siting agreement, or both. All discussions with the applicant or its representatives may be conducted in a closed meeting.

15. Discussion by the Governor and any economic advisory board reviewing forecasts of economic activity and estimating general and nongeneral fund revenues.

16. Discussion or consideration of medical and mental health records subject to the exclusion in subdivision 1 of § 2.2-3705.5.

17. Deliberations of the Virginia Lottery Board in a licensing appeal action conducted pursuant to subsection D of § 58.1-4007 regarding the denial or revocation of a license of a lottery sales agent; and discussion, consideration or review of Virginia Lottery matters related to proprietary lottery game information and studies or investigations excluded from disclosure under subdivision 6 of § 2.2-3705.3 and subdivision 11 of § 2.2-3705.7.

18. Those portions of meetings in which the State Board of Local and Regional Jails discusses or discloses the identity of, or information tending to identify, any prisoner who (i) provides information about crimes or criminal activities, (ii) renders assistance in preventing the escape of another prisoner or in the apprehension of an escaped prisoner, or (iii) voluntarily or at the instance of a prison official renders other extraordinary services, the disclosure of which is likely to jeopardize the prisoner's life or safety.

19. Discussion of plans to protect public safety as it relates to terrorist activity or specific cybersecurity threats or vulnerabilities and briefings by staff members, legal counsel, or law-enforcement or emergency service officials concerning actions taken to respond to such matters or a related threat to public safety; discussion of information subject to the exclusion in subdivision 2 or 14 of § 2.2-3705.2, where discussion in an open meeting would jeopardize the safety of any person or the security of any facility, building, structure, information technology system, or software program; or discussion of reports or plans related to the security of any governmental facility, building or structure, or the safety of persons using such facility, building or structure.

20. Discussion by the Board of the Virginia Retirement System, acting pursuant to § 51.1-124.30, or of any local retirement system, acting pursuant to § 51.1-803, or by a local finance board or board of trustees of a trust established by one or more local public bodies to invest funds for postemployment benefits other than pensions, acting pursuant to Article 8 (§ 15.2-1544 et seq.) of Chapter 15 of Title 15.2, or by the board of visitors of the University of Virginia, acting pursuant to § 23.1-2210, or by the Board of the Commonwealth Savers Plan, acting pursuant to § 23.1-706, regarding the acquisition, holding or disposition of a security or other ownership interest in an entity, where such security or ownership interest is not traded on a governmentally regulated securities exchange, to the extent that such discussion (i) concerns confidential analyses prepared for the board of visitors of the University of Virginia, prepared by the retirement system, or a local finance board or board of trustees, or the Commonwealth Savers Plan or provided to the retirement system, a local finance board or board of trustees, or the Commonwealth Savers Plan under a promise of confidentiality, of the future value of such ownership interest or the future financial performance of the entity, and (ii) would have an adverse effect on the value of the investment to be acquired, held, or disposed of by the retirement system, a local finance board or board of trustees, the board of visitors of the University of Virginia, or the Commonwealth Savers Plan. Nothing in this subdivision shall be construed to prevent the disclosure of information relating to the identity of any investment held, the amount invested or the present value of such investment.

21. Those portions of meetings in which individual child death cases are discussed by the State Child Fatality Review Team established pursuant to § 32.1-283.1, those portions of meetings in which individual child death cases are discussed by a regional or local child fatality review team established pursuant to § 32.1-283.2, those portions of meetings in which individual death cases are discussed by family violence fatality review teams established pursuant to § 32.1-283.3, those portions of meetings in which individual adult death cases are discussed by the state Adult Fatality Review Team established pursuant to § 32.1-283.5, those portions of meetings in which individual adult death cases are discussed by a local or regional adult fatality review team established pursuant to § 32.1-283.6, those portions of meetings in which individual death cases are discussed by overdose fatality review teams established pursuant to § 32.1-283.7, those portions of meetings in which individual maternal death cases are discussed by the Maternal Mortality Review Team pursuant to § 32.1-283.8, and those portions of meetings in which individual death cases of persons with developmental disabilities are discussed by the Developmental Disabilities Mortality Review Committee established pursuant to § 37.2-314.1.

22. Those portions of meetings of the board of visitors of the University of Virginia or Old Dominion University, as the case may be, and those portions of meetings of any persons to whom management responsibilities for the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be, have been delegated, in which there is discussed proprietary, business-related information pertaining to the operations of the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be, including business development or marketing strategies and activities with existing or future joint venturers, partners, or other parties with whom the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be, has formed, or forms, any arrangement for the delivery of health care, if disclosure of such information would adversely affect the competitive position of the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be.

23. Discussion or consideration by the Virginia Commonwealth University Health System Authority or the board of visitors of Virginia Commonwealth University of any of the following: the acquisition or disposition by the Authority of real property, equipment, or technology software or hardware and related goods or services, where disclosure would adversely affect the bargaining position or negotiating strategy of the Authority; matters relating to gifts or bequests to, and fund-raising activities of, the Authority; grants and contracts for services or work to be performed by the Authority; marketing or operational strategies plans of the Authority where disclosure of such strategies or plans would adversely affect the competitive position of the Authority; and members of the Authority's medical and teaching staffs and qualifications for appointments thereto.

24. Those portions of the meetings of the Health Practitioners' Monitoring Program Committee within the Department of Health

Professions to the extent such discussions identify any practitioner who may be, or who actually is, impaired pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1.

25. Meetings or portions of meetings of the Board of the Commonwealth Savers Plan wherein personal information, as defined in § 2.2-3801, which has been provided to the Board or its employees by or on behalf of individuals who have requested information about, applied for, or entered into prepaid tuition contracts or savings trust account agreements pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1 is discussed.

26. Discussion or consideration, by the former Wireless Carrier E-911 Cost Recovery Subcommittee created pursuant to former § 56-484.15, of trade secrets submitted by CMRS providers, as defined in § 56-484.12, related to the provision of wireless E-911 service.

27. Those portions of disciplinary proceedings by any regulatory board within the Department of Professional and Occupational Regulation, Department of Health Professions, or the Board of Accountancy conducted pursuant to § 2.2-4019 or 2.2-4020 during which the board deliberates to reach a decision or meetings of health regulatory boards or conference committees of such boards to consider settlement proposals in pending disciplinary actions or modifications to previously issued board orders as requested by either of the parties.

28. Discussion or consideration of information subject to the exclusion in subdivision 11 of § 2.2-3705.6 by a responsible public entity or an affected locality or public entity, as those terms are defined in § 33.2-1800, or any independent review panel appointed to review information and advise the responsible public entity concerning such records.

29. Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

30. Discussion or consideration of grant or loan application information subject to the exclusion in subdivision 17 of § 2.2-3705.6 by the Commonwealth Health Research Board.

31. Discussion or consideration by the Commitment Review Committee of information subject to the exclusion in subdivision 5 of § 2.2-3705.2 relating to individuals subject to commitment as sexually violent predators under Chapter 9 (§ 37.2-900 et seq.) of Title 37.2.

32. Discussion or consideration of confidential proprietary information and trade secrets developed and held by a local public body providing certain telecommunication services or cable television services and subject to the exclusion in subdivision 18 of § 2.2-3705.6. However, the exemption provided by this subdivision shall not apply to any authority created pursuant to the BVU Authority Act (§ 15.2-7200 et seq.).

33. Discussion or consideration by a local authority created in accordance with the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary information and trade secrets subject to the exclusion in subdivision 19 of § 2.2-3705.6.

34. Discussion or consideration by the State Board of Elections or local electoral boards of voting security matters made confidential pursuant to § 24.2-410.2 or 24.2-625.1 and review by the State Board of Elections of complaints related to the personal use of campaign funds pursuant to § 24.2-948.7.

35. Discussion or consideration by the Forensic Science Board or the Scientific Advisory Committee created pursuant to Article 2 (§ 9.1-1109 et seq.) of Chapter 11 of Title 9.1 of criminal investigative files.

36. Discussion or consideration by the Brown v. Board of Education Scholarship Committee of information or confidential matters subject to the exclusion in subdivision A 3 of § 2.2-3705.4, and meetings of the Committee to deliberate concerning the annual maximum scholarship award, review and consider scholarship applications and requests for scholarship award renewal, and cancel, rescind, or recover scholarship awards.

37. Discussion or consideration by the Virginia Port Authority of information subject to the exclusion in subdivision 1 of § 2.2-3705.6 related to certain proprietary information gathered by or for the Virginia Port Authority.

38. Discussion or consideration by the Board of Trustees of the Virginia Retirement System acting pursuant to § 51.1-124.30, by the Investment Advisory Committee appointed pursuant to § 51.1-124.26, by any local retirement system, acting pursuant to § 51.1-803, by the Board of the Commonwealth Savers Plan acting pursuant to § 23.1-706, or by the Commonwealth Savers Plan's Investment Advisory Committee appointed pursuant to § 23.1-702 of information subject to the exclusion in subdivision 24 of § 2.2-3705.7.

39. Discussion or consideration of information subject to the exclusion in subdivision 3 of § 2.2-3705.6 related to economic development.

40. Discussion or consideration by the Board of Education of information relating to the denial, suspension, or revocation of teacher licenses subject to the exclusion in subdivision 11 of § 2.2-3705.3.

41. Those portions of meetings of the Virginia Military Advisory Council or any commission created by executive order for the

purpose of studying and making recommendations regarding preventing closure or realignment of federal military and national security installations and facilities located in Virginia and relocation of such facilities to Virginia, or a local or regional military affairs organization appointed by a local governing body, during which there is discussion of information subject to the exclusion in subdivision 8 of § 2.2-3705.2.

42. Discussion or consideration by the Board of Trustees of the Veterans Services Foundation of information subject to the exclusion in subdivision 28 of § 2.2-3705.7 related to personally identifiable information of donors.

43. Discussion or consideration by the Virginia Tobacco Region Revitalization Commission of information subject to the exclusion in subdivision 23 of § 2.2-3705.6 related to certain information contained in grant applications.

44. Discussion or consideration by the board of directors of the Commercial Space Flight Authority of information subject to the exclusion in subdivision 24 of § 2.2-3705.6 related to rate structures or charges for the use of projects of, the sale of products of, or services rendered by the Authority and certain proprietary information of a private entity provided to the Authority.

45. Discussion or consideration of personal and proprietary information related to the resource management plan program and subject to the exclusion in (i) subdivision 25 of § 2.2-3705.6 or (ii) subsection E of § 10.1-104.7. This exclusion shall not apply to the discussion or consideration of records that contain information that has been certified for release by the person who is the subject of the information or transformed into a statistical or aggregate form that does not allow identification of the person who supplied, or is the subject of, the information.

46. Discussion or consideration by the Board of Directors of the Virginia Alcoholic Beverage Control Authority *or the Board of Directors of the Virginia Cannabis Control Authority* of information subject to the exclusion in subdivision 1 of § 2.2-3705.3 related to investigations of applicants for licenses and permits and of licensees and permittees.

47. Discussion or consideration of grant, loan, or investment application records subject to the exclusion in subdivision 28 of § 2.2-3705.6 for a grant, loan, or investment pursuant to Article 11 (§ 2.2-2351 et seq.) of Chapter 22.

48. Discussion or development of grant proposals by a regional council established pursuant to Article 26 (§ 2.2-2484 et seq.) of Chapter 24 to be submitted for consideration to the Virginia Growth and Opportunity Board.

49. Discussion or consideration of (i) individual sexual assault cases by a sexual assault response team established pursuant to § 15.2-1627.4, (ii) individual child abuse or neglect cases or sex offenses involving a child by a child sexual abuse response team established pursuant to § 15.2-1627.5, (iii) individual cases involving abuse, neglect, or exploitation of adults as defined in § 63.2-1603 pursuant to §§ 15.2-1627.5 and 63.2-1605, or (iv) individual human trafficking cases by any human trafficking response team established pursuant to § 15.2-1627.6.

50. Discussion or consideration by the Board of the Virginia Economic Development Partnership Authority, the Joint Legislative Audit and Review Commission, or any subcommittees thereof, of the portions of the strategic plan, marketing plan, or operational plan exempt from disclosure pursuant to subdivision 33 of § 2.2-3705.7.

51. Those portions of meetings of the subcommittee of the Board of the Virginia Economic Development Partnership Authority established pursuant to subsection F of § 2.2-2237.3 to review and discuss information received from the Virginia Employment Commission pursuant to subdivision C 2 of § 60.2-114 and the Department of Workforce Development and Advancement pursuant to subsection B of § 2.2-2040.

52. Discussion or consideration by the Commonwealth of Virginia Innovation Partnership Authority (the Authority), an advisory committee of the Authority, or any other entity designated by the Authority, of information subject to the exclusion in subdivision 35 of § 2.2-3705.7.

53. Deliberations of the Virginia Lottery Board conducted pursuant to § 58.1-4105 regarding the denial or revocation of a license of a casino gaming operator, or the refusal to issue, suspension of, or revocation of any license or permit related to casino gaming, and discussion, consideration, or review of matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

54. Deliberations of the Virginia Lottery Board in an appeal conducted pursuant to § 58.1-4007 regarding the denial of, revocation of, suspension of, or refusal to renew any license or permit related to sports betting and any discussion, consideration, or review of matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

55. Meetings or portions of meetings of the Board of Criminal Justice Services or the Department of Criminal Justice Services concerning the decertification of an identifiable law-enforcement or jail officer.

B. No resolution, ordinance, rule, contract, regulation or motion adopted, passed or agreed to in a closed meeting shall become effective unless the public body, following the meeting, reconvenes in open meeting and takes a vote of the membership on such resolution, ordinance, rule, contract, regulation, or motion that shall have its substance reasonably identified in the open meeting.

C. Public officers improperly selected due to the failure of the public body to comply with the other provisions of this section shall

be de facto officers and, as such, their official actions are valid until they obtain notice of the legal defect in their election.

D. Nothing in this section shall be construed to prevent the holding of conferences between two or more public bodies, or their representatives, but these conferences shall be subject to the same procedures for holding closed meetings as are applicable to any other public body.

E. This section shall not be construed to (i) require the disclosure of any contract between the Department of Health Professions and an impaired practitioner entered into pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1 or (ii) require the board of directors of any authority created pursuant to the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.), or any public body empowered to issue industrial revenue bonds by general or special law, to identify a business or industry to which subdivision A 5 applies. However, such business or industry shall be identified as a matter of public record at least 30 days prior to the actual date of the board's authorization of the sale or issuance of such bonds.

§ 2.2-3802. Systems to which chapter inapplicable.

The provisions of this chapter shall not apply to personal information systems:

1. Maintained by any court of the Commonwealth;

2. Which may exist in publications of general circulation;

3. Contained in the Criminal Justice Information System as defined in §§ 9.1-126 through 9.1-137 or in the Sex Offender and Crimes Against Minors Registry maintained by the Department of State Police pursuant to Chapter 9 (§ 9.1-900 et seq.) of Title 9.1, except to the extent that information is required to be posted on the Internet pursuant to § 9.1-913;

4. Contained in the Virginia Juvenile Justice Information System as defined in §§ 16.1-222 through 16.1-225;

5. Maintained by agencies concerning persons required by law to be licensed in the Commonwealth to engage in the practice of any profession, in which case the names and addresses of persons applying for or possessing the license may be disseminated upon written request to a person engaged in the profession or business of offering professional educational materials or courses for the sole purpose of providing the licensees or applicants for licenses with informational materials relating solely to available professional educational materials or courses, provided the disseminating agency is reasonably assured that the use of the information will be so limited;

6. Maintained by the Parole Board, the Crime Commission, the Judicial Inquiry and Review Commission, the Virginia Racing Commission, the Virginia Criminal Sentencing Commission, ~~and~~ the Virginia Alcoholic Beverage Control Authority, *and the Virginia Cannabis Control Authority*;

7. Maintained by any of the following and that deal with investigations and intelligence gathering related to criminal activity:

a. The Department of State Police;

b. The police department of the Chesapeake Bay Bridge and Tunnel Commission;

c. Police departments of cities, counties, and towns;

d. Sheriff's departments of counties and cities;

e. Campus police departments of public institutions of higher education as established by Article 3 (§ 23.1-809 et seq.) of Chapter 8 of Title 23.1; and

f. The Division of Capitol Police.

8. Maintained by local departments of social services regarding alleged cases of child abuse or neglect while such cases are also subject to an ongoing criminal prosecution;

9. Maintained by the Virginia Port Authority as provided in § 62.1-132.4 or 62.1-134.1;

10. Maintained by the Virginia Tourism Authority in connection with or as a result of the promotion of travel or tourism in the Commonwealth, in which case names and addresses of persons requesting information on those subjects may be disseminated upon written request to a person engaged in the business of providing travel services or distributing travel information, provided the Virginia Tourism Authority is reasonably assured that the use of the information will be so limited;

11. Maintained by the Division of Consolidated Laboratory Services of the Department of General Services and the Department of Forensic Science, which deal with scientific investigations relating to criminal activity or suspected criminal activity, except to the extent that § 9.1-1104 may apply;

12. Maintained by the Department of Corrections or the Office of the State Inspector General that deal with investigations and intelligence gathering by persons acting under the provisions of Chapter 3.2 (§ 2.2-307 et seq.);

13. Maintained by (i) the Office of the State Inspector General or internal audit departments of state agencies or institutions that deal with communications and investigations relating to the Fraud, Waste and Abuse Hotline or (ii) an auditor appointed by the local governing body of any county, city, or town or a school board that deals with local investigations required by § 15.2-2511.2;

14. Maintained by the Department of Social Services or any local department of social services relating to public assistance fraud investigations;

15. Maintained by the Department of Social Services related to child welfare or public assistance programs when requests for personal information are made to the Department of Social Services. Requests for information from these systems shall be made to the appropriate local department of social services that is the custodian of that record. Notwithstanding the language in this section, an individual shall not be prohibited from obtaining information from the central registry in accordance with the provisions of § 63.2-1515; and

16. Maintained by the Department for Aging and Rehabilitative Services related to adult services, adult protective services, or auxiliary grants when requests for personal information are made to the Department for Aging and Rehabilitative Services. Requests for information from these systems shall be made to the appropriate local department of social services that is the custodian of that record.

§ 2.2-4024. Hearing officers.

A. In all formal hearings conducted in accordance with § 2.2-4020, the hearing shall be presided over by a hearing officer selected from a list prepared by the Executive Secretary of the Supreme Court and maintained in the Office of the Executive Secretary of the Supreme Court. Parties to informal fact-finding proceedings conducted pursuant to § 2.2-4019 may agree at the outset of the proceeding to have a hearing officer preside at the proceeding, such agreement to be revoked only by mutual consent. The Executive Secretary may promulgate rules necessary for the administration of the hearing officer system and shall have the authority to establish the number of hearing officers necessary to preside over administrative hearings in the Commonwealth.

Prior to being included on the list, all hearing officers shall meet the following minimum standards:

1. Active membership in good standing in the Virginia State Bar;

2. Active practice of law for at least five years; and

3. Completion of a course of training approved by the Executive Secretary of the Supreme Court. In order to comply with the demonstrated requirements of the agency requesting a hearing officer, the Executive Secretary may require additional training before a hearing officer shall be assigned to a proceeding before that agency.

B. On request from the head of an agency, the Executive Secretary shall name a hearing officer from the list, selected on a rotation system administered by the Executive Secretary. Lists reflecting geographic preference and specialized training or knowledge shall be maintained by the Executive Secretary if an agency demonstrates the need.

C. A hearing officer appointed in accordance with this section shall be subject to disqualification as provided in § 2.2-4024.1. If the hearing officer denies a petition for disqualification pursuant to § 2.2-4024.1, the petitioning party may request reconsideration of the denial by filing a written request with the Executive Secretary along with an affidavit, prior to the taking of evidence at a hearing, stating with particularity the grounds upon which it is claimed that a fair and impartial hearing cannot be accorded, or the applicable rule of practice requiring disqualification.

The issue shall be determined not less than 10 days prior to the hearing by the Executive Secretary.

D. Any hearing officer empowered by the agency to provide a recommendation or conclusion in a case decision matter shall render that recommendation or conclusion as follows:

1. If the agency's written regulations or procedures require the hearing officer to render a recommendation or conclusion within a specified time period, the hearing officer shall render the recommendation or conclusion on or before the expiration of the specified period; and

2. In all other cases, the hearing officer shall render the recommendation or conclusion within 90 days from the date of the case decision proceeding or from a later date agreed to by the named party and the agency.

If the hearing officer does not render a decision within the time required by this subsection, then the agency or the named party to the case decision may provide written notice to the hearing officer and the Executive Secretary of the Supreme Court that a decision is due. If no decision is made within 30 days from receipt by the hearing officer of the notice, then the Executive Secretary of the Supreme Court shall remove the hearing officer from the hearing officer list and report the hearing officer to the Virginia State Bar for possible disciplinary action, unless good cause is shown for the delay.

E. The Executive Secretary shall remove hearing officers from the list, upon a showing of cause after written notice and an opportunity for a hearing. When there is a failure by a hearing officer to render a decision as required by subsection D, the burden

shall be on the hearing officer to show good cause for the delay. Decisions to remove a hearing officer may be reviewed by a request to the Executive Secretary for reconsideration, followed by judicial review in accordance with this chapter.

F. This section shall not apply to hearings conducted by (i) any commission or board where all of the members, or a quorum, are present; (ii) the Virginia Alcoholic Beverage Control Authority, *the Virginia Cannabis Control Authority,* the Virginia Workers' Compensation Commission, the State Corporation Commission, the Virginia Employment Commission, the Department of Motor Vehicles under Title 46.2 (§ 46.2-100 et seq.), § 58.1-2409, or Chapter 27 (§ 58.1-2700 et seq.) of Title 58.1, or the Motor Vehicle Dealer Board under Chapter 15 (§ 46.2-1500 et seq.) of Title 46.2; or (iii) any panel of a health regulatory board convened pursuant to § 54.1-2400, including any panel having members of a relevant advisory board to the Board of Medicine. All employees hired after July 1, 1986, pursuant to §§ 65.2-201 and 65.2-203 by the Virginia Workers' Compensation Commission to conduct hearings pursuant to its basic laws shall meet the minimum qualifications set forth in subsection A. Agency employees who are not licensed to practice law in the Commonwealth, and are presiding as hearing officers in proceedings pursuant to clause (ii) shall participate in periodic training courses.

G. Notwithstanding the exemptions of subsection A of § 2.2-4002, this article shall apply to hearing officers conducting hearings of the kind described in § 2.2-4020 for the Department of Wildlife Resources, the Virginia Housing Development Authority, the Milk Commission, and the Virginia Resources Authority pursuant to their basic laws.

§ 3.2-4112. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Cannabis sativa product" means a product made from any part of the plant Cannabis sativa with a concentration of tetrahydrocannabinol that is greater than that allowed by federal law.

"Edible hemp product" means any hemp product that is or includes an industrial hemp extract, as defined in § 3.2-5145.1, and that is intended to be consumed orally.

"Federally licensed hemp producer" means a person who holds a hemp producer license issued by the U.S. Department of Agriculture pursuant to 7 C.F.R. Part 990.

"Grow" means to plant, cultivate, or harvest a plant or crop.

"Grower" means any person registered pursuant to subsection A of § 3.2-4115 to grow industrial hemp.

"Handle" means to temporarily possess industrial hemp grown in compliance with state or federal law that (i) has not been processed and (ii) was not grown by and will not be processed by the person temporarily possessing it.

"Handler" means any person who is registered pursuant to subsection A of § 3.2-4115 to handle industrial hemp. "Handler" does not include a retail establishment that sells or offers for sale a hemp product.

"Handler's storage site" means the location at which a handler stores or intends to store the industrial hemp he handles.

"Hemp product" means ~~a product, including any raw materials from industrial hemp that are used for or added to a food or beverage, that (i) contains industrial hemp and has completed all stages of processing needed for the product and (ii) when offered for retail sale (a) contains a total tetrahydrocannabinol concentration of no greater than 0.3 percent and (b) contains either no more than two milligrams of total tetrahydrocannabinol per package or an amount of cannabidiol that is no less than 25 times greater than the amount of total tetrahydrocannabinol per package~~ *the same as that term is defined in § 4.1-600.*

"Hemp product intended for smoking" means any hemp product intended to be consumed by inhalation.

"Industrial hemp" means any part of the plant Cannabis sativa, including seeds thereof, whether growing or not, with a concentration of tetrahydrocannabinol that is no greater than that allowed by federal law. "Industrial hemp" includes an industrial hemp extract that has not completed all stages of processing needed to convert the extract into a hemp product.

"Process" means to convert industrial hemp into a hemp product.

"Processor" means a person registered pursuant to subsection A of § 3.2-4115 to process industrial hemp.

"Process site" means the location at which a processor processes or intends to process industrial hemp.

"Production field" means the land or area on which a grower or a federally licensed hemp producer is growing or intends to grow industrial hemp.

"Regulated hemp product" means a hemp product intended for smoking or an edible hemp product.

"Tetrahydrocannabinol" means ~~any naturally occurring or synthetic tetrahydrocannabinol, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation and any~~

~~preparation, mixture, or substance containing, or mixed or infused with, any detectable amount of tetrahydrocannabinol. For the purposes of this definition, "isomer" means the optical, position, and geometric isomers~~ *the same as that term is defined in § 4.1-600*.

"Topical hemp product" means a hemp product that (i) is intended to be rubbed, poured, sprinkled, or sprayed on or otherwise applied to the human body or any part thereof and (ii) is not intended to be consumed orally or by inhalation.

"Total tetrahydrocannabinol" means ~~the sum, after the application of any necessary conversion factor, of the percentage by weight of tetrahydrocannabinol and the percentage by weight of tetrahydrocannabinolic acid~~ *the same as that term is defined in § 4.1-600*.

§ 3.2-4113. Production of industrial hemp lawful.

A. It is lawful for a grower, his agent, or a federally licensed hemp producer to grow, a handler or his agent to handle, or a processor or his agent to process industrial hemp in the Commonwealth for any lawful purpose. No federally licensed hemp producer or grower or his agent shall be prosecuted under Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or § ~~18.2-247,~~ 18.2-248, 18.2-248.01, ~~18.2-248.1,~~ or 18.2-250 for the possession or growing of industrial hemp or any Cannabis sativa with a tetrahydrocannabinol concentration that does not exceed the total tetrahydrocannabinol concentration percentage established in federal regulations applicable to negligent violations located at 7 C.F.R. § 990.6(b)(3). No handler or his agent or processor or his agent shall be prosecuted under Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or § ~~18.2-247,~~ 18.2-248, 18.2-248.01, ~~18.2-248.1,~~ or 18.2-250 or issued a summons or judgment for the possession, handling, or processing of industrial hemp. In any complaint, information, or indictment, and in any action or proceeding brought for the enforcement of any provision of *Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1*, Article 1 (§ 18.2-247 et seq.) of Chapter 7 of Title 18.2, or the Drug Control Act (§ 54.1-3400 et seq.), it shall not be necessary to negate any exception, excuse, proviso, or exemption contained in this article or the Drug Control Act, and the burden of proof of any such exception, excuse, proviso, or exemption shall be on the defendant.

B. Nothing in this article shall be construed to authorize any person to violate any federal law or regulation.

C. No person shall be prosecuted under Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or § ~~18.2-247,~~ 18.2-248, 18.2-248.01, ~~18.2-248.1,~~ or 18.2-250 for the involuntary growth of industrial hemp through the inadvertent natural spread of seeds or pollen as a result of proximity to a production field, handler's storage site, or process site.

§ 3.2-4116. Registration conditions.

A. A person who is not a federally licensed hemp producer shall obtain a registration pursuant to subsection A of § 3.2-4115 prior to growing, handling, or processing any industrial hemp in the Commonwealth.

B. A person issued a registration pursuant to subsection A of § 3.2-4115 shall:

1. Maintain records that reflect compliance with this article;

2. Retain all industrial hemp growing, handling, or processing records for at least three years;

3. Allow his production field, handler's storage site, or process site to be inspected by and at the discretion of the Commissioner or his designee, the Department of State Police, or the chief law-enforcement officer of the locality in which the production field, or handler's storage site, or process site exists;

4. Allow the Commissioner or his designee to monitor and test the grower's, handler's, or processor's industrial hemp for compliance with tetrahydrocannabinol levels and for other appropriate purposes established pursuant to § 3.2-4114, at the cost of the grower, handler, or processor; and

5. If required by the Commissioner, destroy, at the cost of the grower, handler, or processor and in a manner approved of and verified by the Commissioner, any Cannabis sativa that the grower grows, the handler handles, or the processor processes that has been tested and, following any re-sampling and retesting as authorized pursuant to the provisions of § 3.2-4114.2, is found to have a concentration of tetrahydrocannabinol that is greater than that allowed by federal law, or any Cannabis sativa product that the processor produces.

C. A processor shall not sell industrial hemp or a substance containing an industrial hemp extract, as defined in § 3.2-5145.1, to a person if the processor knows or has reason to know that such person will use the industrial hemp or substance containing an industrial hemp extract in a substance that (i) contains a total tetrahydrocannabinol concentration that is greater than 0.3 percent or (ii) contains more than two milligrams of total tetrahydrocannabinol per package ~~and does not contain an amount of cannabidiol that is at least 25 times greater than the amount of total tetrahydrocannabinol per package~~.

§ 3.2-4126. Civil penalties.

A. The Commissioner may, in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), deny the application for a regulated hemp product retail facility registration or suspend or revoke the regulated hemp product retail facility registration of any person that violates a provision of this article.

B. Any person that (i) offers for sale or sells at retail a regulated hemp product without first obtaining a registration to do so from the Commissioner in accordance with § 3.2-4122, (ii) continues to offer for sale or sell at retail a regulated hemp product after revocation or suspension of such registration, (iii) offers for sale or sells at retail a substance intended for human consumption, orally or by inhalation, that (a) contains a total tetrahydrocannabinol concentration that is greater than 0.3 percent or (b) contains more than two milligrams of total tetrahydrocannabinol per package ~~and does not contain an amount of cannabidiol that is at least 25 times greater than the amount of total tetrahydrocannabinol per package~~, (iv) offers for sale or sells at retail a regulated hemp product in violation of § 3.2-4123, or (v) offers for sale or sells at retail a substance intended for human consumption, orally or by inhalation, that is advertised or labeled as containing an industrial hemp-derived cannabinoid without a regulated hemp product retail facility registration is, in addition to any other penalties provided, subject to a civil penalty not to exceed $10,000 for each day a violation occurs. Such penalty shall be collected by the Commissioner and the proceeds shall be payable to the State Treasurer for remittance to the Department.

§ 3.2-5145.1. Definitions.

As used in this article, unless the context requires a different meaning:

"Food" means any article that is intended for human consumption and introduction into commerce, whether the article is simple, mixed, or compound, and all substances or ingredients used in the preparation thereof. "Food" does not mean drug as defined in § 54.1-3401.

"Industrial hemp" means a Cannabis sativa plant that has a concentration of tetrahydrocannabinol that is no greater than that allowed by federal law.

"Industrial hemp extract" means an extract (i) of industrial hemp, (ii) that is intended for human consumption, and (iii) except as otherwise provided in subsection M of § 54.1-3442.6, when offered for retail sale, that (a) contains a total tetrahydrocannabinol concentration that is no greater than 0.3 percent and (b) contains ~~either~~ no more than two milligrams of total tetrahydrocannabinol per package ~~or an amount of cannabidiol that is no less than 25 times greater than the amount of total tetrahydrocannabinol per package~~. "Industrial hemp extract" is not a hemp seed-derived ingredient that is approved by the U.S. Food and Drug Administration or is the subject of a generally recognized as safe notice for which the U.S. Food and Drug Administration had no questions.

"Tetrahydrocannabinol" means the same as that term is defined in § ~~3.2-4112~~ *4.1-600*.

"Total tetrahydrocannabinol" means the same as that term is defined in § ~~3.2-4112~~ *4.1-600*.

§ 3.2-5145.2:1. Manufacturers of industrial hemp extract; penalties.

A. Any person who manufactures, sells, or offers for sale an industrial hemp extract or food containing an industrial hemp extract shall be subject to the requirements of this chapter and regulations adopted pursuant to this chapter.

B. Any person who (i) manufactures, sells, or offers for sale an industrial hemp extract or food containing an industrial hemp extract without first obtaining a permit to do so from the Commissioner pursuant to § 3.2-5100, unless exempt from a permit pursuant to subdivision C 6 of § 3.2-5130; (ii) continues to manufacture, sell, or offer for sale an industrial hemp extract or food containing an industrial hemp extract after revocation or suspension of such permit; (iii) fails to disclose on a form prescribed by the Commissioner that he intends to manufacture, sell, or offer for sale a substance intended to be consumed orally that contains an industrial hemp-derived cannabinoid; (iv) sells or offers for sale at retail a food that (a) contains a total tetrahydrocannabinol concentration that is greater than 0.3 percent or (b) contains more than two milligrams of total tetrahydrocannabinol per package ~~and does not contain an amount of cannabidiol that is at least 25 times greater than the amount of total tetrahydrocannabinol per package~~; (v) manufactures, offers for sale, or sells in violation of this chapter or a regulation adopted pursuant to this chapter a substance intended to be consumed orally that is advertised or labeled as containing an industrial hemp-derived cannabinoid; or (vi) otherwise violates any provision of this chapter or a regulation adopted pursuant to this chapter, in addition to any other penalties provided, is subject to a civil penalty not to exceed $10,000 for each day a violation occurs. Such penalty shall be collected by the Commissioner and the proceeds shall be payable to the State Treasurer for remittance to the Department.

C. Any person who (i) manufactures, sells, or offers for sale an industrial hemp extract or food containing an industrial hemp extract without first obtaining a permit to do so from the Commissioner pursuant to § 3.2-5100, unless exempt from a permit pursuant to subdivision C 6 of § 3.2-5130; (ii) continues to manufacture, sell, or offer for sale an industrial hemp extract or food containing an industrial hemp extract after revocation or suspension of such permit; (iii) fails to disclose on a form prescribed by the Commissioner that he intends to manufacture, sell, or offer for sale a substance intended to be consumed orally that contains an industrial hemp-derived cannabinoid; (iv) manufactures, offers for sale, or sells in violation of this chapter or a regulation adopted pursuant to this chapter a substance intended to be consumed orally that is advertised or labeled as containing an industrial hemp-derived cannabinoid; or (v) otherwise violates any provision of this chapter or a regulation adopted pursuant to this chapter, in addition to any other penalties provided, is guilty of a Class 1 misdemeanor. Each day in which a violation occurs shall constitute a separate offense.

D. The Commissioner may, in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), deny, suspend, or revoke a permit issued pursuant to § 3.2-5100 if the permitted entity is found to have violated subdivision A 69, 70, 71, 72, 73, or 74 of § 59.1-200 by a court of competent jurisdiction.

E. This section shall not apply to products that are (i) approved for marketing by the U.S. Food and Drug Administration and scheduled

in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) dispensed pursuant to Article 4.2 (§ 54.1-3442.5 et seq.) of Chapter 34 of Title 54.1.

§ 3.2-5145.4. Industrial hemp extract requirements.

A. An industrial hemp extract shall (i) be produced from industrial hemp grown in compliance with applicable law and (ii) when offered for retail sale, (a) contain a total tetrahydrocannabinol concentration of no greater than 0.3 percent and (b) contain ~~either~~ no more than two milligrams of total tetrahydrocannabinol per package ~~or an amount of cannabidiol that is no less than 25 times greater than the amount of total tetrahydrocannabinol per package~~.

B. In addition to the requirements of this chapter, an industrial hemp extract or food containing an industrial hemp extract shall comply with regulations adopted by the Board pursuant to § 3.2-5145.5.

§ 4.1-103. General powers of Board.

The Board shall have the power to:

1. Sue and be sued, implead and be impleaded, and complain and defend in all courts;

2. Adopt, use, and alter at will a common seal;

3. Fix, alter, charge, and collect rates, rentals, fees, and other charges for the use of property of, the sale of products of, or services rendered by the Authority at rates to be determined by the Authority for the purpose of providing for the payment of the expenses of the Authority;

4. Make and enter into all contracts and agreements necessary or incidental to the performance of its duties, the furtherance of its purposes, and the execution of its powers under this subtitle, including agreements with any person or federal agency;

5. Employ, at its discretion, consultants, researchers, architects, engineers, accountants, financial experts, investment bankers, superintendents, managers, and such other employees and special agents as may be necessary and fix their compensation to be payable from funds made available to the Authority. Legal services for the Authority shall be provided by the Attorney General in accordance with Chapter 5 (§ 2.2-500 et seq.) of Title 2.2;

6. Receive and accept from any federal or private agency, foundation, corporation, association, or person grants or other aid to be expended in accomplishing the objectives of the Authority, and receive and accept from the Commonwealth or any state and any municipality, county, or other political subdivision thereof or from any other source aid or contributions of either money, property, or other things of value, to be held, used, and applied only for the purposes for which such grants and contributions may be made. All federal moneys accepted under this section shall be accepted and expended by the Authority upon such terms and conditions as are prescribed by the United States and as are consistent with state law, and all state moneys accepted under this section shall be expended by the Authority upon such terms and conditions as are prescribed by the Commonwealth;

7. Adopt, alter, and repeal bylaws, rules, and regulations governing the manner in which its business shall be transacted and the manner in which the powers of the Authority shall be exercised and its duties performed. The Board may delegate or assign any duty or task to be performed by the Authority to any officer or employee of the Authority. The Board shall remain responsible for the performance of any such duties or tasks. Any delegation pursuant to this subdivision shall, where appropriate, be accompanied by written guidelines for the exercise of the duties or tasks delegated. Where appropriate, the guidelines shall require that the Board receive summaries of actions taken. Such delegation or assignment shall not relieve the Board of the responsibility to ensure faithful performance of the duties and tasks;

8. Conduct or engage in any lawful business, activity, effort, or project consistent with the Authority's purposes or necessary or convenient to exercise its powers;

9. Develop policies and procedures generally applicable to the procurement of goods, services, and construction, based upon competitive principles;

10. Develop policies and procedures consistent with Article 4 (§ 2.2-4347 et seq.) of Chapter 43 of Title 2.2;

11. Buy, import and sell alcoholic beverages other than beer and wine not produced by farm wineries, and to have alcoholic beverages other than beer and wine not produced by farm wineries in its possession for sale;

12. Buy and sell any mixers;

13. Buy and sell products licensed by the Virginia Tourism Corporation that are within international trademark classes 16 (paper goods and printer matters), 18 (leather goods), 21 (housewares and glass), and 25 (clothing);

14. Control the possession, sale, transportation, and delivery of alcoholic beverages;

15. Determine, subject to § 4.1-121, the localities within which government stores shall be established or operated and the location

of such stores;

16. Maintain warehouses for alcoholic beverages and control the storage and delivery of alcoholic beverages to and from such warehouses;

17. Acquire, purchase, hold, use, lease, or otherwise dispose of any property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of the Authority; lease as lessee any property, real, personal or mixed, tangible or intangible, or any interest therein, at such annual rental and on such terms and conditions as may be determined by the Board; lease as lessor to any person any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired by the Authority, whether wholly or partially completed, at such annual rental and on such terms and conditions as may be determined by the Board; sell, transfer, or convey any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired or held by the Authority on such terms and conditions as may be determined by the Board; and occupy and improve any land or building required for the purposes of this subtitle;

18. Purchase, lease, or acquire the use of, by any manner, any plant or equipment that may be considered necessary or useful in carrying into effect the purposes of this subtitle, including rectifying, blending, and processing plants. The Board may purchase, build, lease, and operate distilleries and manufacture alcoholic beverages;

19. Determine the nature, form and capacity of all containers used for holding alcoholic beverages to be kept or sold under this subtitle, and prescribe the form and content of all labels and seals to be placed thereon; however, no container sold in or shipped into the Commonwealth shall include powdered or crystalline alcohol;

20. Appoint every agent and employee required for its operations; require any or all of them to give bonds payable to the Commonwealth in such penalty as shall be fixed by the Board; and engage the services of experts and professionals;

21. Hold and conduct hearings; issue subpoenas requiring the attendance of witnesses and the production of records, memoranda, papers and other documents before the Board or any agent of the Board; and administer oaths and take testimony thereunder. The Board may authorize any Board member or agent of the Board to hold and conduct hearings, issue subpoenas, administer oaths and take testimony thereunder, and decide cases, subject to final decision by the Board, on application of any party aggrieved. The Board may enter into consent agreements and may request and accept from any applicant or licensee a consent agreement in lieu of proceedings on (i) objections to the issuance of a license or (ii) disciplinary action. Any such consent agreement shall include findings of fact and may include an admission or a finding of a violation. A consent agreement shall not be considered a case decision of the Board and shall not be subject to judicial review under the provisions of the Administrative Process Act (§ 2.2-4000 et seq.), but may be considered by the Board in future disciplinary proceedings;

22. Make a reasonable charge for preparing and furnishing statistical information and compilations to persons other than (i) officials, including court and police officials, of the Commonwealth and of its subdivisions if the information requested is for official use and (ii) persons who have a personal or legal interest in obtaining the information requested if such information is not to be used for commercial or trade purposes;

23. Promulgate regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.) and § 4.1-111;

24. Grant, suspend, and revoke licenses for the manufacture, bottling, distribution, importation, and sale of alcoholic beverages;

25. Assess and collect civil penalties and civil charges for violations of this subtitle and Board regulations;

26. Maintain actions to enjoin common nuisances as defined in § 4.1-317;

27. Establish minimum food sale requirements for all retail licensees;

28. Review and approve any proposed legislative or regulatory changes suggested by the Chief Executive Officer as the Board deems appropriate;

29. Report quarterly to the Secretary of Public Safety and Homeland Security on the law-enforcement activities undertaken to enforce the provisions of this subtitle;

30. Establish and collect fees for all permits set forth in this subtitle, including fees associated with applications for such permits;

31. Impose a requirement that a mixed beverage casino licensee pursuant to subdivision A 14 of § 4.1-206.3 pay for any cost incurred by the Board to enforce such license in excess of the applicable state license fee; ~~and~~

32. *Conduct outreach to all licensees and businesses selling liquid nicotine or nicotine vapor products to inform and educate such licensees and businesses on the Cannabis Control Act (§ 4.1-600 et seq.) and laws and regulations related to the illegal cultivation, processing, sale, and distribution of marijuana and marijuana products; and*

33. Do all acts necessary or advisable to carry out the purposes of this subtitle.

§ 4.1-352. Certificate of forensic scientist as evidence; requiring forensic scientist to appear.

The certificate of any forensic scientist employed by the Commonwealth on behalf of the Board or the Department of Forensic Science, when signed by him, shall be *admissible as* evidence ~~in all prosecutions for violations of this subtitle and all controversies in any judicial proceedings touching the mixture analyzed by him~~ *of the facts therein stated and of the results of such analysis (i) in any criminal proceeding, provided the requirements of subsection A of § 19.2-187.1 have been satisfied and the accused has not objected to the admission of the certificate pursuant to subsection B of § 19.2-187.1 or (ii) in any civil proceeding*. On motion of the accused or any party in interest, the court may require the forensic scientist making the analysis to appear as a witness and be subject to cross-examination, provided such motion is made within a reasonable time prior to the day on which the case is set for trial.

§ 4.1-600. Definitions.

As used in this subtitle, unless the context requires a different meaning:

"Advertisement" or "advertising" means any written or verbal statement, illustration, or depiction that is calculated to induce sales of ~~retail~~ marijuana, ~~retail~~ marijuana products, marijuana plants, or marijuana seeds, including any written, printed, graphic, digital, electronic, or other material, billboard, sign, or other outdoor display, publication, or radio or television broadcast.

"Authority" means the Virginia Cannabis Control Authority created pursuant to this subtitle.

"Board" means the Board of Directors of the Virginia Cannabis Control Authority.

"Cannabis Control Act" means Subtitle II (§ 4.1-600 et seq.).

"Canopy" means the space used by a licensee to produce flowering marijuana plants, including areas between plants, pathways, walkways, and empty space between rows that allow for airflow, light, growth, access for watering, trimming, and other activities associated with marijuana cultivation. "Canopy" does not include space used for mother plants, clones, immature or nonflowering plants, processing, drying, curing, trimming, storage, offices, hallways, work areas, or other administrative and nonproduction uses. If flowering marijuana plants are cultivated using a shelving or other layered system, the surface area of each level shall be included for purposes of calculating canopy.

"Child-resistant" means, with respect to packaging or a container, (i) specially designed or constructed to be significantly difficult for a typical child ~~under~~ *younger than* five years of age to open and not to be significantly difficult for a typical adult to open and reseal and (ii) for any product intended for more than a single use or that contains multiple servings, resealable.

"Cultivation" or "cultivate" means the planting, propagation, growing, harvesting, drying, curing, grading, trimming, *packaging,* or other similar ~~processing~~ *manufacturing* of marijuana for use or sale. "Cultivation" or "cultivate" does not include ~~manufacturing~~ *processing* or testing.

"Edible hemp product" means any hemp product that is or includes an industrial hemp extract, as defined in § 3.2-5145.1, and that is intended to be consumed orally.

"Edible marijuana product" means a marijuana product intended to be consumed orally, including marijuana intended to be consumed orally or marijuana concentrate intended to be consumed orally.

"Hemp product" means a product, including any raw materials from industrial hemp that are used for or added to a food or beverage, that (i) contains industrial hemp and has completed all stages of processing needed for the product and (ii) when offered for retail sale (a) contains a total tetrahydrocannabinol concentration of no greater than 0.3 percent and (b) contains no more than two milligrams of total tetrahydrocannabinol per package or an amount of cannabidiol that is no less than 25 times greater than the amount of total tetrahydrocannabinol per package.

"Hemp product intended for smoking" means any hemp product intended to be consumed by inhalation.

"Historically economically disadvantaged community" means either (i) a jurisdiction identified by the Board utilizing census tract data made available by the United States Census Bureau in which offenses for marijuana possession were committed at a rate in excess of 150 percent of the statewide average for marijuana possession offenses during the 10-year period of 2009 to 2019 or (ii) a historically underutilized business zone as defined in 15 U.S.C. § 657a.

"Immature plant" means a nonflowering marijuana plant that is no taller than eight inches and no wider than eight inches, is produced from a cutting, clipping, or seedling, and is growing in a container.

"Impact licensee" means a licensee that meets the criteria set forth in subdivision B 13 of § 4.1-606.

"Industrial hemp" means the same as that term is defined in § 3.2-4112.

"Industrial hemp extract" means the same as that term is defined in § 3.2-5145.1.

"Inhalable marijuana product" means a marijuana product that is intended to be inhaled, including marijuana intended to be

inhaled or marijuana concentrate intended to be inhaled.

"Licensed" means the holding of a valid license *or permit* granted by the Authority.

"Licensee" means any person to whom a license *or permit* has been granted by the Authority.

~~"Manufacturing" or "manufacture" means the production of marijuana products or the blending, infusing, compounding, or other preparation of marijuana and marijuana products, including marijuana extraction or preparation by means of chemical synthesis. "Manufacturing" or "manufacture" does not include cultivation or testing.~~

"Marijuana" means any part of a plant of the genus Cannabis, whether growing or not, its seeds or resin; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, its resin, or any extract containing one or more cannabinoids. "Marijuana" does not include (i) the mature stalks of such plant, fiber produced from such stalk, or oil or cake made from the seed of such plant, unless such stalks, fiber, oil, or cake is combined with other parts of plants of the genus Cannabis; (ii) industrial hemp~~, as defined in § 3.2-4112,~~ that is possessed by a person registered pursuant to subsection A of § 3.2-4115 or his agent; (iii) industrial hemp~~, as defined in § 3.2-4112,~~ that is possessed by a person who holds a hemp producer license issued by the U.S. Department of Agriculture pursuant to 7 C.F.R. Part 990; (iv) a hemp product~~, as defined in § 3.2-4112~~; (v) an industrial hemp extract~~, as defined in § 3.2-5145.1~~; or (vi) any substance containing a tetrahydrocannabinol isomer, ester, ether, salt, or salts of such isomer, ester, or ether that has been placed by the Board of Pharmacy into one of the schedules set forth in the Drug Control Act (§ 54.1-3400 et seq.) pursuant to § 54.1-3443.

"Marijuana concentrate" means marijuana that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a marijuana plant is a concentrate for purposes of this subtitle.

"Marijuana cultivation facility" means a facility licensed under ~~this subtitle to cultivate, label, and package retail marijuana; to purchase or take possession of marijuana plants and seeds from other marijuana cultivation facilities; to transfer possession of and sell retail marijuana, immature marijuana plants, and marijuana seeds to marijuana wholesalers and retail marijuana stores; to transfer possession of and sell retail marijuana, marijuana plants, and marijuana seeds to other marijuana cultivation facilities; to transfer possession of and sell retail marijuana to marijuana manufacturing facilities; and to sell immature marijuana plants and marijuana seeds to consumers for the purpose of cultivating marijuana at home for personal use~~ *§ 4.1-800*.

"Marijuana delivery operator" means an entity licensed under § 4.1-805.

"Marijuana establishment" means a marijuana cultivation facility, ~~a~~ *marijuana microbusiness, marijuana delivery operator*, marijuana testing facility, ~~a~~ marijuana ~~manufacturing~~ *processing* facility, ~~a~~ marijuana ~~wholesaler~~ *transporter*, ~~or a~~ retail marijuana store, *or pharmaceutical processor or cannabis dispensing facility authorized to exercise dual-use privileges pursuant to § 4.1-1602.1*.

~~"Marijuana manufacturing facility" means a facility licensed under this subtitle to manufacture, label, and package retail marijuana and retail marijuana products; to purchase or take possession of retail marijuana from a marijuana cultivation facility or another marijuana manufacturing facility; and to transfer possession of and sell retail marijuana and retail marijuana products to marijuana wholesalers, retail marijuana stores, or other marijuana manufacturing facilities.~~

"Marijuana paraphernalia" means all equipment, products, and materials of any kind that are either designed for use or are intended for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, strength testing, analyzing, packaging, repackaging, storing, containing, concealing, ingesting, inhaling, or otherwise introducing into the human body marijuana.

"Marijuana processing facility" means a facility licensed under § 4.1-801.

"Marijuana products" means (i) products that are composed of marijuana and other ingredients and are intended for use or consumption, ointments, and tinctures or (ii) marijuana concentrate.

"Marijuana testing facility" means a facility licensed under ~~this subtitle to develop, research, or test marijuana, marijuana products, and other substances~~ *§ 4.1-806*.

"Marijuana ~~wholesaler~~ *transporter*" means a facility licensed under ~~this subtitle to purchase or take possession of retail marijuana, retail marijuana products, immature marijuana plants, and marijuana seeds from a marijuana cultivation facility, a marijuana manufacturing facility, or another marijuana wholesaler and to transfer possession and sell or resell retail marijuana, retail marijuana products, immature marijuana plants, and marijuana seeds to a marijuana cultivation facility, marijuana manufacturing facility, retail marijuana store, or another marijuana wholesaler~~ *§ 4.1-804*.

~~"Non-retail marijuana" means marijuana that is not cultivated, manufactured, or sold by a licensed marijuana establishment.~~

~~"Non-retail marijuana products" means marijuana products that are not manufactured and sold by a licensed marijuana establishment.~~

"Microbusiness" means a facility licensed under § 4.1-803.

"Outdoor cultivation" means cultivation in an area exposed to natural sunlight and open to environmental conditions, including

variable temperature, precipitation, and wind.

"Place or premises" means the real estate, together with any buildings or other improvements thereon, designated in the application for a license as the place at which the cultivation, ~~manufacture~~ *processing*, sale, or testing of ~~retail~~ marijuana or ~~retail~~ marijuana products shall be performed~~, except that portion of any such building or other improvement actually and exclusively used as a private residence~~.

"Principal" means (i) any individual who solely or together with his immediate family members (a) owns or controls, directly or indirectly, five percent or more of the pecuniary interest in any entity that is a licensee or permittee or (b) has the power to vote or cause the vote of five percent or more of the voting securities or other ownership interests of such entity and (ii) any person who manages marijuana establishment operations on behalf of a licensee or permittee.

"Processing" or "process" means the production of marijuana products or the blending, infusing, compounding, or other preparation of marijuana or marijuana products, including marijuana extraction or preparation by means of chemical synthesis. "Processing" or "process" does not include cultivation or testing.

"Public place" means any place, building, or conveyance to which the public has, or is permitted to have, access, including restaurants, soda fountains, hotel dining areas, lobbies and corridors of hotels, and any park, place of public resort or amusement, highway, street, lane, or sidewalk adjoining any highway, street, or lane.

"Regulated hemp product" means a hemp product intended for smoking or an edible hemp product.

"Residence" means any building or part of a building or structure where a person resides, but does not include any part of a building that is not actually and exclusively used as a private residence, nor any part of a hotel or club other than a private guest room thereof.

~~"Retail marijuana" means marijuana that is cultivated, manufactured, or sold by a licensed marijuana establishment.~~

~~"Retail marijuana products" means marijuana products that are manufactured and sold by a licensed marijuana establishment.~~

"Retail marijuana store" means a facility licensed under ~~this subtitle to purchase or take possession of retail marijuana, retail marijuana products, immature marijuana plants, or marijuana seeds from a marijuana cultivation facility, marijuana manufacturing facility, or marijuana wholesaler and to sell retail marijuana, retail marijuana products, immature marijuana plants, or marijuana seeds to consumers~~ *§ 4.1-802*.

"Security" means the same as that term is defined in § 13.1-501. If the Board finds that any obligation, stock, or other equity interest creates control of or voice in the management operations of an entity in the manner of a security, then such interest shall be considered a security.

"Sale" and "sell" includes soliciting or receiving an order ~~for~~; keeping, offering, or exposing for sale; peddling, exchanging, or bartering; or delivering ~~otherwise~~ *other* than gratuitously, by any means~~, retail marijuana or retail marijuana products~~.

"Secure agricultural greenhouse" means an enclosed structure that has transparent walls and roofing and is used for controlled-environment agriculture.

"Special agent" means an employee of the Virginia Cannabis Control Authority whom the Board has designated as a law-enforcement officer pursuant to this subtitle.

"Testing" or "test" means the research and analysis of marijuana, marijuana products, or other substances for contaminants, safety, or potency. "Testing" or "test" does not include cultivation or ~~manufacturing~~ *processing*.

"Tetrahydrocannabinol" means ~~the same as that term is defined in § 3.2-4112~~ *any naturally occurring or synthetic tetrahydrocannabinol, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation and any preparation, mixture, or substance containing, or mixed or infused with, any detectable amount of tetrahydrocannabinol. For the purposes of this definition, "isomer" means the optical, position, and geometric isomers.*

"Topical hemp product" means a hemp product that (i) is intended to be rubbed, poured, sprinkled, or sprayed on or otherwise applied to the human body or any part thereof and (ii) is not intended to be consumed orally or by inhalation.

"Topical marijuana product" means a marijuana product that is intended to be applied topically to the skin.

"Total tetrahydrocannabinol" means the ~~same as that term is defined in § 3.2-4112~~ *sum, after the application of any necessary conversion factor, of the percentage by weight of tetrahydrocannabinol and the percentage by weight of tetrahydrocannabinolic acid.*

§ 4.1-601. Virginia Cannabis Control Authority created~~; statement of purpose~~.

A. ~~The General Assembly has determined that there exists in the Commonwealth a need to control the possession, sale, transportation, distribution, and delivery of retail marijuana and retail marijuana products in the Commonwealth.~~

~~Further, the General Assembly determines that the creation of an authority for this purpose is in the public interest, serves a public purpose, and will promote the health, safety, welfare, convenience, and prosperity of the people of the Commonwealth. To achieve this objective, there~~ *There* is hereby created an independent political subdivision of the Commonwealth, exclusive of the legislative, executive, or judicial branches of state government, to be known as the Virginia Cannabis Control Authority. The Authority's exercise of powers and duties conferred by this subtitle shall be deemed the performance of an essential governmental function and a matter of public necessity for which public moneys may be spent.

B. The Board of Directors of the Authority is vested with control of the possession, sale, transportation, distribution, and delivery of ~~retail~~ marijuana ~~and retail~~, marijuana products, *and regulated hemp products* in the Commonwealth, with plenary power to prescribe and enforce regulations and conditions under which ~~retail~~ marijuana ~~and retail~~, marijuana products, *and regulated hemp products* are possessed, sold, transported, distributed, and delivered, so as to prevent any corrupt, incompetent, dishonest, or unprincipled practices and to promote the health, safety, welfare, convenience, and prosperity of the people of the Commonwealth. The exercise of the powers granted by this subtitle shall be in all respects for the benefit of the citizens of the Commonwealth and for the promotion of their safety, health, welfare, and convenience. No part of the assets or net earnings of the Authority shall inure to the benefit of, or be distributable to, any private individual, except that reasonable compensation may be paid for services rendered to or for the Authority affecting one or more of its purposes, and benefits may be conferred that are in conformity with said purposes, and no private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Authority.

§ 4.1-603. Cannabis Public Health Advisory Council; purpose; membership; quorum; meetings; compensation and expenses; duties.

A. The Cannabis Public Health Advisory Council (the Advisory Council) is established as an advisory council to the Board. The purpose of the Advisory Council is to assess and monitor public health issues, trends, and impacts related to marijuana and marijuana legalization and make recommendations regarding health warnings~~; retail~~*;* marijuana ~~and retail~~, marijuana products, *and regulated hemp products* safety and product composition~~;~~*;* and public health awareness, programming, and related resource needs.

B. The Advisory Council shall have a total membership of 21 members that shall consist of 14 nonlegislative citizen members and seven ex officio members. Nonlegislative citizen members of the Council shall be citizens of the Commonwealth and shall reflect the racial, ethnic, gender, and geographic diversity of the Commonwealth. Nonlegislative citizen members shall be appointed as follows: four to be appointed by the Senate Committee on Rules, one of whom shall be a representative from the Virginia Foundation for Healthy Youth, one of whom shall be a representative from the Virginia Chapter of the American Academy of Pediatrics, one of whom shall be a representative from the Medical Society of Virginia, and one of whom shall be a representative from the Virginia Pharmacists Association; six to be appointed by the Speaker of the House of Delegates, one of whom shall be a representative from a community services board, one of whom shall be a person or health care provider with expertise in substance use disorder treatment and recovery, one of whom shall be a person or health care provider with expertise in substance use disorder prevention, one of whom shall be a person with experience in disability rights advocacy, one of whom shall be a person with experience in veterans health care, and one of whom shall be a person with a social or health equity background; and four to be appointed by the Governor, subject to confirmation by the General Assembly, one of whom shall be a representative of a local health district, one of whom shall be a person who is part of the cannabis industry, one of whom shall be an academic researcher knowledgeable about cannabis, and one of whom shall be a registered medical cannabis patient.

The Secretary of Health and Human Resources, the Commissioner of Health, the Commissioner of Behavioral Health and Developmental Services, the Commissioner of Agriculture and Consumer Services, the Director of the Department of Health Professions, the Director of the Department of Forensic Science, and the Chief Executive Officer of the Virginia Cannabis Control Authority, or their designees, shall serve ex officio with voting privileges. Ex officio members of the Advisory Council shall serve terms coincident with their terms of office.

After the initial staggering of terms, nonlegislative citizen members shall be appointed for a term of four years. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. Vacancies shall be filled in the same manner as the original appointments. All members may be reappointed.

~~The Advisory Council shall be chaired by the Secretary of Health and Human Resources or his designee.~~ The Advisory Council shall select a ~~vice-chairman~~ *chair and vice-chair* from among its membership. A majority of the members shall constitute a quorum. The Advisory Council shall meet at least two times each year and shall meet at the call of the ~~chairman or~~ *chair,* whenever the majority of the members so request.

The Advisory Council shall have the authority to create subgroups with additional stakeholders, experts, and state agency representatives.

C. Members shall receive no compensation for the performance of their duties but shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825.

D. The Advisory Council shall have the following duties, in addition to duties that may be necessary to fulfill its purpose as described

in subsection A:

1. To review multi-agency efforts to support collaboration and a unified approach on public health responses related to marijuana and marijuana legalization in the Commonwealth and to develop recommendations as necessary.

2. To monitor changes in drug use data related to marijuana and marijuana legalization in the Commonwealth and the science and medical information relevant to the potential health risks associated with such drug use, and make appropriate recommendations to the Department of Health and the Board.

3. ~~Submit~~ *To review Board regulations related to public health pursuant to subsection F of § 4.1-606. The Advisory Council shall review such regulations within 30 calendar days of the Board's submission of the regulations to the Advisory Council. If the Advisory Council fails to review a regulation within 30 calendar days, the Advisory Council shall request a 30-day extension to review the regulations from the Board or provide a written explanation to the Board on why the Advisory Council failed to review the regulation within 30 calendar days. If the Advisory Council fails to review a regulation within 30 calendar days and does not request an extension, the Board may adopt such regulation without review by the Advisory Council.*

4. To submit an annual report to the Governor and the General Assembly for publication as a report document as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports. The ~~chairman~~ *chair* shall submit to the Governor and the General Assembly an annual executive summary of the interim activity and work of the Advisory Council no later than the first day of each regular session of the General Assembly. The executive summary shall be submitted as a report document as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

§ 4.1-604. Powers and duties of the Board.

The Board shall have the following powers and duties:

1. Promulgate regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.) and § 4.1-606;

2. Control the possession, sale, transportation, and delivery of marijuana ~~and~~, marijuana products, *and regulated hemp products*;

3. Grant, suspend, restrict, revoke, or refuse to grant or renew any license ~~or~~, permit, *or registration* issued or authorized pursuant to this subtitle;

4. Determine the nature, form, and capacity of all containers used for holding marijuana products *or regulated hemp products* to be kept or sold and prescribe the form and content of all labels and seals to be placed thereon;

5. Maintain actions to enjoin common nuisances as defined in § 4.1-1113;

6. Establish standards and implement an online course for employees of retail marijuana stores *and microbusinesses* that trains employees on how to educate consumers on the potential risks of marijuana use;

7. Establish a plan to develop and disseminate to retail marijuana store *and microbusinesses* licensees a pamphlet or similar document regarding the potential risks of marijuana use to be prominently displayed and made available to consumers;

8. Establish a position for a Cannabis ~~Social Equity~~ *Impact Business* Liaison who shall lead the Cannabis *Impact* Business ~~Equity and Diversity~~ Support Team and liaise with the Director of Diversity, Equity, and Inclusion on matters related to ~~diversity, equity~~, and ~~inclusion standards~~ *impact licensee participation* in the marijuana industry;

9. Establish a Cannabis *Impact* Business ~~Equity and Diversity~~ Support Team, which shall (i) ~~develop requirements for the creation and submission of diversity, equity, and inclusion plans by persons who wish to possess a license in more than one license category pursuant to subsection C of § 4.1-805, which may include a requirement that the licensee participate in social equity apprenticeship plan, and an approval process and requirements for implementation of such plans;~~ ~~(ii)~~ be responsible for conducting an analysis of potential barriers to entry for small, women-owned, and minority-owned businesses and veteran-owned businesses interested in participating in the marijuana industry and recommending strategies to effectively mitigate such potential barriers; ~~(iii)~~ *(ii)* provide assistance with business planning for potential marijuana establishment licensees; ~~(iv)~~ *(iii)* spread awareness of business opportunities related to the marijuana marketplace in areas disproportionately impacted by marijuana prohibition and enforcement; ~~(v)~~ *(iv)* provide technical assistance in navigating the administrative process to potential marijuana establishment licensees; and ~~(vi)~~ *(v)* conduct other outreach initiatives in areas disproportionately impacted by marijuana prohibition and enforcement as necessary;

10. Establish a position for an individual with professional experience in a health related field who shall staff the Cannabis Public Health Advisory Council, established pursuant to § 4.1-603, liaise with the Office of the Secretary of Health and Human Resources and relevant health and human services agencies and organizations, and perform other duties as needed;

11. Establish and implement a plan, in coordination with the Cannabis ~~Social Equity~~ *Impact Business* Liaison ~~and the Director of Diversity, Equity, and Inclusion~~, to promote and encourage participation in the marijuana industry by people from *historically*

economically disadvantaged communities ~~that have been disproportionately impacted by marijuana prohibition and enforcement~~ and to positively impact those communities;

12. Sue and be sued, implead and be impleaded, and complain and defend in all courts;

13. Adopt, use, and alter at will a common seal;

14. Fix, alter, charge, and collect rates, rentals, fees, and other charges for the use of property of, the sale of products of, or services rendered by the Authority at rates to be determined by the Authority for the purpose of providing for the payment of the expenses of the Authority;

15. Make and enter into all contracts and agreements necessary or incidental to the performance of its duties, the furtherance of its purposes, and the execution of its powers under this subtitle, including agreements with any person or federal agency;

16. Employ, at its discretion, consultants, researchers, architects, engineers, accountants, financial experts, investment bankers, superintendents, managers, and such other employees and special agents as may be necessary and fix their compensation to be payable from funds made available to the Authority. ~~Legal~~ *The Board may employ or retain legal counsel of its choice, subject to the approval of the Attorney General, to advise or represent the Authority in hearings, controversies, or other matters involving the interests of the Authority; however, upon request by the Board, the Attorney General shall provide legal* services for the Authority ~~shall be provided by the Attorney General~~ in accordance with Chapter 5 (§ 2.2-500 et seq.) of Title 2.2;

17. Receive and accept from any federal or private agency, foundation, corporation, association, or person grants or other aid to be expended in accomplishing the objectives of the Authority, and receive and accept from the Commonwealth or any state and any municipality, county, or other political subdivision thereof or from any other source aid or contributions of either money, property, or other things of value, to be held, used, and applied only for the purposes for which such grants and contributions may be made. All federal moneys accepted under this section shall be accepted and expended by the Authority upon such terms and conditions as are prescribed by the United States and as are consistent with state law, and all state moneys accepted under this section shall be expended by the Authority upon such terms and conditions as are prescribed by the Commonwealth;

18. Adopt, alter, and repeal bylaws, rules, and regulations governing the manner in which its business shall be transacted and the manner in which the powers of the Authority shall be exercised and its duties performed. The Board may delegate or assign any duty or task to be performed by the Authority to any officer or employee of the Authority. The Board shall remain responsible for the performance of any such duties or tasks. Any delegation pursuant to this subdivision shall, where appropriate, be accompanied by written guidelines for the exercise of the duties or tasks delegated. Where appropriate, the guidelines shall require that the Board receive summaries of actions taken. Such delegation or assignment shall not relieve the Board of the responsibility to ensure faithful performance of the duties and tasks;

19. Conduct or engage in any lawful business, activity, effort, or project consistent with the Authority's purposes or necessary or convenient to exercise its powers;

20. Develop policies and procedures generally applicable to the procurement of goods, services, and construction, based upon competitive principles;

21. Develop policies and procedures consistent with Article 4 (§ 2.2-4347 et seq.) of Chapter 43 of Title 2.2;

22. Acquire, purchase, hold, use, lease, or otherwise dispose of any property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of the Authority; lease as lessee any property, real, personal or mixed, tangible or intangible, or any interest therein, at such annual rental and on such terms and conditions as may be determined by the Board; lease as lessor to any person any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired by the Authority, whether wholly or partially completed, at such annual rental and on such terms and conditions as may be determined by the Board; sell, transfer, or convey any property, real, personal or mixed, tangible or intangible, or any interest therein, at any time acquired or held by the Authority on such terms and conditions as may be determined by the Board; and occupy and improve any land or building required for the purposes of this subtitle;

23. Purchase, lease, or acquire the use of, by any manner, any plant or equipment that may be considered necessary or useful in carrying into effect the purposes of this subtitle, including rectifying, blending, and processing plants;

24. Appoint every agent and employee required for its operations, require any or all of them to give bonds payable to the Commonwealth in such penalty as shall be fixed by the Board, and engage the services of experts and professionals;

25. Hold and conduct hearings, issue subpoenas requiring the attendance of witnesses and the production of records, memoranda, papers, and other documents before the Board or any agent of the Board, and administer oaths and take testimony thereunder. The Board may authorize any Board member or agent of the Board to hold and conduct hearings, issue subpoenas, administer oaths and take testimony thereunder, and decide cases, subject to final decision by the Board, on application of any party aggrieved. The Board may enter into consent agreements and may request and accept from any applicant, licensee, or permittee a consent agreement in lieu of proceedings on (i) objections to the issuance of a license or permit or (ii) disciplinary action. Any such consent agreement (a) shall include findings of fact and provisions regarding whether the terms of the consent agreement are confidential and (b) may include an

admission or a finding of a violation. A consent agreement shall not be considered a case decision of the Board and shall not be subject to judicial review under the provisions of the Administrative Process Act (§ 2.2-4000 et seq.), but may be considered by the Board in future disciplinary proceedings;

26. Make a reasonable charge for preparing and furnishing statistical information and compilations to persons other than (i) officials, including court and police officials, of the Commonwealth and of its subdivisions if the information requested is for official use and (ii) persons who have a personal or legal interest in obtaining the information requested if such information is not to be used for commercial or trade purposes;

27. Take appropriate disciplinary action and assess and collect civil penalties and civil charges for violations of this subtitle and Board regulations;

28. Review and approve any proposed legislative or regulatory changes suggested by the Chief Executive Officer as the Board deems appropriate;

29. Report quarterly to the Secretary of Public Safety and Homeland Security on the law-enforcement activities undertaken to enforce the provisions of this subtitle;

30. Establish and collect fees for all *licenses and* permits set forth in this subtitle, including fees associated with applications for such *licenses and* permits;

31. Develop and make available on its website guidance documents regarding compliance and safe practices for persons who cultivate marijuana at home for personal use, which shall include information regarding cultivation practices that promote personal and public safety, including child protection, and discourage practices that create a nuisance;

32. Develop and make available on its website a resource that provides information regarding (i) responsible marijuana consumption; (ii) health risks and other dangers associated with marijuana consumption, including inability to operate a motor vehicle and other types of transportation and equipment; and (iii) ancillary effects of marijuana consumption, including ineligibility for certain employment opportunities. The Board shall require that the web address for such resource be included on the label of all ~~retail~~ marijuana and ~~retail~~ marijuana product as provided in § ~~4.1-1402~~ *4.1-1405*; ~~and~~

33. *Access during business hours any facility governed by this subtitle and any business that offers for sale or sells at retail a substance intended for human consumption, orally or by inhalation, that is advertised or labeled as containing a cannabinoid for the purpose of conducting an inspection or securing samples to identify potential violations of this subtitle;*

34. Conduct training and provide educational resources to the public on the application process for licenses;

35. Develop and provide consumer education that (i) highlights the ways purchasing marijuana and marijuana products from or cultivated and processed by licensees supports farmers, small business, and community reinvestment; (ii) educates consumers on how to recognize licensed retail marijuana stores and microbusinesses; and (iii) informs consumers about responsible marijuana consumption and health risks and other dangers associated with marijuana consumption.

36. Issue a semi-annual report that contains information regarding (i) license fees waived or reduced pursuant to § 4.1-606; (ii) licenses issued to or renewed for persons identified in subdivision B 13 of § 4.1-606; (iii) public education initiatives, including public awareness campaigns regarding driving under the influence, underage consumption and youth awareness, and health risks; (iv) community engagement initiatives; (v) sales and tax revenue; (vi) programs funded by marijuana tax revenue; (vii) efforts made pursuant to subdivisions 8, 9, 11, and 32; and (viii) license denials and disciplinary actions taken;

37. Maintain a public registry available online of information for all licensees that includes a searchable directory of licenses by license type and impact licensee designation;

38. Develop policies and procedures generally applicable to the audit of ownership and financial relationships across all licenses on a schedule established by the Board. The audits shall be conducted by an independent certified public accountant and the costs of such audits shall be borne by the licensee;

39. Beginning on July 1, 2029, and each July 1 thereafter, issue an annual report on the performance and health of the retail marijuana market in the Commonwealth, including information related to: (i) sales and tax revenue, including information on sales and tax revenue broken down by marijuana and marijuana product category; (ii) the distribution of tax revenue; (iii) the total number of licenses issued and the number of licensees actively operating in the Commonwealth; (iv) ownership diversity; (v) the number of jobs created in the marijuana industry, including information on the number of people employed by specific license type; (vi) average wholesale and retail prices of different types of marijuana and marijuana products; (vii) licenses issued to or renewed for persons identified in subdivision B 13 of § 4.1-606, amounts distributed to such impact licensees through the Cannabis Equity Business Loan Fund, and performance metrics for such licensees; (viii) an anonymized summary of the compliance findings from any audit of ownership and financial relationships across all licenses conducted pursuant to the policies and procedures of subdivision 38; (ix) whether licensees with substantial market share of any category of licensure have an impact on the goals of (a) inclusion of microbusiness and impact licensees in the market, (b) maintaining adequate supplies of marijuana, and (c) prevention of dominant marketplace participation in the marijuana industry; (x) the potential expansion or

contraction of the marijuana market in the Commonwealth, which may include information related to any increase in retail marijuana sales and activity in the illicit marijuana market; (xi) a comparison of estimated sales in the illicit marijuana market to sales in the retail marijuana market; (xii) information on the viability of marijuana establishments in the Commonwealth; (xiii) the feasibility of requiring pharmaceutical processors and cannabis dispensing facilities issued a permit by the Board pursuant to the provisions of Chapter 16 (§ 4.1-1600 et seq.) to offer for sale a certain amount or percentage of marijuana and marijuana products cultivated or processed by microbusinesses and impact licensees, including a proposed timeline for when such requirement may go into effect; and (xiv) any recommendations, including recommendations for statutory or regulatory changes, to strengthen the Commonwealth's retail marijuana market;

40. Investigate the ownership and control interests of all licensees, including a review of the licensee's or applicant's management and brand-licensing agreements to ensure compliance with § 4.1-807;

41. Coordinate with the Department of Criminal Justice Services to ensure the exchange of any information necessary to comply with the reporting requirements of the Community Policing Reporting Database established pursuant to § 52-30.3;

42. Establish, advertise, and administer a tip line, which may be accessed by phone and by internet, for members of the public to anonymously report concerns about, or suspected instances of, illicit retail marijuana practices in violation of this subtitle;

43. Create and require a decal for retail marijuana stores, microbusinesses, pharmaceutical processors, and cannabis dispensing facilities to prominently display on the premises of such establishments where marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds are sold to consumers that allows consumers to electronically verify the validity of such establishment's license or permit from the Board; and

44. Do all acts necessary or advisable to carry out the purposes of this subtitle.

§ 4.1-606. Regulations of the Board.

A. The Board ~~may~~ *shall* promulgate reasonable regulations, not inconsistent with this subtitle or the general laws of the Commonwealth, that it deems necessary to carry out the provisions of this subtitle and to prevent the illegal cultivation, ~~manufacture~~ *processing, transportation, distribution,* sale, and testing of marijuana ~~and~~, marijuana products, *and regulated hemp products*. The Board may amend or repeal such regulations. ~~Such~~ *Except as otherwise provided by law, such* regulations shall be promulgated, amended, or repealed in accordance with the Administrative Process Act (§ 2.2-4000 et seq.) and shall have the effect of law.

B. The Board shall *also* promulgate regulations that:

1. Govern the outdoor cultivation of marijuana by a marijuana cultivation facility licensee, including security requirements to include lighting, physical security, and alarm requirements, provided that such requirements do not prohibit the cultivation of marijuana outdoors or in a greenhouse;

2. Establish requirements for *(i)* securely transporting marijuana between marijuana establishments *and (ii) securely delivering marijuana or marijuana products from retail marijuana stores or microbusinesses only in person to consumers, which shall include requirements for age verification, delivery radius, and recordkeeping*;

3. Establish sanitary standards for ~~retail~~ marijuana product *and regulated hemp product* preparation;

4. Establish a testing program for ~~retail~~ marijuana ~~and retail~~, marijuana products, *and regulated hemp products* pursuant to Chapter 14 (§ 4.1-1400 et seq.);

5. Establish an application process for licensure as a marijuana establishment pursuant to this subtitle in a way that, when possible, prevents disparate impacts on historically *economically* disadvantaged communities;

6. Establish requirements for health and safety warning labels to be placed on ~~retail~~ marijuana and ~~retail~~ marijuana products to be sold or offered for sale by a licensee to a consumer *and on regulated hemp products to be sold or offered for sale by a person* in accordance with the provisions of this subtitle;

7. Establish a maximum tetrahydrocannabinol level for ~~retail~~ marijuana products, which shall not exceed (i) ~~five~~ *10* milligrams per serving for edible marijuana products and where practicable an equivalent amount for other marijuana products or (ii) ~~50~~ *100* milligrams per package for edible marijuana products and where practicable an equivalent amount for other marijuana products. Such regulations may include other product and dispensing limitations on tetrahydrocannabinol;

8. Establish requirements for the form, content, and retention of all records and accounts by all licensees *and by any person selling a regulated hemp product*;

9. Provide alternative methods for licensees to maintain and store business records that are subject to Board inspection, including methods for Board-approved electronic and offsite storage;

10. Establish (i) criteria by which to evaluate new licensees based on the density of retail marijuana stores in the community and (ii) metrics that have similarly shown an association with negative community-level health outcomes or health disparities. In promulgating

such regulations, the Board shall coordinate with the Cannabis Public Health Advisory Council established pursuant to § 4.1-603;

11. Require retail licensees to file an appeal from any hearing decision rendered by a hearing officer within 30 days of the date the notice of the decision is sent. The notice shall be sent to the licensee at the address on record with the Board by certified mail, return receipt requested, and by regular mail;

12. Prescribe the schedule of proration for refunded license fees to licensees who qualify pursuant to subsection C of § ~~4.1-1002~~ *4.1-1003*;

13. Establish ~~criteria~~ *a process* by which to ~~evaluate social equity~~ *identify impact* license applicants, which shall be an applicant ~~who has lived or been domiciled for at least 12 months in the Commonwealth and is either (i) an applicant with~~ *that has* at least ~~66~~ *51* percent ownership *and direct control* by a person or persons who *(i) have resided (a) between the years 1999 and 2025 in a jurisdiction that, after utilizing census tract data made available by the United States Census Bureau, is determined to have been disproportionately policed for marijuana crimes or (b) for at least three of the past five years in a historically economically disadvantaged community and (ii) meet one or more of the following six criteria: (1)* have been convicted of or adjudicated delinquent for any ~~misdemeanor~~ violation of § 18.2-248.1, former § 18.2-250.1, or subsection A of § 18.2-265.3 as it relates to marijuana *or any substantially similar offense under the laws of another jurisdiction*; ~~(ii) an applicant with at least 66 percent ownership by a person or persons who is~~ *(2) are* the parent, child, sibling, or spouse of a person who has been convicted of or adjudicated delinquent for any ~~misdemeanor~~ violation of § 18.2-248.1, former § 18.2-250.1, or subsection A of § 18.2-265.3 as it relates to marijuana *or any substantially similar offense under the laws of another jurisdiction*; ~~(iii) an applicant with at least 66 percent ownership by a person or persons who have resided for at least three of the past five years in a jurisdiction that is determined by the Board after utilizing census tract data made available by the United States Census Bureau to have been disproportionately policed for marijuana crimes; (iv) an applicant with at least 66 percent ownership by a person or persons who have resided for at least three of the last five years in a jurisdiction determined by the Board after utilizing census tract data made available by the United States Census Bureau to be economically distressed; or (v) an applicant with at least 66 percent ownership by a person or persons who graduated from a historically black college or university located in the Commonwealth~~ *(3) have attended for at least five years a public elementary or secondary school located in a historically economically disadvantaged community; (4) have received a Federal Pell Grant or attended for at least two years a college or university at which at least 30 percent of the students, on average, are eligible for a Federal Pell Grant; (5) are veterans of the Armed Forces of the United States; or (6) have qualified for financial assistance or relief from the U.S. Department of Agriculture as a distressed farmer in the last five years*;

14. ~~For the purposes of establishing criteria by which to evaluate social equity license applicants, establish standards by which to determine (i) which jurisdictions have been disproportionately policed for marijuana crimes and (ii) which jurisdictions are economically distressed;~~

~~15.~~ ~~Establish~~ *For impact license applicants, establish* standards and requirements for (i) ~~any~~ *a* preference in the licensing process ~~for qualified social equity applicants,~~; (ii) what percentage of application or license fees are waived ~~for a qualified social equity applicant, and~~ *to promote participation by impact licensees with an inability to pay standard application and license fees;* (iii) ~~a~~ *grant or* low-interest business loan ~~program for qualified social equity applicants~~ *programs; (iv) a waiver of any requirements to show proof of funds or current possession and control of the proposed licensed premises at the time of application; and (v) to the extent practicable, the proportional distribution of licenses among the applicants set forth in clauses (i) through (vii) of subdivision 13. If at any time the Board determines that an impact license was obtained on the basis of a fraudulent financial transaction or predatory operating agreement or if a prohibited assignment, sale, or transfer of an impact license occurs in violation of subsection C of § 4.1-702, the Board shall immediately begin revocation proceedings pursuant to § 4.1-903 and require the original impact licensee and any other true parties of interest to repay to the Commonwealth the full value of any and all application or licensing fees that were waived*;

~~16.~~ *15.* Establish guidelines, in addition to requirements set forth in this subtitle, for the personal cultivation of marijuana that promote personal and public safety, including child protection, and discourage personal cultivation practices that create a nuisance, including a nuisance caused by odor;

~~17.~~ *16.* Establish reasonable ~~time, place, and manner~~ restrictions on outdoor advertising of ~~retail~~ marijuana ~~or retail~~, marijuana products, *or regulated hemp products*, not inconsistent with the provisions of this chapter, so that such advertising displaces the illicit market and notifies the public of the location of marijuana *or hemp* establishments. Such regulations shall be promulgated in accordance with § ~~4.1-1404~~ *4.1-1402*;

~~18.~~ *17.* Establish restrictions on the number of licenses that a person may be granted to operate a marijuana establishment in single locality or region; ~~and~~

~~19. Establish restrictions on pharmaceutical processors and industrial hemp processors that have been granted a license in more than one license category pursuant to subsection C of § 4.1-805 that ensure all licensees have an equal and meaningful opportunity to participate in the market. Such regulations may limit the amount of products cultivated or manufactured by the pharmaceutical processor or industrial hemp processor that such processor may offer for sale in its retail marijuana stores~~

18. Allow impact licensees and microbusinesses to (i) enter into cooperative agreements; (ii) lease space and equipment and

cultivate, process, and sell marijuana and marijuana products on the premises of another licensee; and (iii) process marijuana or marijuana products out of a shared processing space, provided that no more than one license authorizing outdoor cultivation may be exercised on any given parcel of land, nor on parcels that are contiguous and under common ownership or control to said parcel;

19. Establish an approval process for the Board to approve or deny ownership, financing, management, and brand-licensing agreements to ensure compliance with § 4.1-807 and establish an investigation process for determining whether a financial arrangement between a licensee and another party is commercially reasonable or constitutes undue influence, including the consideration of factors such as price-setting authority, shelf-space control, financing dependency, or shared personnel. Such regulations shall presume the permissibility of (i) passive investments resulting in less than a 10 percent equity interest in a licensee, unless the Board determines such investment otherwise results in undue influence, and (ii) management services agreements or brand licensing agreements that do not result in actual or contractual rights to control the management or operations of a licensee. Such regulations shall stipulate that any such investments or agreements described in clauses (i) and (ii) do not constitute undue influence or independently render any individual a principal of a licensee;

20. Establish procedures governing ownership disclosure and prior written approval of the Board for the assignment, sale, or transfer of any license or any change in ownership or control and background investigations of transferees. Such regulations shall (i) require that ownership interests be traced through all intermediary entities to the ultimate beneficial owners and (ii) include provisions specifying that a change of control occurs upon the (a) acquisition of 25 percent or more of equity or voting power, (b) execution of any instrument conferring appointment or removal rights over managers, or (c) cumulative transfers totaling 25 percent or more within any 24-month period;

21. Require that licensees, their employees, and their agents require all individuals to present bona fide evidence of legal age, as described in subsection B of § 4.1-1104, to make a purchase in a retail marijuana store, with escalating civil penalties for repeated instances of noncompliance by licensees, their employees, or their agents; and

22. Establish penalties for any violation by licensees, their employees, or their agents of § 4.1-1104, relating to the sale, transfer, or distribution of marijuana or marijuana products to a person (i) younger than 21 years of age or (ii) intoxicated. The Board shall provide for escalating civil penalties, leading up to and including the revocation of any license issued by the Authority, for repeated violations of § 4.1-1104 by licensees, their employees, or their agents.

C. The Board may promulgate regulations that:

1. ~~Limit~~ *Set* the number of licenses issued by type or class to operate a marijuana establishment *in order to ensure that there is a sufficient supply of marijuana to meet demand, provide market stability, avoid market dominance, ensure a competitive market that considers small business opportunities and concerns, and limit the sale of unregulated marijuana*; however, ~~the number of~~ *only five Tier V marijuana cultivation facilities* licenses *shall be* issued *before January 1, 2028.* ~~shall not exceed the following limits:~~

~~a. Retail marijuana stores, 400;~~

~~b. Marijuana wholesalers, 25;~~

~~c. Marijuana manufacturing facilities, 60; and~~

~~d. Marijuana cultivation facilities, 450.~~

~~In determining the number of licenses issued pursuant to this subdivision, the Board shall not consider any license granted pursuant to subsection C of § 4.1-805 to (i) a pharmaceutical processor that has been issued a permit by the Board of Pharmacy pursuant to Article 4.2 (§ 54.1-3442.5 et seq.) of the Drug Control Act or (ii) an industrial hemp processor registered with the Commissioner of Agriculture and Consumer Services pursuant to Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2.~~

Beginning January 1, 2028, the Board shall determine the number of tier V marijuana cultivation facility licenses that the Authority will issue consistent with the goals identified in this subsection. If the Board makes an additional number of tier V marijuana cultivation facility licenses available, the number of licenses available to impact licensee applicants shall be equal to or greater than the number of licenses available to all other applicants.

The Board shall not issue more than 350 retail marijuana store licenses.

The Board may issue as many licenses as it deems necessary for any other license type not specified in this subdivision. If the Board does limit the number of licenses available for any other license type not specified in this subdivision, the number of licenses available to impact licensee applicants shall be equal to or greater than the number of licenses available to all other applicants.

2. Prescribe any requirements deemed appropriate for the administration of taxes under ~~§§ 4.1-1003 and~~ *§* 4.1-1004, including method of filing a return, information required on a return, and form of payment.

3. Limit the allowable square footage of a retail marijuana store, which shall not exceed ~~1,500~~ *2,500* square feet *of retail floor space*.

4. ~~Allow certain persons to be granted or have interest in a license in more than one of the following license categories: marijuana~~

~~cultivation facility license, marijuana manufacturing facility license, marijuana wholesaler license, or retail marijuana store license. Such regulations shall be drawn narrowly to limit vertical integration to small businesses and ensure that all licensees have an equal and meaningful opportunity to participate in the market.~~ *Ensure that marijuana establishment licenses are, as possible and practicable, issued evenly among all areas of the Commonwealth and accounting for the population density of such areas; and*

5. Establish additional market-concentration thresholds, including regional or statewide market-share and Herfindahl-Hirschman Index (HHI) benchmarks and policies and procedures for denying or conditioning the issuance of licenses or approval of transfers of licenses that would create undue market concentration.

D. Board regulations shall be uniform in their application, except those relating to hours of sale for licensees.

E. Courts shall take judicial notice of Board regulations.

F. The Board shall consult with the Cannabis Public Health Advisory Council in promulgating any regulations relating to public health, including regulations promulgated pursuant to subdivision B 3, 4, 6, 7, 10, or ~~16~~ *15*, and, *except as otherwise provided in § 4.1-603*, shall not promulgate any such regulation that has not been approved by a majority of the members of the Cannabis Public Health Advisory Council.

G. ~~With regard to regulations governing licensees that have been issued a permit by the Board of Pharmacy to operate as a pharmaceutical processor or cannabis dispensing facility pursuant to Article 4.2 (§ 54.1-3442.5 et seq.) of the Drug Control Act, the Board shall make reasonable efforts (i) to align such regulations with any applicable regulations promulgated by the Board of Pharmacy that establish health, safety, and security requirements for pharmaceutical processors and cannabis dispensing facilities and (ii) to deem in compliance with applicable regulations promulgated pursuant to this subtitle such pharmaceutical processors and cannabis dispensing facilities that have been found to be in compliance with regulations promulgated by the Board of Pharmacy that mirror or are more extensive in scope than similar regulations promulgated pursuant to this subtitle.~~

~~H.~~ The Board's power to regulate shall be broadly construed.

§ 4.1-607. Board membership; terms; compensation.

A. The Authority shall be governed by a Board of Directors, which shall consist of five citizens at large appointed by the Governor and confirmed by the affirmative vote of a majority of those voting in each house of the General Assembly. Each appointee shall (i) have been a resident of the Commonwealth for a period of at least three years next preceding his appointment, and his continued residency shall be a condition of his tenure in office; (ii) hold, at a minimum, a baccalaureate degree in business or a related field of study; and (iii) possess a minimum of seven years of demonstrated experience or expertise in the direct management, supervision, or control of a business or legal affairs. *Members shall be appointed in a manner that ensures expertise among the Board members in health, law, finance, and law enforcement.* Appointees shall reflect the racial, ethnic, gender, and geographic diversity of the Commonwealth. Appointees shall be subject to a background check in accordance with § 4.1-609.

B. After the initial staggering of terms, members shall be appointed for a term of five years. All members shall serve until their successors are appointed. Any appointment to fill a vacancy shall be for the unexpired term. No member appointed by the Governor shall be eligible to serve more than two consecutive terms; however, a member appointed to fill a vacancy may serve two additional consecutive terms. Members of the Board may be removed from office by the Governor for cause, including the improper use of its police powers, malfeasance, misfeasance, incompetence, misconduct, neglect of duty, absenteeism, conflict of interests, failure to carry out the policies of the Commonwealth as established in the Constitution or by the General Assembly, or refusal to carry out a lawful directive of the Governor.

C. The Governor shall appoint the ~~chairman~~ *chair* and ~~vice-chairman~~ *vice-chair* of the Board from among the membership of the Board. The Board may elect other subordinate officers, who need not be members of the Board. The Board may also form committees and advisory councils, which may include representatives who are not members of the Board, to undertake more extensive study and discussion of the issues before the Board. A majority of the Board shall constitute a quorum for the transaction of the Authority's business, and no vacancy in the membership shall impair the right of a quorum to exercise the rights and perform all duties of the Authority.

D. The Board shall meet at least every 60 days for the transaction of its business. Special meetings may be held at any time upon the call of the chairman of the Board or the Chief Executive Officer or upon the written request of a majority of the Board members.

E. Members of the Board shall receive annually such salary, compensation, and reimbursement of expenses for the performance of their official duties as set forth in the general appropriation act for members of the House of Delegates when the General Assembly is not in session, except that the ~~chairman~~ *chair* of the Board shall receive annually such salary, compensation, and reimbursement of expenses for the performance of his official duties as set forth in the general appropriation act for a member of the Senate of Virginia when the General Assembly is not in session.

F. The provisions of the State and Local Government Conflict of Interests Act (§ 2.2-3100 et seq.) shall apply to the members of

the Board, the Chief Executive Officer of the Authority, and the employees of the Authority.

§ 4.1-611. Seed-to-sale tracking system.

To ensure that no ~~retail~~ marijuana or ~~retail~~ marijuana products grown or processed by a marijuana establishment are sold or otherwise transferred except as authorized by law, the Board shall develop and maintain a seed-to-sale tracking system that tracks ~~retail~~ marijuana from either the seed or immature plant stage until the ~~retail~~ marijuana or ~~retail~~ marijuana product is sold ~~to a customer at a retail marijuana store~~, *dispensed, or destroyed*.

§ 4.1-614. Disposition of moneys collected by the Board.

A. All moneys collected by the Board shall be paid directly and promptly into the state treasury, or shall be deposited to the credit of the State Treasurer in a state depository, without any deductions on account of salaries, fees, costs, charges, expenses, refunds, or claims of any description whatever, as required by § 2.2-1802.

All moneys so paid into the state treasury, less the net profits determined pursuant to subsection C, shall be set aside as and constitute an Enterprise Fund, subject to appropriation, for the payment of (i) the salaries and remuneration of the members, agents, and employees of the Board and (ii) all costs and expenses incurred in the administration of this subtitle.

B. The net profits derived under the provisions of this subtitle shall be transferred by the Comptroller to the general fund of the state treasury quarterly, within 50 days after the close of each quarter or as otherwise provided in the appropriation act. As allowed by the Governor, the Board may deduct from the net profits quarterly a sum for the creation of a reserve fund not exceeding the sum of $2.5 million in connection with the administration of this subtitle and to provide for the depreciation on the buildings, plants, and equipment owned, held, or operated by the Board. After accounting for the Authority's expenses as provided in subsection A, *all* net profits shall be appropriated in the general appropriation act ~~as follows~~ *only to the following sources*:

1. ~~Forty percent to pre-kindergarten programs for at-risk three-year-olds and four-year-olds~~ *To support early childhood care, early childhood education, and elementary and secondary education in the Commonwealth*;

2. ~~Thirty percent to~~ *To* the Cannabis Equity Reinvestment Fund established pursuant to § 2.2-2499.8;

3. ~~Twenty-five percent to~~ *To* the Department of Behavioral Health and Developmental Services, which shall distribute such appropriated funds to community services boards for the purpose of administering substance use disorder prevention and treatment programs; and

4. ~~Five percent to~~ *To* public health programs, including public awareness campaigns that are designed to prevent drugged driving, discourage consumption by persons younger than 21 years of age, and inform the public of other potential risks.

C. As used in this section, "net profits" means the total of all moneys collected by the Board, less local marijuana tax revenues collected under *subsection B of* § ~~4.1-1004 and distributed pursuant to~~ § ~~4.1-614~~ *4.1-1004* and all costs, expenses, and charges authorized by this section.

D. All local tax revenues collected under *subsection B of* § ~~4.1-1004~~ *4.1-1004* shall be paid into the state treasury as provided in subsection A and credited to a special fund, which is hereby created on the Comptroller's books under the name "Collections of Local Marijuana Taxes." The revenues shall be credited to the account of the locality in which they were collected. If revenues were collected from a marijuana establishment located in more than one locality by reason of the boundary line or lines passing through the marijuana establishment, tax revenues shall be distributed pro rata among the localities. The Authority shall provide to the Comptroller any records and assistance necessary for the Comptroller to determine the locality to which tax revenues are attributable.

On a quarterly basis, the Comptroller shall draw his warrant on the Treasurer of Virginia in the proper amount in favor of each locality entitled to the return of its tax revenues, and such payments shall be charged to the account of each such locality under the special fund created by this section. If errors are made in any such payment, or adjustments are otherwise necessary, whether attributable to refunds to taxpayers, or to some other fact, the errors shall be corrected and adjustments made in the payments for the next quarter.

§ 4.1-621. Certain information not to be made public.

Neither the Board nor its employees shall divulge any information regarding (i) financial reports or records required pursuant to this subtitle; (ii) the purchase orders and invoices for ~~retail~~ marijuana or ~~retail~~ marijuana products filed with the Board by marijuana ~~wholesaler~~ licensees; (iii) taxes collected from, refunded to, or adjusted for any person; or (iv) information contained in the seed-to-sale tracking system maintained by the Board pursuant to § 4.1-611. The provisions of § 58.1-3 shall apply, mutatis mutandis, to taxes collected pursuant to this subtitle and to purchase orders and invoices for ~~retail~~ marijuana or ~~retail~~ marijuana products filed with the Board by marijuana ~~wholesaler~~ licensees.

Nothing contained in this section shall prohibit the use or release of such information or documents by the Board to any governmental or law-enforcement agency, or when considering the granting, denial, revocation, or suspension of a license or permit, or the assessment of any penalty against a licensee or permittee, nor shall this section prohibit the Board or its employees from compiling and disseminating to any member of the public aggregate statistical information pertaining to (a) tax collection, as long as such information

does not reveal or disclose tax collection from any identified licensee; (b) the total amount of ~~retail~~ marijuana or ~~retail~~ marijuana products sales in the Commonwealth by marijuana ~~wholesaler~~ licensees collectively; or (c) the total amount of purchases or sales submitted by licensees, provided that such information does not identify the licensee.

§ 4.1-629. Local ordinances or resolutions regulating marijuana or marijuana products.

A. No county, city, or town shall, except as provided in § 4.1-630, adopt any ordinance or resolution that regulates or prohibits the cultivation, processing, possession, sale, distribution, handling, transportation, consumption, use, advertising, or dispensing of marijuana or marijuana products in the Commonwealth.

B. 1. Notwithstanding subsection A, the governing body of any county, city, or town may adopt an ordinance that prohibits the acts described in § 4.1-1108 or the acts described in § 4.1-1109 in its local public parks, playgrounds, public streets, or any sidewalk adjoining any public street. A penalty may be prescribed by the locality for a violation of such ordinance.

2. Notwithstanding subsection A, the governing body of any county, city, or town may adopt an ordinance that decreases the minimum distance requirements as promulgated in Board regulations (i) between retail marijuana stores and microbusinesses or (ii) between a retail marijuana store or microbusiness and any hospital; public, private, or parochial school or institution of higher education; or child day program.

C. Except as provided in this section, nothing in this subtitle shall be construed to supersede or limit the authority of a locality to adopt and enforce local ordinances to regulate businesses licensed pursuant to this subtitle, including local zoning and land use requirements and business license requirements.

D. Except as provided in this section, all local acts, including charter provisions and ordinances of counties, cities, and towns, inconsistent with any of the provisions of this subtitle, are repealed to the extent of such inconsistency.

§ 4.1-630. Local ordinances regulating time of sale of marijuana and marijuana products.

The governing body of each county may adopt ordinances effective in that portion of such county not embraced within the corporate limits of any incorporated town, and the governing body of each city and town may adopt ordinances effective in such city or town, fixing hours during which marijuana and marijuana products may be sold. Such governing bodies shall provide for fines and other penalties for violations of any such ordinances, which shall be enforced as if the violations were Class 1 misdemeanors with a right of appeal pursuant to § 16.1-106.

A copy of any ordinance adopted pursuant to this section shall be certified by the clerk of the governing body adopting it and transmitted to the Board.

On and after the effective date of any ordinance adopted pursuant to this section, no marijuana store shall sell marijuana or marijuana products during the hours limited by the ordinance.

CHAPTER 7.

ADMINISTRATION OF LICENSES; GENERAL PROVISIONS.

§ 4.1-700. Exemptions from licensure.

The licensure requirements of this subtitle shall not apply to (i) a handler, grower, or processor of industrial hemp that is registered with the Commissioner of Agriculture and Consumer Services pursuant to Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2 and is acting in accordance with the provisions of Title 3.2; (ii) a person that has been issued a regulated hemp product retail facility registration and is acting in accordance with the provisions of Title 3.2; (iii) a manufacturer of an edible hemp product operating in accordance with Article 5 (§ 3.2-5145.1 et seq.) of Chapter 51 of Title 3.2; or (iv) a person who cultivates marijuana at home for personal use pursuant to § 4.1-1101. Nothing in this subtitle shall be construed to (a) prevent any person described in clauses (i) through (iii) from obtaining a license pursuant to this subtitle, provided such person satisfies applicable licensing requirements; (b) prevent a licensee from acquiring hemp products from an industrial hemp processor in accordance with the provisions of Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2; or (c) prevent a cultivation, processing, transporter, microbusiness, or retail licensee from operating on the licensed premises of an industrial hemp processing facility in accordance with Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2.

§ 4.1-701. To whom privileges conferred by licenses extend; liability for violations of law.

The privilege of any licensee to cultivate, process, transport, deliver, sell, or test marijuana or marijuana products shall extend to such licensee and to all agents or employees of such licensee for the purpose of operating under such license. The licensee may be held liable for any violation of this subtitle or any Board regulation committed by such agents or employees in connection with their employment.

§ 4.1-702. Separate license for each place of business; transfer or amendment or license; mandatory holding period for impact licenses; posting; expiration; civil penalties.

A. Each license granted by the Board shall designate the place where the business of the licensee will be carried on. A separate license shall be required for each separate place of business.

B. No license shall be transferable from one location to another unless such transfer is conducted in accordance with Board regulations. No license shall be assigned, sold, or transferred, nor shall ownership or control of a license be changed, unless the licensee has received prior written approval by the Board and such assignment, sale, transfer, or change is conducted in accordance with Board regulations. Any such change made without approval of the Board is void and shall constitute grounds for immediate suspension or revocation of all affected licenses.

C. No impact licensee, nor any person holding a direct or indirect beneficial interest therein, shall sell, assign, or transfer a controlling interest of more than 49 percent of the license to any person or entity for a period of five years from the date the license is issued. The Board may, by regulation, provide for an exception to this mandatory holding period for transfers made as part of an estate plan to a family member or into a trust for the benefit of the licensee's immediate family.

D. The Board may permit a licensee to amend the classification of an existing license without complying with the posting and publishing procedures required by § 4.1-1000 if the effect of the amendment is to reduce materially the privileges of an existing license.

E. Each license shall be posted in a location conspicuous to the public at the place where the licensee carries on the business for which the license is granted.

F. The privileges conferred by any license granted by the Board shall continue until the last day of the twelfth month next ensuing or the last day of the designated month and year of expiration, except the license may be sooner terminated for any cause for which the Board would be entitled to refuse to grant a license or by operation of law, voluntary surrender, or order of the Board.

The Board may grant licenses for one year based on the fees set by the Board pursuant to § 4.1-1002.

§ 4.1-703. Records of licensees; inspection of records and places of business.

A. Every licensed marijuana establishment shall keep complete, accurate, and separate records in accordance with Board regulations of all marijuana and marijuana products it cultivated, purchased, processed, sold, developed, researched, tested, or shipped.

B. Every licensed retail marijuana store and microbusiness shall keep complete, accurate, and separate records in accordance with Board regulations of all purchases of marijuana products, the prices charged such licensee therefor, and the names and addresses of the persons from whom purchased. Every licensed retail marijuana store and microbusiness shall also preserve all invoices showing its purchases for a period as specified by Board regulations. The licensee shall also keep an accurate account of daily sales, showing quantities of marijuana products sold and the total price charged by it therefor. Except as otherwise provided in subsections C and D, such account need not give the names or addresses of the purchasers thereof, except as may be required by Board regulation.

Notwithstanding the provisions of subsection D, electronic records of licensed retail marijuana stores and microbusinesses may be stored off-site, provided that such records are readily retrievable and available for electronic inspection by the Board or its agents at the licensed premises. However, in the case that such electronic records are not readily available for electronic inspection on the licensed premises, the licensee may obtain Board approval, for good cause shown, to permit the licensee to provide the records to an agent of the Board within three business days or less, as determined by the Board, after a request is made to inspect the records.

C. Every licensed marijuana testing facility shall keep records of the names and addresses of all licensees or persons who submit marijuana or marijuana products to the marijuana testing facility.

D. The Board and its special agents shall be allowed free access during reasonable hours to every place in the Commonwealth and to the premises of every licensee or for the purpose of examining and inspecting such place and all records, invoices, and accounts therein.

For the purposes of a Board inspection of the records of any retail marijuana store or microbusiness licensees, "reasonable hours" means the hours between 9 a.m. and 5 p.m.; however, if the licensee generally is not open to the public substantially during the same hours, "reasonable hours" means the business hours when the licensee is open to the public. At any other time of day, if the retail marijuana store or microbusiness licensee's records are not available for inspection, the licensee shall provide the records to an agent of the Board within 24 hours after a request is made to inspect the records.

CHAPTER 8.

ADMINISTRATION OF LICENSES; LICENSES GRANTED BY BOARD.

§ 4.1-800. Marijuana cultivation facility license.

A. The Board may issue any of the following marijuana cultivation facility licenses, which shall authorize the licensee to cultivate, label, and package marijuana; to purchase or take possession of marijuana plants and seeds from other marijuana cultivation facilities; to transfer possession of and sell marijuana, immature marijuana plants, and marijuana seeds to retail marijuana stores; to transfer possession of marijuana, immature marijuana plants, and marijuana seeds to marijuana transporters; to transfer possession of

and sell marijuana, marijuana plants, and marijuana seeds to other marijuana cultivation facilities; to transfer possession of and sell marijuana to marijuana processing facilities; and to transport marijuana, immature marijuana plants, and marijuana seeds from the marijuana cultivation facility's licensed premises to another licensed marijuana establishment:

1. Tier I marijuana cultivation facility license, which shall authorize the licensee to cultivate marijuana indoors or outdoors with a canopy that does not exceed 5,000 square feet.

2. Tier II marijuana cultivation facility license, which shall authorize the licensee to cultivate marijuana indoors or outdoors with a canopy that does not exceed 10,000 square feet.

3. Tier III marijuana cultivation facility license, which shall authorize the licensee to cultivate marijuana indoors with a canopy that does not exceed 15,000 square feet.

4. Tier IV marijuana cultivation facility license, which shall authorize the licensee to cultivate marijuana indoors with a canopy that does not exceed 25,000 square feet.

5. Tier V marijuana cultivation facility license, which shall authorize the licensee to cultivate marijuana indoors with a canopy that does not exceed 35,000 square feet.

In consideration of (i) market demand, (ii) utilization rates, (iii) sales data, (iv) product transfers, (v) inventory data, and (vi) the volume of license applications and issuances, the Board may (a) adjust the canopy of marijuana cultivation facilities within the square footage parameters set forth in this subsection or (b) increase the canopy of a marijuana cultivation facility beyond the square footage parameters set forth in this subsection if the Board determines that such increase will assist or encourage participation by impact licensees in the industry.

B. In accordance with the requirements of § 4.1-611, a marijuana cultivation facility licensee shall track the marijuana it cultivates from seed or immature marijuana plant to the point at which the marijuana plant or the marijuana produced by the marijuana plant is transported or transferred to a marijuana testing facility, a marijuana transporter, another marijuana cultivation facility, a marijuana processor, or a retail marijuana store or is disposed of or destroyed.

C. The cultivation of marijuana by a marijuana cultivation facility licensee in a secure agricultural greenhouse shall be considered indoor cultivation and shall be permitted, provided that the secure agricultural greenhouse is surrounded by a privacy fence that is no less than eight feet tall and is subject to monitored ingress and egress.

D. No more than one marijuana cultivation facility license authorizing outdoor cultivation shall be issued for any given parcel of land, nor shall any marijuana cultivation facility license authorizing outdoor cultivation be issued for any parcels that are contiguous and under common ownership or control to such parcel.

E. All areas within the licensed premises of a marijuana cultivation facility in which marijuana is cultivated, labeled, packaged, or stored shall meet all sanitary and security standards specified in regulations adopted by the Board.

§ 4.1-801. Marijuana processing facility license.

A. The Board may issue marijuana processing facility licenses, which shall authorize the licensee to process, label, and package marijuana and marijuana products; to purchase or take possession of marijuana from a marijuana cultivation facility or another marijuana processing facility; to transfer possession of and sell marijuana and marijuana products to retail marijuana stores or other marijuana processing facilities; to transfer possession of marijuana and marijuana products to marijuana transporters; and to transport marijuana and marijuana products from the marijuana processing facility's licensed premises to another licensed marijuana establishment.

B. All areas within the licensed premises of a marijuana processing facility in which marijuana and marijuana products are processed shall meet all sanitary and security standards specified in regulations adopted by the Board. A marijuana processing facility that processes an edible marijuana product shall comply with the requirements of Chapter 51 (§ 3.2-5100 et seq.) of Title 3.2 and any regulations adopted pursuant thereto.

C. In accordance with the requirements of § 4.1-611, a marijuana processing facility licensee shall track the marijuana it uses in its processing from the point the marijuana is delivered or transferred to the marijuana processing facility by a marijuana transporter licensee to the point the marijuana or marijuana products produced using the marijuana are delivered or transferred to another marijuana processing facility, a retail marijuana store, a marijuana testing facility, or a marijuana transporter or are disposed of or destroyed.

§ 4.1-802. Retail marijuana store license.

A. The Board may issue retail marijuana store licenses, which shall authorize the licensee to purchase or take possession of marijuana, marijuana products, immature marijuana plants, or marijuana seeds from a marijuana cultivation facility or marijuana processing facility; to take possession of marijuana, marijuana products, immature marijuana plants, or marijuana seeds from a marijuana transporter; to sell marijuana, marijuana products, marijuana paraphernalia, immature marijuana

plants, or marijuana seeds to consumers on premises approved by the Board; to deliver marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds only in person to consumers; to transfer possession of marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds to marijuana delivery operators; and to transport marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, and marijuana seeds from the retail marijuana store's licensed premises to another retail marijuana store.

B. Retail marijuana stores shall be operated in accordance with the following provisions:

1. A person shall be 21 years of age or older to make a purchase in a retail marijuana store.

2. A retail marijuana store shall be permitted to sell marijuana, marijuana products, immature marijuana plants, or marijuana seeds to consumers only (i) in a direct, face-to-face exchange; (ii) using a licensed marijuana delivery operator; or (iii) by delivery in person to consumers at any residence, including a temporary residence, or business; however, a retail marijuana store shall not deliver marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds to (a) any military base, child day center, school, or correctional facility; (b) the State Capitol; (c) hospital; (d) marine terminal under the supervision of the Virginia Port Authority; or (e) any public gathering places, including sporting events, festivals, fairs, races, concerts, and terminals of public transportation companies. A retail marijuana store shall not be permitted to sell marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds using:

a. An automated dispensing or vending machine; or

b. A drive-through sales window.

3. A retail marijuana store shall not be permitted to sell more than two ounces of marijuana or an equivalent amount of marijuana products as determined by regulation promulgated by the Board during a single transaction to one person.

4. A retail marijuana store shall not sell or market marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds through an internet-based sales platform operated by a third party or fulfill any order referred by such internet-based sales platform operated by a third party.

5. A retail marijuana store shall not:

a. Give away any marijuana, marijuana products, immature marijuana plants, or marijuana seeds except as otherwise permitted by this subtitle; or

b. Sell marijuana, marijuana products, immature marijuana plants, or marijuana seeds to any person when at the time of such sale he knows or has reason to believe that the person attempting to purchase the marijuana, marijuana product, immature marijuana plant, or marijuana seeds is intoxicated or is attempting to purchase marijuana for someone younger than 21 years of age in violation of § 4.1-1104.

6. In accordance with the requirements of § 4.1-611, a retail marijuana store licensee shall track all marijuana, marijuana products, immature marijuana plants, or marijuana seeds from the point at which the marijuana, marijuana products, immature marijuana plants, or marijuana seeds are delivered or transferred to the retail marijuana store to the point at which the marijuana, marijuana products, immature marijuana plants, or marijuana seeds are sold to a consumer, delivered or transferred to a marijuana testing facility, transferred to a marijuana delivery operator, or disposed of or destroyed.

7. A retail marijuana store shall not be subject to the requirements of Chapter 51 (§ 3.2-5100 et seq.) of Title 3.2.

C. Each retail marijuana store licensee shall post in each retail marijuana store notice of the existence of a human trafficking hotline to alert possible witnesses or victims of human trafficking to the availability of a means to report crimes or gain assistance. The notice required by this subsection shall (i) be posted in a place readily visible and accessible to the public and (ii) meet the requirements specified in subsection C of § 40.1-11.3.

D. Each retail marijuana store licensee shall prominently display and make available for dissemination to consumers Board-approved information regarding the potential risks of marijuana use.

E. Each retail marijuana store licensee shall provide training, established or approved by the Board, to all employees educating them on how to discuss the potential risks of marijuana use with consumers.

F. All areas within the licensed premises of a retail marijuana store in which marijuana, marijuana products, immature marijuana plants, or marijuana seeds are sold or stored shall meet all sanitary and security standards specified in regulations adopted by the Board.

§ 4.1-803. Microbusiness license.

A. The Board may issue microbusiness licenses, which shall authorize the licensee to conduct any activities authorized for marijuana cultivation facilities pursuant to § 4.1-800, marijuana processing facilities pursuant to § 4.1-801, and retail marijuana stores pursuant to § 4.1-802, as determined by the Board; however, (i) a microbusiness license shall authorize the licensee to cultivate marijuana

indoors or outdoors with an indoor canopy that does not exceed 5,000 square feet and an outdoor canopy that does not exceed 10,000 square feet, or such other comparable limits as the Board may establish by regulation and (ii) a microbusiness licensee shall not hold or control any other license and may operate only one licensed premises.

B. Notwithstanding any other provision of law, a microbusiness licensee may conduct authorized activities at no more than two separate locations within the Commonwealth, provided that (i) each location is appropriately zoned and approved by the locality in which it is located; (ii) the locations are within 20 miles of one another; (iii) all locations operate under the same microbusiness license and common ownership and control; and (iv) no single license privilege, such as cultivating, processing, or retail sales, shall be exercised at more than one location.

C. Unless otherwise provided by law or the Board, a microbusiness licensee shall be subject to the same statutory requirements and regulations as marijuana cultivation facilities, marijuana processing facilities, and retail marijuana stores, including requirements for (i) tracking all marijuana, marijuana products, immature marijuana plants, or marijuana seeds in accordance with § 4.1-611 and (ii) ensuring all areas within the licensed premises of the microbusiness meet all sanitary and security standards specified in regulations adopted by the Board.

§ 4.1-804. Marijuana transporter license.

A. The Board may issue marijuana transporter licenses, which shall authorize the licensee to take possession of marijuana, marijuana products, immature marijuana plants, and marijuana seeds from a marijuana cultivation facility, a marijuana processing facility, a retail marijuana store, a microbusiness, or another marijuana transporter; to transfer possession of marijuana, marijuana products, immature marijuana plants, and marijuana seeds to a marijuana cultivation facility, marijuana processing facility, retail marijuana store, microbusiness, or another marijuana transporter; and to transport marijuana, marijuana products, immature marijuana plants, and marijuana seeds from one licensed establishment to another.

B. All areas within the licensed premises of a marijuana transporter in which marijuana and marijuana products are stored shall meet all sanitary and security standards specified in regulations adopted by the Board.

C. In accordance with the requirements of § 4.1-611, a marijuana transporter licensee shall track the marijuana, marijuana products, immature marijuana plants, or marijuana seeds from the point at which the marijuana, marijuana products, plants, or seeds are delivered or transferred to the marijuana transporter to the point at which the marijuana, marijuana products, plants, or seeds are transferred to a marijuana processor, marijuana transporter, retail marijuana store, microbusiness, or marijuana testing facility or are disposed of or destroyed.

§ 4.1-805. Marijuana delivery operator license.

A. The Board may issue marijuana delivery operator licenses, which shall authorize the licensee to take possession of marijuana or marijuana products from a retail marijuana store or microbusiness and deliver such marijuana or marijuana products only in person to consumers at any residence, including a temporary residence, or business; however, a delivery operator licensee shall not deliver marijuana or marijuana products to (i) any military base, child day center, school, or correctional facility; (ii) the State Capitol; (iii) hospital; (iv) marine terminal under the supervision of the Virginia Port Authority; or (v) any public gathering places, including sporting events, festivals, fairs, races, concerts, and terminals of public transportation companies.

B. In accordance with the requirements of § 4.1-611, a marijuana delivery operator licensee shall track the marijuana or marijuana products from the point at which the marijuana or marijuana products are transferred to the marijuana delivery operator to the point at which the marijuana or marijuana products are delivered or transferred to the consumer or are disposed of or destroyed.

§ 4.1-806. Marijuana testing facility license.

A. The Board may issue marijuana testing facility licenses, which shall authorize the licensee to develop, research, transport, or test marijuana, marijuana products, and other substances.

B. A marijuana testing facility may develop, research, or test marijuana and marijuana products for (i) that facility, (ii) another licensee, or (iii) a person who intends to use the marijuana or marijuana product for personal use as authorized under § 4.1-1100.

C. Neither this subtitle nor the regulations adopted pursuant to this subtitle shall prevent a marijuana testing facility from developing, researching, or testing substances that are not marijuana or marijuana products for that facility or for another person.

D. To obtain licensure from the Board, a marijuana testing facility shall be required to obtain and maintain accreditation pursuant to standard ISO/IEC 17025 of the International Organization for Standardization by a third-party accrediting body.

E. In accordance with the requirements of § 4.1-611, a marijuana testing facility licensee shall track all marijuana and marijuana products it receives from a licensee for testing purposes from the point at which the marijuana or marijuana products are delivered or transferred to the marijuana testing facility to the point at which the marijuana or marijuana products are disposed

of or destroyed.

F. A person that has an interest in a marijuana testing facility license shall not have any interest in a licensed marijuana cultivation facility, licensed marijuana processing facility, licensed marijuana transporter, licensed retail marijuana store, or licensed microbusiness.

G. All areas within the licensed premises of a marijuana testing facility in which marijuana or marijuana products are tested or stored shall meet all sanitary and security standards specified in regulations adopted by the Board.

§ 4.1-807. Multiple licenses awarded to one person; limitations.

A. As used in this section, "interest" means a direct or indirect equity ownership interest, a partial equity ownership interest, or any other financial or economic interest representing at least 10 percent or more of the ownership, voting power, or economic value of an entity, including being an investor, partner, member, officer, or director or serving in any other management position.

B. A person may possess or hold interest in one or any combination of the following licenses pursuant to Board regulations: tier I marijuana cultivation facility license, tier II marijuana cultivation facility license, tier III marijuana cultivation facility license, tier IV marijuana cultivation facility license, tier V marijuana cultivation facility license, marijuana processing facility license, marijuana transporter license, marijuana delivery operator license, or retail marijuana store license. Board regulations shall be drawn to ensure that all licensees have an equal and meaningful opportunity to participate in the market. Moreover, except as provided in subsection C, (i) no person shall be granted or hold interest in more than five total licenses, not including marijuana transporter licenses, issued pursuant to this subtitle or more than one tier V marijuana cultivation facility license; (ii) no person that has been granted or holds interest in a marijuana cultivation facility license, marijuana processing facility license, marijuana transporter license, marijuana delivery operator license, retail marijuana store license, or microbusiness license shall be issued or hold interest in a marijuana testing facility license; (iii) no person that has been granted or holds interest in a microbusiness license shall be issued or hold interest in any other marijuana establishment; and (iv) no person that has been granted or holds interest in a pharmaceutical processor permit pursuant to Chapter 16 (§ 4.1-1600 et seq.) shall be issued or hold interest in any other marijuana establishment license, except for the cannabis dispensing facility permits allowed pursuant to § 4.1-1602.

C. Nothing in this section shall be construed to prohibit any person or entity that, as of July 1, 2026, owns and controls a pharmaceutical processor permit pursuant to Chapter 16 (§ 4.1-1600 et seq.) or a conditional permit in more than one health service area, provided such person or entity continuously holds such pharmaceutical processor permits or conditional permits after July 1, 2026.

§ 4.1-808. Temporary permits required in certain instances.

A. The Board may grant a permit that shall authorize any person who purchases at a foreclosure, secured creditor's, or judicial auction sale the premises or property of a person licensed by the Board and who has become lawfully entitled to the possession of the licensed premises to continue to operate the marijuana establishment to the same extent as the license holder for a period not to exceed 60 days or for such longer period as determined by the Board. Such permit shall be temporary and shall confer the privileges of any licenses held by the previous owner to the extent determined by the Board. Such temporary permit may be issued in advance, conditioned on the requirements in this subsection.

B. A temporary permit granted pursuant to subsection A may be revoked summarily by the Board for any cause set forth in § 4.1-900 without complying with subsection A of § 4.1-903. Revocation of a temporary permit shall be effective upon service of the order of revocation upon the permittee or upon the expiration of three business days after the order of the revocation has been mailed to the permittee at either his residence or the address given for the business in the permit application. No further notice shall be required.

§ 4.1-809. Licensee shall maintain possession of premises.

As a condition of licensure, a licensee shall at all times maintain possession of the licensed premises of the marijuana establishment that the licensee is licensed to operate, whether pursuant to a lease, rental agreement, or other arrangement for possession of the premises or by virtue of ownership of the premises. If the licensee fails to maintain possession of the licensed premises, the license shall be revoked by the Board.

§ 4.1-810. Conditions under which the Board shall or may refuse to grant licenses.

A. The Board may refuse to grant any license if it has reasonable cause to believe that the granting of the license would be detrimental to the interest, morals, safety, or welfare of the public or would be inconsistent with the provisions of this subtitle.

B. The Board shall refuse to grant any license if it has reasonable cause to believe that:

1. The applicant, or if the applicant is a partnership, any general partner thereof, or if the applicant is an association, any member thereof, or a limited partner of 10 percent or more with voting rights, or if the applicant is a corporation, any officer, director, or shareholder owning 10 percent or more of its capital stock, or if the applicant is a limited liability company, any member-manager or any member owning 10 percent or more of the membership interest of the limited liability company:

a. Is not 21 years of age or older;

b. Has been convicted in any court of a felony, other than a conviction for a felony violation of § 18.2-248.1, or any crime or offense involving moral turpitude under the laws of any state or of the United States within seven years of the date of the application or has not completed all terms of sentencing and probation resulting from any such conviction;

c. Knowingly employs or allows to volunteer someone younger than 21 years of age;

d. Is not the legitimate owner of the business proposed to be licensed, or other persons have ownership interests in the business that have not been disclosed;

e. Has not demonstrated financial responsibility sufficient to meet the requirements of the business proposed to be licensed;

f. Has misrepresented a material fact in applying to the Board for a license;

g. Has defrauded or attempted to defraud the Board, or any federal, state, or local government or governmental agency or authority, by making or filing any report, document, or tax return required by statute or regulation that is fraudulent or contains a false representation of a material fact, or has willfully deceived or attempted to deceive the Board, or any federal, state, or local government or governmental agency or authority, by making or maintaining business records required by statute or regulation that are false or fraudulent;

h. Is violating or allowing the violation of any provision of this subtitle in his establishment at the time his application for a license is pending;

i. Is a full-time or part-time employee of the Department of State Police or of a police department or sheriff's office that is a part of or administered by the Commonwealth or any political subdivision thereof, and who is responsible for the enforcement of the penal, traffic, or motor vehicle laws of the Commonwealth;

j. Has been sanctioned by the Board pursuant to regulations promulgated by the Board for a violation pursuant to Chapter 16 (§ 4.1-1600 et seq.);

k. Is physically unable to carry on the business for which the application for a license is filed or has been adjudicated incapacitated; or

l. Is delinquent for a period of 90 days or more in the payment of any taxes, or any penalties or interest related thereto, lawfully imposed by the locality where the place to be occupied by the applicant is located, as certified by the treasurer, commissioner of the revenue, or finance director of such locality, unless (i) the outstanding amount is de minimis; (ii) the applicant has pending a bona fide application for correction or appeal with respect to such taxes, penalties, or interest; or (iii) the applicant has entered into a payment plan approved by the same locality to settle the outstanding liability.

2. The applicant is a member or employee of the Board or is a corporation or other business entity in which a member or employee of the Board is a stockholder or has any other economic interest. Whenever any other elected or appointed official of the Commonwealth or any political subdivision thereof applies for such a license or continuance thereof, he shall state on the application the official position he holds, and whenever a corporation or other business entity in which any such official is a stockholder or has any other economic interest applies for such a license, it shall state on the application the full economic interests of each such official in such corporation or other business entity.

3. The place to be occupied by the applicant:

a. Does not conform to the requirements of the governing body of the county, city, or town in which such place is located with respect to sanitation, health, construction, or equipment, or to any similar requirements established by the laws of the Commonwealth or by Board regulation;

b. Is so located that granting a license and operation thereunder by the applicant would result in violations of this subtitle or Board regulations or violation of the laws of the Commonwealth or local ordinances relating to peace and good order;

c. When the applicant is applying for a retail marijuana store license or microbusiness license, is (i) located within 1,000 feet of any hospital; public, private, or parochial school or institution of higher education; or child day program; or (ii) so located with respect to any such facilities, programs, or institutions that the operation of such place under such license will adversely affect or interfere with the normal, orderly conduct of the affairs of such facilities, programs, or institutions;

d. When the applicant is applying for a retail marijuana store license or microbusiness license, is so located with respect to any residence or residential area that the operation of such place under such license will adversely affect real property values or substantially interfere with the usual quietude and tranquility of such residence or residential area;

e. Is so constructed, arranged, or illuminated that law-enforcement officers and agents of the Board are prevented from ready access to and reasonable observation of any room or area within which marijuana or marijuana products are to be sold; or

f. Is an establishment where alcoholic beverages, tobacco, or tobacco products are manufactured, sold, or used.

Nothing in this subdivision 3 shall be construed to require an applicant to have secured a place or premises until the final stage of the license approval process.

4. The number of licenses existing in the locality is such that the granting of a license is detrimental to the interest, morals, safety, or welfare of the public. In reaching such conclusion, the Board shall consider (i) the criteria established by the Board to evaluate new licensees based on the density of retail marijuana stores in the community; (ii) the character of, population of, number of similar licenses in, and number of all licenses existent in the particular county, city, or town and the immediate neighborhood concerned; (iii) the effect that a new license may have on such county, city, town, or neighborhood in conforming with the purposes of this subtitle; and (iv) the objections, if any, that may have been filed by a local governing body or local residents.

5. There exists any law, ordinance, or regulation of the United States, the Commonwealth, or any political subdivision thereof that warrants refusal by the Board to grant any license.

6. The Board is not authorized under this subtitle to grant such license.

§ 4.1-811. Denial of license or permit final.

The denial of a license or permit by the Board shall be final unless appealed pursuant to § 4.1-1009.

CHAPTER 9.

ADMINISTRATION OF LICENSES; DENIAL, SUSPENSION, AND REVOCATION.

§ 4.1-900. Grounds for which Board may suspend or revoke licenses.

A. The Board may suspend or revoke any license if it has reasonable cause to believe that:

1. The licensee, or if the licensee is a partnership, any general partner thereof, or if the licensee is an association, any member thereof, or a limited partner of 10 percent or more with voting rights, or if the licensee is a corporation, any officer, director, or shareholder owning 10 percent or more of its capital stock, or if the licensee is a limited liability company, any member-manager or any member owning 10 percent or more of the membership interest of the limited liability company:

a. Has misrepresented a material fact in applying to the Board for such license;

b. Within the five years immediately preceding the date of the hearing held in accordance with § 4.1-903, has (i) violated any provision of Chapter 11 (§ 4.1-1100 et seq.), Chapter 12 (§ 4.1-1200 et seq.), or Chapter 13 (§ 4.1-1300 et seq.); (ii) committed a violation of this subtitle in bad faith; (iii) violated or failed or refused to comply with any regulation, rule, or order of the Board; or (iv) failed or refused to comply with any of the conditions or restrictions of the license granted by the Board;

c. Has been convicted in any court of a felony or of any crime or offense involving moral turpitude under the laws of any state or of the United States;

d. Is not the legitimate owner of the business conducted under the license granted by the Board, or other persons have ownership interests in the business that have not been disclosed;

e. Cannot demonstrate financial responsibility sufficient to meet the requirements of the business conducted under the license granted by the Board;

f. Has been intoxicated or under the influence of some self-administered drug while upon the licensed premises;

g. Has maintained the licensed premises in an unsanitary condition, or allowed such premises to become a meeting place or rendezvous for members of a criminal street gang as defined in § 18.2-46.1 or persons of ill repute, or has allowed any form of illegal gambling, as defined in § 18.2-325, to take place upon such premises;

h. Has allowed any person whom he knew or had reason to believe was intoxicated to loiter upon such licensed premises;

i. Has allowed any person to consume upon the licensed premises any alcohol, marijuana, or marijuana product;

j. Is physically unable to carry on the business conducted under such license or has been adjudicated incapacitated;

k. Has possessed any illegal gambling device upon the licensed premises;

l. Has upon the licensed premises (i) illegally possessed, distributed, sold, or used, or has knowingly allowed any employee or agent, or any other person, to illegally possess, distribute, sell, or use, controlled substances, imitation controlled substances, drug paraphernalia, or controlled paraphernalia as those terms are defined in Articles 1 (§ 18.2-247 et seq.) and 1.1 (§ 18.2-265.1 et seq.) of Chapter 7 of Title 18.2 and the Drug Control Act (§ 54.1-3400 et seq.); (ii) laundered money in violation of § 18.2-246.3; or (iii) conspired to commit any drug-related offense in violation of Article 1 or 1.1 of Chapter 7 of Title 18.2 or the Drug Control Act. The

provisions of this subdivision l shall also apply to any conduct related to the operation of the licensed business that facilitates the commission of any of the offenses set forth herein;

m. Has failed to take reasonable measures to prevent (i) the licensed premises, (ii) any premises immediately adjacent to the licensed premises that is owned or leased by the licensee, or (iii) any portion of public property immediately adjacent to the licensed premises from becoming a place where patrons of the establishment commit criminal violations of Article 1 (§ 18.2-30 et seq.), 2 (§ 18.2-38 et seq.), 2.1 (§ 18.2-46.1 et seq.), 2.2 (§ 18.2-46.4 et seq.), 3 (§ 18.2-47 et seq.), 4 (§ 18.2-51 et seq.), 5 (§ 18.2-58 et seq.), 6 (§ 18.2-59 et seq.), or 7 (§ 18.2-61 et seq.) of Chapter 4 of Title 18.2; Article 2 (§ 18.2-266 et seq.) of Chapter 7 of Title 18.2; Article 3 (§ 18.2-346 et seq.) or 5 (§ 18.2-372 et seq.) of Chapter 8 of Title 18.2; or Article 1 (§ 18.2-404 et seq.), 2 (§ 18.2-415), or 3 (§ 18.2-416 et seq.) of Chapter 9 of Title 18.2 and such violations lead to arrests that are so frequent and serious as to reasonably be deemed a continuing threat to the public safety;

n. Has failed to take reasonable measures to prevent an act of violence resulting in death or serious bodily injury, or a recurrence of such acts, from occurring on (i) the licensed premises, (ii) any premises immediately adjacent to the licensed premises that is owned or leased by the licensee, or (iii) any portion of public property immediately adjacent to the licensed premises; or

o. Has been sanctioned by the Board pursuant to regulations promulgated by the Board for a violation pursuant to Chapter 16 (§ 4.1-1600 et seq.).

2. The place occupied by the licensee:

a. Does not conform to the requirements of the governing body of the county, city, or town in which such establishment is located, with respect to sanitation, health, construction, or equipment, or to any similar requirements established by the laws of the Commonwealth or by Board regulations;

b. Has been adjudicated a common nuisance under the provisions of this subtitle or § 18.2-258; or

c. Has become a meeting place or rendezvous for illegal gambling, illegal users of narcotics, drunks, prostitutes, pimps, panderers, or habitual law violators or has become a place where illegal drugs are regularly used or distributed. The Board may consider the general reputation in the community of such establishment in addition to any other competent evidence in making such determination.

3. The licensee or any employee of the licensee discriminated against any member of the Armed Forces of the United States by prices charged or otherwise.

4. Any cause exists for which the Board would have been entitled to refuse to grant such license had the facts been known.

5. The licensee is delinquent for a period of 90 days or more in the payment of any taxes, or any penalties or interest related thereto, lawfully imposed by the locality where the licensed business is located, as certified by the treasurer, commissioner of the revenue, or finance director of such locality, unless (i) the outstanding amount is de minimis; (ii) the licensee has pending a bona fide application for correction or appeal with respect to such taxes, penalties, or interest; or (iii) the licensee has entered into a payment plan approved by the same locality to settle the outstanding liability.

6. The licensee has been convicted for a violation of 8 U.S.C. § 1324a(f), as amended, for actions of its agents or employees constituting a pattern or practice of employing unauthorized aliens on the licensed premises in the Commonwealth.

7. The Board finds that the licensee assigned, sold, or transferred a license or changed ownership or control of the license without prior written approval of the Board as required pursuant to § 4.1-702.

8. Any other cause authorized by this subtitle.

B. The Board shall promulgate regulations regarding suspension and revocation standards and protocols.

§ 4.1-901. Summary suspension in emergency circumstances; grounds; notice and hearing.

A. The Board may summarily suspend or restrict any license or permit without a hearing if the Board finds that such suspension or restriction is necessary to prevent substantial danger to public health or safety. The Board shall make decisions to summarily suspend or restrict a license or permit only during an in-person meeting in which a quorum is present; however, if, after a good faith effort, the Board is unable to assemble a quorum and a majority of the Board members determine that continued operation by the licensee or permittee constitutes a substantial danger to public health or safety, the Board may summarily suspend the license or permit during a telephone, video, or other electronic conference. Institution of proceedings for a hearing shall be provided simultaneously with a summary suspension. The Board may summarily restrict a license or permit without proceeding simultaneously with notification of an informal conference pursuant to § 2.2-4019 or Board regulations. Such hearing or conference shall be held within a reasonable amount of time after the summary suspension or restriction is issued.

B. Allegations of violations of this subtitle shall be submitted to the Board in writing.

C. This section shall not apply to temporary permits granted under § 4.1-808.

§ 4.1-902. Grounds for which Board shall suspend or revoke licenses.

The Board shall suspend or revoke any license if it finds that:

1. A licensee has violated or permitted the violation of § 18.2-331, relating to the illegal possession of a gambling device, upon the premises for which the Board has granted a retail marijuana store or microbusiness license.

2. A licensee has defrauded or attempted to defraud the Board, or any federal, state, or local government or governmental agency or authority, by making or filing any report, document, or tax return required by statute or regulation that is fraudulent or contains a willful or knowing false representation of a material fact or has willfully deceived or attempted to deceive the Board, or any federal, state, or local government or governmental agency or authority, by making or maintaining business records required by statute or regulation that are false or fraudulent.

3. The licensee is not operational within 12 months of the issuance of the license.

§ 4.1-903. Suspension or revocation of licenses; notice and hearings; imposition of civil penalties.

A. Before the Board may suspend or revoke any license, reasonable notice of such proposed or contemplated action shall be given to the licensee in accordance with the provisions of § 2.2-4020 of the Administrative Process Act (§ 2.2-4000 et seq.).

Notwithstanding the provisions of § 2.2-4022, the Board shall, upon written request by the licensee, permit the licensee to inspect and copy or photograph all (i) written or recorded statements made by the licensee or copies thereof or the substance of any oral statements made by the licensee or a previous or present employee of the licensee to any law-enforcement officer, the existence of which is known by the Board and upon which the Board intends to rely as evidence in any adversarial proceeding under this subtitle against the licensee, and (ii) designated books, papers, documents, tangible objects, buildings, or places, or copies or portions thereof, that are within the possession, custody, or control of the Board and upon which the Board intends to rely as evidence in any adversarial proceeding under this subtitle against the licensee. In addition, any subpoena for the production of documents issued to any person at the request of the licensee or the Board pursuant to § 4.1-604 shall provide for the production of the documents sought within 10 working days, notwithstanding anything to the contrary in § 4.1-604.

If the Board fails to provide for inspection or copying under this section for the licensee after a written request, the Board shall be prohibited from introducing into evidence any items the licensee would have lawfully been entitled to inspect or copy under this section.

The action of the Board in suspending or revoking any license or in imposing a civil penalty shall be subject to judicial review in accordance with the Administrative Process Act (§ 2.2-4000 et seq.). Such review shall extend to the entire evidential record of the proceedings provided by the Board in accordance with the Administrative Process Act. An appeal shall lie to the Court of Appeals from any order of the court. Notwithstanding § 8.01-676.1, the final judgment or order of the circuit court shall not be suspended, stayed, or modified by such circuit court pending appeal to the Court of Appeals. Neither mandamus nor injunction shall lie in any such case.

B. In suspending any license, the Board may impose, as a condition precedent to the removal of such suspension or any portion thereof, a requirement that the licensee pay the cost incurred by the Board in investigating the licensee and in holding the proceeding resulting in such suspension, or it may impose and collect such civil penalties as it deems appropriate.

C. Following notice to (i) the licensee of a hearing that may result in the suspension or revocation of his license or (ii) the applicant of a hearing to resolve a contested application, the Board may accept a consent agreement as authorized in § 4.1-604. The notice shall advise the licensee or applicant of the option to (a) admit the alleged violation or the validity of the objection; (b) waive any right to a hearing or an appeal under the Administrative Process Act (§ 2.2-4000 et seq.); and (c) (1) accept the proposed restrictions for operating under the license, (2) accept the period of suspension of the licensed privileges within the Board's parameters, (3) pay a civil penalty in lieu of the period of suspension, or any portion of the suspension as applicable, or (4) proceed to a hearing.

D. The Board shall, by regulation or written order:

1. Designate those (i) objections to an application or (ii) alleged violations that will proceed to an initial hearing;

2. Designate the violations for which a waiver of a hearing and payment of a civil charge in lieu of suspension may be accepted for a first offense occurring within three years immediately preceding the date of the violation;

3. Provide for a reduction in the length of any suspension and a reduction in the amount of any civil penalty for any retail marijuana store or microbusiness licensee where the licensee can demonstrate that it provided to its employees marijuana seller training certified in advance by the Board;

4. Establish a schedule of penalties for such offenses, prescribing the appropriate suspension of a license and the civil charge acceptable in lieu of such suspension; and

5. Establish a schedule of offenses for which any penalty may be waived upon a showing that the licensee has had no prior violations within five years immediately preceding the date of the violation. No waiver shall be granted by the Board, however, for a licensee's

willful and knowing violation of this subtitle or Board regulations.

§ 4.1-904. Suspension or revocation; disposition of marijuana or marijuana products on hand; termination.

A. Marijuana or marijuana products owned by or in the possession of or for sale by any licensee at the time the license of such person is suspended or revoked may be disposed of as follows:

1. Sold to persons in the Commonwealth licensed to sell such marijuana or marijuana products upon permits granted by the Board in accordance with § 4.1-808 and conditions specified by the Board; or

2. Destroyed by the Board or its designee.

B. Marijuana or marijuana products owned by or in the possession of or for sale by any licensee at the time the license of such person is suspended may be placed on administrative hold by the Board during any such suspension period. For the purpose of this subsection, "administrative hold" means a status given to marijuana or marijuana product by the Board that prohibits any activity with the marijuana or marijuana product, including waste, sale, or transfer of the marijuana or marijuana product, until the administrative hold is lifted.

C. All marijuana or marijuana products owned by or in the possession of any person whose license is suspended or revoked shall be placed on administrative hold or disposed of by such person in accordance with the provisions of this section within 60 days from the date of such suspension or revocation.

D. Marijuana or marijuana products owned by or in the possession of or for sale by persons whose licenses have been terminated other than by suspension or revocation may be disposed of in accordance with subsection A within such time as the Board deems proper. Such period shall not be less than 60 days.

E. All marijuana or marijuana products owned by or remaining in the possession of any person described in subsection A or D after the expiration of such period shall be deemed contraband and forfeited to the Commonwealth in accordance with the provisions of § 4.1-1303.

CHAPTER 10.

ADMINISTRATION OF LICENSES; APPLICATIONS FOR LICENSES; FEES; TAXES.

§ 4.1-1000. Applications for licenses; procedures; notice to localities; fees; permits.

A. The Authority shall announce the commencement of a licensing period in advance of accepting applications for marijuana establishment licenses. At a minimum, the announcement shall include:

1. The types of licenses that will be available during the licensing period;

2. If the Board limits the number of a type of license that will be available, the number of that type of license available in the licensing period;

3. The date on which the Authority will begin accepting applications; and

4. The date on which the Authority will no longer accept applications.

B. Every person intending to apply for any license authorized by this subtitle shall file with the Board an application on forms provided by the Board and a statement in writing by the applicant swearing and affirming that all of the information contained therein is true.

C. Such applications, including applications for renewal, shall include any information necessary for the Board to determine whether the applicant meets or continues to meet the criteria set forth in subdivision B 13 of § 4.1-606. If the Authority receives an application that fails to include such required information or an applicant fails to pay the applicable application fee as required by subsection K, the Authority shall issue a deficiency notice to the applicant. The applicant may submit the required information or pay the required application fee within 10 calendar days from the date of the deficiency notice. Failure by an applicant to submit all required information or pay the application fee within such 10-day period shall result in the application being rejected.

D. After an applicant submits an application that contains all required information and pays the applicable application fee, the Authority shall review the application. The Authority may deny an application if:

1. The application is incomplete;

2. The application contains a materially false statement about the applicant or omits information required;

3. The applicant meets any condition set forth in § 4.1-810;

4. The applicant is prohibited from holding the license under this subtitle;

5. The applicant fails to pay the applicable application fee;

6. The application was not submitted by the application deadline;

7. The applicant submitted more than one application for a license type; or

8. The Authority determines that the applicant would be prohibited from holding a license for any other reason.

If the Authority denies an application, the Authority shall notify the applicant of the denial and the basis for the denial. The Authority may request additional information from any applicant if the Authority determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within 10 calendar days of the Authority's request for information, the Authority may deny the application. An applicant whose application is not denied pursuant to this subsection is a qualified applicant.

E. If the number of qualified applicants seeking a type of license exceeds the number of licenses of that type that are made available, the Authority shall first conduct a lottery to select qualified applicants for preliminary license approval. If the number of impact licensee applicants seeking a type of license exceeds the number of licenses made available for impact licensee applicants, the Authority shall first conduct a lottery consisting of impact licensee applicants to select applicants for preliminary license approval. If an impact licensee applicant is not selected in a lottery conducted under this subsection, the Authority shall include the impact licensee applicant in the pool of qualified applicants for licenses of that type that are made available to all applicants. A lottery conducted pursuant to this subsection shall be impartial, random, and in a format determined by the Authority.

F. Following the completion of any lottery conducted pursuant to subsection E, the Authority shall notify each applicant entered in the lottery that the applicant was either selected in the lottery for preliminary license approval or not selected in the lottery. Within 18 months of receiving notice that an applicant was selected in the lottery for preliminary license approval, such applicant shall provide:

1. The address and legal property description of the location where the marijuana establishment will operate;

2. The name of the local governing body where the marijuana establishment will be located;

3. If applicable, an updated description of the location where the marijuana establishment will operate, an updated security plan, and any other additional information required by the Authority; and

4. For applicants for licenses for establishments that are otherwise required to obtain an inspection by the Department of Agriculture and Consumer Services, proof of inspection or proof of a pending request for such inspection.

A preliminary license approval expires after 18 months unless the Authority revokes the preliminary license approval or grants an extension. The Authority may grant a one-time extension of up to six months if an applicant has made good faith efforts to convert a preliminary license approval into a license. The Authority shall not issue a license to an applicant whose preliminary license approval has expired. If the Authority determines that an applicant is not eligible for a license, the Authority may revoke a preliminary license approval. The Authority shall notify an applicant if the Authority revokes the applicant's preliminary license approval or if the applicant's preliminary license approval expires.

G. Upon receipt of the information required under subsection F from an applicant that has received preliminary license approval, the Authority shall (i) notify the local governing body of the applicant through the town manager, city manager, county administrator, or other designee of the locality; (ii) schedule a site inspection; and (iii) require the applicant to pay the applicable license fee established pursuant to § 4.1-1002. Local governing bodies notified pursuant to clause (i) shall submit any objections to the granting of a license within 30 days of the Authority's notification;

H. The Authority may deny final authorization of a license if:

1. An applicant fails to submit any required information;

2. The applicant submits a materially false statement about the applicant or fails to provide any required information;

3. The Authority confirms that the marijuana establishment for which the Authority granted preliminary license approval does not meet local zoning and land use laws;

4. The applicant fails to pay the applicable license fee;

5. The applicant meets any condition set forth in § 4.1-810; or

6. The Authority determines that the applicant is disqualified from holding the license or would operate in violation of the provisions of this subtitle.

I. Within 90 days of receiving the information required under subsection F and the results of any required background check pursuant to subsection J, the Authority shall grant final authorization and issue the appropriate license or send the applicant a notice of rejection setting forth the specific reasons that the Authority did not issue the license. If final authorization is granted and a license is

issued to an establishment that is otherwise required to obtain an inspection by the Department of Agriculture and Consumer Services and such licensee provided proof of a pending request for such inspection pursuant to subdivision F 4, such license shall authorize the licensee to purchase marijuana, marijuana products, immature marijuana plants, or marijuana seeds in accordance with the provisions of this subtitle; however, the licensee shall not sell marijuana, marijuana products, immature marijuana plants, or marijuana seeds until an inspection is completed.

J. The Board, in conjunction with an accredited law-enforcement agency, shall conduct a background investigation, including a criminal history records check and fingerprinting, of the following individuals: (i) every individual applying for a license or permit pursuant to this subtitle; (ii) every individual who is an officer, director, or principal of a licensee or applicant for a license; and (iii) all permit holders and officers, directors, and principals. Each such individual shall submit his fingerprints and personal descriptive information to the Central Criminal Records Exchange to be forwarded to the Federal Bureau of Investigation for a national criminal records search and to the Department of State Police for a Virginia criminal history records check. The results of the background check and national and state criminal records check shall be returned to the Board. Notwithstanding the foregoing, the Board may accept a third-party local and national criminal background check submitted by any such individual specified in clause (i), (ii), or (iii) in lieu of a fingerprint-based national criminal history records check. Any such third-party background check shall (a) be conducted by a third-party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act (15 U.S.C. § 1681 et seq.) and accredited by the Professional Background Screening Association and (b) include a multistate and multi-jurisdiction criminal record locator or other similar commercial nationwide database with validation and other such background screening as the Board may require. The applicant shall request such background check not more than 60 days prior to submission of the application.

In considering criminal history record information, subject to the provisions of subdivision B 1 b of § 4.1-810, the Board shall not disqualify an applicant because of a past conviction for a marijuana-related offense.

K. Each applicant shall pay the required application fee at the time the application is filed. The license application fee shall be determined by the Board and shall be in addition to the actual cost charged to the Department of State Police by the Federal Bureau of Investigation or the Central Criminal Records Exchange for processing any fingerprints through the Federal Bureau of Investigation or the Central Criminal Records Exchange for each criminal history records search required by the Board. Application fees shall be in addition to the state license fee required pursuant to § 4.1-1001 and shall not be refunded.

L. Subsection B shall not apply to the continuance of licenses granted under this subtitle; however, all licensees shall file and maintain with the Board a current, accurate record of the information required by the Board pursuant to subsection C and notify the Board of any changes to such information in accordance with Board regulations.

M. Every application for a permit granted pursuant to § 4.1-808 shall be on a form provided by the Board. Such permits shall confer upon their holders no authority to make solicitations in the Commonwealth as otherwise provided by law.

The fee for a temporary permit shall be one-twelfth of the combined fees required by this section for applicable licenses to sell marijuana or marijuana products computed to the nearest cent and multiplied by the number of months for which the permit is granted.

N. If the Authority holds a lottery as provided in subsection E, the Authority shall retain the applications of any applicant not selected in the lottery for one year. The Authority shall consider a retained application during any licensing periods that begin within the year and, except as otherwise provided in this chapter, the Authority shall treat a retained application as if the application were submitted during the licensing period.

At the beginning of a subsequent licensing period, the applicant may amend an application or provide additional information to the Authority and the Authority may request additional information from any applicant whose application is retained to determine if the applicant meets the requirements for a subsequent licensing period. If the applicant does not provide the requested information to the Authority within 14 calendar days of the Authority's request, the Authority may deny the application. The Authority shall not charge an additional application fee to an applicant whose application was retained.

An applicant may withdraw a retained application at any time. If the applicant withdraws a retained application, the applicant may submit a new application during a licensing period. An applicant that withdraws a retained application and submits a new application shall pay the applicable application fee. The Authority may disqualify an application from retention if the Authority is authorized to deny the application pursuant to subsection D.

§ 4.1-1001. Labor peace agreements.

A. For purposes of this section:

"Bona fide labor organization" means a labor organization, as defined by 29 U.S.C. § 402(i), that is actively seeking to represent marijuana establishment employees in the Commonwealth. In determining whether a labor organization is a bona fide labor organization, the Authority shall consider each of the following as indicative, but not determinative, of a finding that a labor organization is a bona fide labor organization:

1. The labor organization has been recognized or certified as the bargaining representative for marijuana establishment employees in the Commonwealth;

2. The labor organization has executed current collective bargaining agreements with marijuana establishment employers in the Commonwealth;

3. The labor organization has spent resources as part of current and active attempts to organize and represent marijuana establishments in the Commonwealth;

4. The labor organization has filed the annual report required by 29 U.S.C. § 431(b) for the three years immediately preceding;

5. The labor organization has audited financial reports covering the three years immediately preceding;

6. The existence of written bylaws or a constitution for the three years immediately preceding; and

7. The labor organization's affiliation with any regional or national association of unions, including central labor councils.

"Labor peace agreement" means an agreement between a marijuana establishment and a bona fide labor organization that, at a minimum, protects the Commonwealth's proprietary interests by prohibiting the labor organization from engaging in picketing, work stoppages, or boycotts against the marijuana establishment.

B. All marijuana establishment license applicants, renewal applicants, and license holders shall have entered into, maintained, and abided by the terms of a labor peace agreement. Such labor peace agreement requirement is an ongoing material condition of the license, of which a violation may result in denial, suspension, or revocation of the license.

C. All initial marijuana establishment license applicants shall submit a labor peace agreement attestation (LPA attestation) signed by both the applicant and the bona fide labor organization stating that the applicant meets this section's requirements and has entered into, maintained, and abided by the terms of the LPA attestation. All renewal applicants must submit a new LPA attestation executed within 10 days of the submission date of the renewal application. An applicant's failure to submit a timely LPA attestation shall result in a denial of the initial or renewal license.

D. The Authority shall be required to determine a schedule establishing the ongoing review of the status and maintenance of a labor peace agreement to assess eligibility of license holder. Upon review and findings of unsatisfactory status or the insufficient maintenance of a labor peace agreement, the Authority shall suspend a licensee for a marijuana establishment.

§ 4.1-1002. Fees for state licenses.

A. Annual fees on state licenses shall be established by the Board in an amount sufficient to cover the costs of regulating the marijuana establishment.

B. Nothing in this subtitle shall exempt any licensee from any state merchants' license or state restaurant license or any other state tax. Every licensee, in addition to the taxes and fees imposed by this subtitle, shall be liable to state merchants' license taxation, state restaurant license taxation, and other state taxation.

§ 4.1-1003. Refund of state license fee.

A. The Board may (i) correct erroneous assessments made by it against any person, (ii) refund any amounts collected through erroneous assessments or collected as fees on license applications that are subsequently refused or withdrawn, and (iii) allow credit for any license fees paid for any license that is subsequently merged or changed into another license during the same license period. No refund shall be made of any such amount, however, unless made within three years from the date of collection of the same.

B. In any case where a licensee has changed its name or form of organization during a license period without any change being made in its ownership, and because of such change is required to pay an additional license fee for such period, the Board shall refund to such licensee the amount of such fee so paid in excess of the required license fee for such period.

C. The Board shall make refunds, prorated according to a schedule of its prescription, to licensees of state license fees paid pursuant to subsection A of § 4.1-1002 if the place of business designated in the license is destroyed by an act of God, including a fire, earthquake, hurricane, storm, or similar natural disaster or phenomenon.

D. Any amount required to be refunded under this section shall be paid by the State Treasurer out of moneys appropriated to the Board and in the manner prescribed in § 4.1-614.

§ 4.1-1004. Marijuana taxes; exceptions.

A. A tax is levied on the sale in the Commonwealth of any marijuana or marijuana products at the rate of six percent before July 1, 2029, and at the rate of eight percent on and after July 1, 2029. Subject to the provisions of subsection C, the tax shall be in addition to any tax imposed under the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.) or any other provision of federal, state, or local law. The tax shall not apply to any sale:

1. From a marijuana establishment to another marijuana establishment.

2. Of cannabis products for treatment under the provisions of Chapter 16 (§ 4.1-1600 et seq.).

3. Of industrial hemp by a grower, processor, or handler under the provisions of Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2.

4. Of a hemp product.

B. 1. Each locality shall by ordinance levy an additional local tax on any sale taxable under subsection A at a rate not less than one percent but not greater than three and one-half percent. Other than the tax authorized and identified in this subsection, a locality shall not impose any other tax on a sale taxable under subsection A. The tax imposed by a surrounding county under this subsection shall not apply within the limits of any town. Each locality shall, within 30 days, notify the Authority and any retail marijuana store and microbusiness in such locality of the ordinance enacted pursuant to this subsection. The ordinance shall take effect on the first day of the second month following its enactment and such rate shall be effective for at least three years.

2. Nothing in this subsection shall be construed to (i) prohibit a locality from imposing any tax authorized by law on a person or property regulated under this subtitle or (ii) limit the authority of any locality to impose a license or privilege tax or fee on a business engaged in whole or in part in sales taxable under subsection A if such tax or fee is (a) based on an annual or per-event flat fee authorized by law or (b) an annual license or privilege tax authorized by law and such tax includes sales or receipts taxable under subsection A in its taxable measure.

C. The provisions of Chapter 6 (§ 58.1-600 et seq.) of Title 58.1 shall apply to all sales taxable under subsection A, mutatis mutandis.

D. All revenues remitted to the Authority under this subsection shall be disposed of as provided in § 4.1-614.

§ 4.1-1005. Tax returns and payments; commissions; interest.

A. For any sale taxable under § 4.1-1004, the seller shall be liable for collecting any taxes due. All taxes collected by a seller shall be deemed to be held in trust for the Commonwealth. The buyer shall not be liable for collecting or remitting the taxes or filing a return.

B. On or before the tenth day of each month, any person liable for a tax due under § 4.1-1004 shall file a return under oath with the Authority and pay any taxes due. Upon written application by a person filing a return, the Authority may, if it determines good cause exists, grant an extension to the end of the calendar month in which the tax is due, or for a period not exceeding 30 days. Any extension shall toll the accrual of any interest or penalties under § 4.1-1008.

C. The Authority may accept payment by any commercially acceptable means, including cash, checks, credit cards, debit cards, and electronic funds transfers, for any taxes, interest, or penalties due under this subtitle. The Board may assess a service charge for the use of a credit or debit card.

D. Upon request, the Authority may collect and maintain a record of a person's credit card, debit card, or automated clearinghouse transfer information and use such information for future payments of taxes, interest, or penalties due under this subtitle. The Authority may assess a service charge for any payments made under this subsection. The Authority may procure the services of a third-party vendor for the secure storage of information collected pursuant to this subsection.

E. If any person liable for tax under § 4.1-1004 sells out his business or stock of goods or quits the business, such person shall make a final return and payment within 15 days after the date of selling or quitting the business. Such person's successors or assigns, if any, shall withhold sufficient of the purchase money to cover the amount of such taxes, interest, and penalties due and unpaid until such former owner produces a receipt from the Authority showing payment or a certificate stating that no taxes, penalties, or interest are due. If the buyer of a business or stock of goods fails to withhold the purchase money as provided in this subsection, such buyer shall be liable for the payment of the taxes, interest, and penalties due and unpaid on account of the operation of the business by any former owner.

F. When any person fails to timely pay the full amount of tax due under § 4.1-1004, interest at a rate determined in accordance with § 58.1-15 shall accrue on the tax until it is paid. Any taxes due under § 4.1-1004 shall, if applicable, be subject to penalties as provided in §§ 4.1-1205 and 4.1-1206.

§ 4.1-1006. Bonds.

The Authority may, when deemed necessary and advisable to do so in order to secure the collection of the taxes levied under § 4.1-1004, require any person subject to such tax to file a bond, with such surety as it determines is necessary to secure the payment of any tax, penalty, or interest due or that may become due from such person. In lieu of such bond, securities approved by the Authority may be deposited with the State Treasurer, which securities shall be kept in the custody of the State Treasurer, and shall be sold by the State Treasurer at the request of the Authority at public or private sale if it becomes necessary to do so in order to recover any tax, interest, or penalty due the Commonwealth. Upon any such sale, the surplus, if any, above the amounts due shall be returned to the person who deposited the securities.

§ 4.1-1007. Refunds.

In the event purchases are returned to the seller by the buyer after a tax imposed under § 4.1-1004 has been collected or charged to the account of the buyer, the seller shall be entitled to a refund of the amount of tax so collected or charged in the manner prescribed by the Authority. The amount of tax so refunded to the seller shall not, however, include the tax paid upon any amount retained by the seller after such return of merchandise. In case the tax has not been remitted by the seller, the seller may deduct the same in submitting his return.

§ 4.1-1008. Statute of limitations; civil remedies for collecting past-due taxes, interest, and penalties.

A. The taxes imposed under § 4.1-1004 shall be assessed within three years from the date on which such taxes became due and payable. In the case of a false or fraudulent return with intent to defraud the Commonwealth, or a failure to file a return, the taxes may be assessed, or a proceeding in court for the collection of such taxes may be begun without assessment, at any time within six years from such date. The Authority shall not examine any person's records beyond the three-year period of limitations unless it has reasonable evidence of fraud or reasonable cause to believe that such person was required by law to file a return and failed to do so.

B. If any person fails to file a return as required by this section, or files a return that is false or fraudulent, the Authority may make an estimate for the taxable period of the taxable sales of such person and assess the tax, plus any applicable interest and penalties. The Authority shall give such person 10 days' notice requiring such person to provide any records as it may require relating to the business of such person for the taxable period. The Authority may require such person or the agents and employees of such person to give testimony or to answer interrogatories under oath administered by the Authority respecting taxable sales, the filing of the return, and any other relevant information. If any person fails to file a required return, refuses to provide required records, or refuses to answer interrogatories from the Authority, the Authority may make an estimated assessment based upon the information available to it and issue a memorandum of lien under subsection C for the collection of any taxes, interest, or penalties. The estimated assessment shall be deemed prima facie correct.

C. 1. If the Authority assesses taxes, interest, or penalties on a person and such person does not pay within 30 days after the due date, taking into account any extensions granted by the Authority, the Authority may file a memorandum of lien in the circuit court clerk's office of the county or city in which the person's place of business is located or in which the person resides. If the person has no place of business or residence within the Commonwealth, the memorandum may be filed in the Circuit Court of the City of Richmond. A copy of the memorandum may also be filed in the clerk's office of all counties and cities in which the person owns real estate. Such memorandum shall be recorded in the judgment docket book and shall have the effect of a judgment in favor of the Commonwealth, to be enforced as provided in Article 19 (§ 8.01-196 et seq.) of Chapter 3 of Title 8.01, except that a writ of fieri facias may issue at any time after the memorandum is filed. The lien on real estate shall become effective at the time the memorandum is filed in the jurisdiction in which the real estate is located. No memorandum of lien shall be filed unless the person is first given 10 or more days' prior notice of intent to file a lien; however, in those instances where the Authority determines that the collection of any tax, penalties, or interest required to be paid pursuant to law will be jeopardized by the provision of such notice, notification may be provided to the person concurrent with the filing of the memorandum of lien. Such notice shall be given to the person at his last known address.

2. Recordation of a memorandum of lien under this subsection shall not affect a person's right to appeal under § 4.1-1009.

3. If after filing a memorandum of lien the Authority determines that it is in the best interest of the Commonwealth, it may place padlocks on the doors of any business enterprise that is delinquent in filing or paying any tax owed to the Commonwealth. The Authority shall also post notices of distraint on each of the doors so padlocked. If, after three business days, the tax deficiency has not been satisfied or satisfactory arrangements for payment have not been made, the Authority may cause a writ of fieri facias to be issued. It shall be a Class 1 misdemeanor for anyone to enter the padlocked premises without prior approval of the Authority. In the event that the person against whom the distraint has been applied subsequently appeals under § 4.1-1009, the person shall have the right to post bond equaling the amount of liability in lieu of payment until the appeal is resolved.

4. A person may petition the Authority after a memorandum of lien has been filed under this subsection if the person alleges an error in the filing of the lien. The Authority shall make a determination on such petition within 14 days. If the Authority determines that the filing was erroneous, it shall issue a certificate of release of the lien within seven days after such determination is made.

§ 4.1-1009. Appeals.

Any person aggrieved by a refusal of the Board to issue any license or permit, the suspension or revocation of a license or permit, the imposition of a fine, or any other penalty may seek review of such action in accordance with Board regulations and Article 3 (§ 2.2-4018 et seq.) of the Administrative Process Act in the Circuit Court of the City of Richmond. Further appeals shall also be in accordance with Article 5 (§ 2.2-4025 et seq.) of the Administrative Process Act.

§ 4.1-1010. Injunction.

The Authority may apply to the appropriate circuit court for an injunction against any person who has violated or may violate any provision of this chapter or any regulation or final decision of the Board. The order granting or refusing such injunction shall be subject to appeal as in other cases in equity.

§ 4.1-1100. Possession, etc., of marijuana and marijuana products by persons 21 years of age or older lawful; penalties.

A. Except as otherwise provided in this subtitle and notwithstanding any other provision of law, a person 21 years of age or older may lawfully possess on his person or in any public place not more than ~~one ounce~~ *two ounces* of marijuana or an equivalent amount of marijuana product as determined by regulation promulgated by the Board.

B. Any person who possesses on his person or in any public place marijuana or marijuana products in excess of the amounts set forth in subsection A is subject to a civil penalty of no more than $25 except as otherwise provided in this section. The penalty for any violations of this section by an adult shall be prepayable according to the procedures in § 16.1-69.40:2.

C. With the exception of possession by a person in his residence or possession by a licensee in the course of his duties related to such licensee's marijuana establishment, any person who possesses on his person or in any public place (i) more than four ounces but not more than one pound of marijuana or an equivalent amount of marijuana product as determined by regulation promulgated by the Board is guilty of a Class 3 misdemeanor and, for a second or subsequent offense, a Class 2 misdemeanor and (ii) more than one pound of marijuana or an equivalent amount of marijuana product as determined by regulation promulgated by the Board is guilty of a felony punishable by a term of imprisonment of not less than one year nor more than 10 years and a fine of not more than $250,000, or both.

D. The provisions of this section shall not apply to members of federal, state, county, city, or town law-enforcement agencies, jail officers, or correctional officers, as defined in § 53.1-1, certified as handlers of dogs trained in the detection of controlled substances when possession of marijuana is necessary for the performance of their duties.

§ 4.1-1101. Home cultivation of marijuana for personal use; penalties.

A. ~~Notwithstanding the provisions of subdivision (c) of § 18.2-248.1, a~~ *A* person 21 years of age or older may cultivate up to four marijuana plants for personal use at their place of residence; however, at no point shall a household contain more than four marijuana plants. For purposes of this section, a "household" means those individuals, whether related or not, who live in the same house or other place of residence.

A person may only cultivate marijuana plants pursuant to this section at such person's main place of residence.

A violation of this subsection shall be punishable as follows:

1. For possession of more than four marijuana plants but no more than 10 marijuana plants, (i) a civil penalty of $250 for a first offense, (ii) a Class 3 misdemeanor for a second offense, and (iii) a Class 2 misdemeanor for a third and any subsequent offense;

2. For possession of more than 10 but no more than 49 marijuana plants, a Class 1 misdemeanor;

3. For possession of more than 49 but no more than 100 marijuana plants, a Class 6 felony; and

4. For possession of more than 100 marijuana plants, a felony punishable by a term of imprisonment of not less than one year nor more than 10 years or a fine of not more than $250,000, or both.

B. A person who cultivates marijuana for personal use pursuant to this section shall:

1. Ensure that no marijuana plant is visible from a public way without the use of aircraft, binoculars, or other optical aids;

2. Take precautions to prevent unauthorized access by persons younger than 21 years of age; and

3. Attach to each marijuana plant a legible tag that includes the person's name, driver's license or identification number, and a notation that the marijuana plant is being grown for personal use as authorized under this section.

Any person who violates this subsection is subject to a civil penalty of no more than $25. The penalty for any violations of this section by an adult shall be prepayable according to the procedures in § 16.1-69.40:2.

~~C. A person shall not manufacture marijuana concentrate from home-cultivated marijuana. The owner of a property or parcel or tract of land may not intentionally or knowingly allow another person to manufacture marijuana concentrate from home-cultivated marijuana within or on that property or land.~~

§ 4.1-1102. Illegal cultivation or processing of marijuana or marijuana products; conspiracy; penalties.

A. Except as otherwise provided in §§ 4.1-700 and 4.1-1101, no person shall cultivate or process marijuana or marijuana products in the Commonwealth without being licensed to cultivate or process such marijuana or marijuana products.

B. Any person convicted of a violation of this section is guilty of a Class 6 felony.

C. If two or more persons conspire together to do any act that is in violation of subsection A, and one or more of such persons does any act to effect the object of the conspiracy, each of the parties to such conspiracy is guilty of a Class 6 felony.

§ 4.1-1103. Illegal sale of marijuana or marijuana products in general; penalties.

A. For the purposes of this section, "adult sharing" means transferring marijuana between persons who are 21 years of age or older without remuneration. "Adult sharing" does not include instances in which (i) marijuana is given away contemporaneously with another reciprocal transaction between the same parties; (ii) a gift of marijuana is offered or advertised in conjunction with an offer for the sale of goods or services; or (iii) a gift of marijuana is contingent upon a separate reciprocal transaction for goods or services.

B. If any person who is not licensed sells, gives, or distributes or possesses with intent to sell, give, or distribute any marijuana or marijuana products except as permitted by this chapter or provided in subsection C, he is guilty of (i) a Class 2 misdemeanor for a first offense; (ii) a Class 1 misdemeanor for a second offense; and (iii) a Class 6 felony for a third and any subsequent offense.

C. No civil or criminal penalty may be imposed for adult sharing of an amount of marijuana that does not exceed two ounces or of an equivalent amount of marijuana products.

§ 4.1-1104. Persons to whom marijuana or marijuana products may not be sold; proof of legal age; penalties.

A. No person shall, except as otherwise permitted under Chapter 16 (§ 4.1-1600 et seq.), sell, give, or distribute any marijuana or marijuana products to any individual when at the time of such sale he knows or has reason to believe that the individual to whom the sale is made is (i) younger than 21 years of age or (ii) intoxicated. Any person convicted of a violation of this subsection is guilty of a Class 1 misdemeanor. Upon conviction of a violation of this subsection by a licensee, their employee, or their agent, the Authority shall initiate proceedings to consider the revocation of any license of such licensee that was issued by the Authority. The Board shall promulgate regulations providing for escalating civil penalties, leading up to and including the revocation of any license issued by the Authority, for repeated violations of this section by licensees, their employees, or their agents.

B. Any person who sells, except as otherwise permitted under Chapter 16 (§ 4.1-1600 et seq.), any marijuana or marijuana products to an individual who is younger than 21 years of age and at the time of the sale does not require the individual to present bona fide evidence of legal age indicating that the individual is 21 years of age or older is guilty of a violation of this subsection. Bona fide evidence of legal age is limited to any evidence that is or reasonably appears to be an unexpired driver's license issued by any state of the United States or the District of Columbia, military identification card, United States passport or foreign government visa, unexpired special identification card issued by the Department of Motor Vehicles, or any other valid government-issued identification card bearing the individual's photograph, signature, height, weight, and date of birth, or which bears a photograph that reasonably appears to match the appearance of the purchaser. A student identification card shall not constitute bona fide evidence of legal age for purposes of this subsection. Any person convicted of a violation of this subsection is guilty of a Class 3 misdemeanor.

C. No person shall be convicted of both subsections A and B for the same sale.

§ 4.1-1105. Purchasing of marijuana or marijuana products unlawful in certain cases; venue; exceptions; penalties; forfeiture; treatment and education programs and services.

A. 1. No person to whom the sale of marijuana or marijuana products is prohibited under § 4.1-1104 shall consume, purchase, or possess, or attempt to consume, purchase, or possess, any marijuana or marijuana products, except by any federal, state, or local law-enforcement officer or his agent when possession of marijuana or marijuana products is necessary in the performance of his duties. Such person may be prosecuted either in the county or city in which the marijuana or marijuana products were possessed or consumed or in the county or city in which the person exhibits evidence of physical indicia of consumption of marijuana or marijuana products.

2. No person younger than 21 years of age shall use or attempt to use any (i) altered, fictitious, facsimile, or simulated license to operate a motor vehicle; (ii) altered, fictitious, facsimile, or simulated document, including a birth certificate or student identification card; or (iii) motor vehicle driver's license or other document issued under Chapter 3 (§ 46.2-300 et seq.) of Title 46.2 or the comparable law of another jurisdiction, birth certificate, or student identification card of another person in order to establish a false identification or false age for himself to consume, purchase, or attempt to consume or purchase marijuana or marijuana products.

B. Any person 18 years of age or older who violates subsection A is subject to a civil penalty of no more than $25 and shall be ordered to enter a substance abuse treatment or education program or both, if available, that in the opinion of the court best suits the needs of the accused.

C. Unless the juvenile is proceeded against informally pursuant to § 16.1-260, any juvenile who violates subsection A is subject to a civil penalty of no more than $25 and the court shall require the accused to enter a substance abuse treatment or education program or both, if available, that in the opinion of the court best suits the needs of the accused. For purposes of §§ 16.1-266, 16.1-273, 16.1-278.8, 16.1-278.8:01, and 16.1-278.9, the court shall treat the juvenile as delinquent.

D. Any such substance abuse treatment or education program to which a juvenile is ordered pursuant to this section shall be provided by (i) a program licensed by the Department of Behavioral Health and Developmental Services or (ii) a similar program available through a facility or program operated by or under contract with the Department of Juvenile Justice or a locally operated court services unit or a program funded through the Virginia Juvenile Community Crime Control Act (§ 16.1-309.2 et seq.). Any such substance abuse treatment or education program to which a person 18 years of age or older is ordered pursuant to this section shall be provided by (a) a program licensed by the Department of Behavioral Health and Developmental Services or (b) a program or services

made available through a community-based probation services agency established pursuant to Article 9 (§ 9.1-173 et seq.) of Chapter 1 of Title 9.1, if one has been established for the locality. When an offender is ordered to a local community-based probation services agency, the local community-based probation services agency shall be responsible for providing for services or referring the offender to education or treatment services as a condition of probation.

E. Any civil penalties collected pursuant to this section shall be deposited into the Drug Offender Assessment and Treatment Fund established pursuant to § 18.2-251.02. No person younger than 21 years of age shall use or attempt to use any (i) altered, fictitious, facsimile, or simulated license to operate a motor vehicle; (ii) altered, fictitious, facsimile, or simulated document, including a birth certificate or student identification card; or (iii) motor vehicle driver's license or other document issued under Chapter 3 (§ 46.2-300 et seq.) of Title 46.2 or the comparable law of another jurisdiction, birth certificate, or student identification card of another person in order to establish a false identification or false age for himself to consume, purchase, or attempt to consume or purchase marijuana or marijuana products. Any person convicted of a violation of this subsection is guilty of a Class 1 misdemeanor.

F. Any marijuana or marijuana product purchased or possessed in violation of this section shall be deemed contraband and forfeited to the Commonwealth in accordance with § 4.1-1303.

§ 4.1-1106. Purchasing marijuana or marijuana products for one to whom they may not be sold; penalties; forfeiture.

A. Any person who purchases marijuana or marijuana products for another person and at the time of such purchase knows or has reason to believe that the person for whom the marijuana or marijuana products were purchased was intoxicated is guilty of a Class 1 misdemeanor.

B. Any person who purchases for, or otherwise gives, provides, or assists in the provision of marijuana or marijuana products to, another person when he knows or has reason to know that such person is younger than 21 years of age, except by any federal, state, or local law-enforcement officer when possession of marijuana or marijuana products is necessary in the performance of his duties, is guilty of a Class 1 misdemeanor.

C. Any marijuana or marijuana products purchased in violation of this section shall be deemed contraband and forfeited to the Commonwealth in accordance with § 4.1-1303.

§ 4.1-1106.1. Selling, etc. without decal; false decal; civil penalty.

A. No person shall engage in the sale of marijuana or marijuana products or marketing or labeling products as marijuana or marijuana products without a decal issued by the Board and prominently displayed. A person violating this subsection is subject to a civil penalty of $10,000 per day for each day that such decal is not displayed in violation of this requirement.

B. It is unlawful for any person to create or display a falsified decal that purports such person to be licensed by the Board to engage in the sale of marijuana or marijuana products or market or label products as marijuana or marijuana products. Any person who violates this subsection is subject to a civil penalty of $10,000 for each falsified decal such person created or $10,000 per day for each day that such falsified decal is displayed, or both.

C. The provisions of this section shall not preclude prosecution under any other statute.

§ 4.1-1108. Consuming marijuana or marijuana products, or offering to another, in public place; penalty.

A. No person shall consume marijuana or a marijuana product or offer marijuana or a marijuana product to another, whether accepted or not, at or in any public place.

B. Any person who violates this section is subject to a civil penalty of no more than ~~$25~~ *$250* for a first offense. A person who is convicted under this section of a second offense is subject to a ~~$25~~ *$250* civil penalty and shall be ordered to enter a substance abuse treatment or education program or both, if available, that in the opinion of the court best suits the needs of the accused. A person convicted under this section of a third or subsequent offense is guilty of a Class 4 misdemeanor.

§ 4.1-1113. Maintaining common nuisances; penalties.

A. All houses, boathouses, buildings, club or fraternity or lodge rooms, boats, cars, and places of every description where marijuana or marijuana products are manufactured, processed, stored, sold, dispensed, given away, or used contrary to law, by any scheme or device whatsoever, shall be deemed common nuisances.

No person shall maintain, aid, abet, or knowingly associate with others in maintaining a common nuisance.

Any person convicted of a violation of this subsection is guilty of a Class 1 misdemeanor.

B. In addition, after due notice and an opportunity to be heard on the part of any owner or lessor not involved in the original offense, by a proceeding analogous to that provided in § 4.1-1303 and upon proof of guilty knowledge, judgment may be given that such house, boathouse, building, boat, car, or other place, or any room or part thereof, be closed. The court may, upon the owner or lessor giving bond in the penalty of not less than $500 and with security to be approved by the court, conditioned that

the premises shall not be used for unlawful purposes, or in violation of the provisions of this subtitle for a period of five years, turn the same over to its owner or lessor, or proceeding may be had in equity as provided in § 4.1-1300.

C. In a proceeding under this section, judgment shall not be entered against the owner, lessor, or lienholder of the property unless it is proved that he (i) knew of the unlawful use of the property and (ii) had the right, because of such unlawful use, to enter and repossess the property.

§ 4.1-1114. Maintaining a fortified drug house; penalty.

Any office, store, shop, restaurant, dance hall, theater, poolroom, clubhouse, storehouse, warehouse, dwelling house, apartment, or building or structure of any kind that is (i) substantially altered from its original status by means of reinforcement with the intent to impede, deter, or delay lawful entry by a law-enforcement officer into such structure; (ii) being used for the purpose of illegally manufacturing, processing, or distributing marijuana; and (iii) the object of a valid search warrant shall be considered a fortified drug house. Any person who maintains or operates a fortified drug house is guilty of a Class 5 felony.

§ 4.1-1115. Disobeying subpoena; hindering conduct of hearing; penalty.

No person shall (i) fail or refuse to obey any subpoena issued by the Board, any Board member, or any agent authorized by the Board to issue such subpoena or (ii) hinder the orderly conduct and decorum of any hearing held and conducted by the Board, any Board member, or any agent authorized by the Board to hold and conduct such hearing.

Any person convicted of a violation of this section is guilty of a Class 1 misdemeanor.

§ 4.1-1117. Delivery of marijuana or marijuana products to prisoners; penalty.

No person shall deliver, or cause to be delivered, to any prisoner in any state, local, or regional correctional facility or any person committed to the Department of Juvenile Justice in any juvenile correctional center any marijuana or marijuana products.

Any person convicted of a violation of this section is guilty of a Class 1 misdemeanor.

§ 4.1-1118. Separation of plant resin by butane extraction; penalty.

A. No person shall separate plant resin by butane extraction or another method that utilizes a substance with a flashpoint below 100 degrees Fahrenheit in any public place, motor vehicle, or within the curtilage of any residential structure.

B. Any person convicted of a violation of this section is guilty of a Class 1 misdemeanor.

§ 4.1-1119. Attempts; aiding or abetting; penalty.

No person shall attempt to do any of the things prohibited by this subtitle or to aid or abet another in doing, or attempting to do, any of the things prohibited by this subtitle.

On an indictment, information, or warrant for the violation of this subtitle, the jury or the court may find the defendant guilty of an attempt, or being an accessory, and the punishment shall be the same as if the defendant were solely guilty of such violation.

§ 4.1-1121. Issuance of summonses for certain offenses; civil penalties.

Any violation under this subtitle that is subject to a civil penalty is a civil offense and, *except in the case of a violation alleged to have been committed by a juvenile, in which case the juvenile shall be proceeded against pursuant to § 16.1-260,* shall be charged by summons. A summons for a violation under this subtitle that is subject to a civil penalty may be executed by a law-enforcement officer when such violation is observed by such officer. The summons used by a law-enforcement officer pursuant to this section shall be in a form the same as the uniform summons for motor vehicle law violations as prescribed pursuant to § 46.2-388. Any civil penalties collected pursuant to this subtitle shall be deposited into the Drug Offender Assessment and Treatment Fund established pursuant to § 18.2-251.02.

CHAPTER 12.

PROHIBITED PRACTICES BY LICENSEES.

§ 4.1-1200. Illegal cultivation, etc., of marijuana or marijuana products by licensees; penalty.

A. No licensee or any agent or employee of such licensee shall:

1. Cultivate, process, transport, sell, or test any marijuana or marijuana products other than that which such license or this subtitle authorizes him to cultivate, process, transport, sell, or test;

2. Sell marijuana or marijuana products to any person other than a person to whom such license or this subtitle authorizes him to sell;

3. Cultivate, process, transport, sell, or test marijuana or marijuana products that such license or this subtitle authorizes him to sell,

but in any place or in any manner other than such license or this subtitle authorizes him to cultivate, process, transport, sell, or test;

4. Cultivate, process, transport, sell, or test any marijuana or marijuana products when forbidden by this subtitle;

5. Keep or allow to be kept on the licensed premises any marijuana or marijuana products other than that which he is authorized to cultivate, process, transport, sell, or test by such license or by this subtitle;

6. Keep any marijuana or marijuana product other than in the container in which it was purchased by him; or

7. Allow a person younger than 21 years of age to be employed by or volunteer for such licensee.

B. Any person convicted of a violation of this section is guilty of a Class 1 misdemeanor.

C. The Authority shall revoke the license of any licensee who knowingly and willfully causes or permits the conduct of a person convicted of a violation of this section. No license shall be reissued to a licensee whose license is revoked pursuant to this subsection or for the licensed premises where such revocation occurred for a period of at least 10 years.

§ 4.1-1201. Prohibited acts by employees of licensees; civil penalty.

A. In addition to the provisions of § 4.1-1200, no licensee, or his agent or employee shall use or consume any marijuana or marijuana products (i) on the licensed premises, except for certain sampling for quality control purposes in accordance with Board regulations or (ii) while on duty and in a position that is involved in the selling of marijuana or marijuana products to consumers.

B. No licensee or his agent or employee shall make any gift of any marijuana or marijuana products.

C. Any person convicted of a violation of this section shall be subject to a civil penalty in an amount not to exceed $500. Upon a second or subsequent violation of this section, (i) if the person convicted is licensee, the Board shall revoke any license held by the licensee and (ii) if the person convicted is an agent of the licensee or employee, the Board shall require the licensee to terminate such agent or employee's employment. Any such licensee, agent, or employee convicted of a second or subsequent violation of this section shall be prohibited from obtaining any marijuana establishment license and employment at a marijuana establishment.

§ 4.1-1202. Sale of; purchase for resale; marijuana or marijuana products from a person without a license; penalty.

Except as otherwise provided in § 4.1-807, no retail marijuana store licensee shall purchase for resale or sell any marijuana, marijuana products, immature marijuana plants, or marijuana seeds purchased from anyone other than a marijuana cultivation facility or marijuana processing facility.

Any person convicted of a violation of this section is guilty of a Class 1 misdemeanor.

§ 4.1-1203. Prohibiting transfer of marijuana or marijuana products by certain licensees; penalty.

A. No licensed marijuana establishment shall transfer any marijuana or marijuana products from one licensed place of business to another licensed place of business unless (i) such licensed marijuana establishment is authorized to transfer marijuana or marijuana products from one licensed place of business to another licensed place of business and the transfer is completed by the licensee or an employee of the licensee or (ii) such transfer is completed by a marijuana transporter licensee.

B. Any person convicted of a violation of this section is guilty of a Class 1 misdemeanor.

§ 4.1-1204. Illegal advertising materials; civil penalty.

No person subject to the jurisdiction of the Board shall induce, attempt to induce, or consent to any licensee selling, renting, lending, buying for, or giving to any person any advertising materials or decorations under circumstances prohibited by this title or Board regulations.

Any person found by the Board to have violated this section shall be subject to a civil penalty as authorized in § 4.1-903.

§ 4.1-1205. Failure of licensee to pay tax or to deliver, keep, and preserve records and accounts or to allow examination and inspection; penalty.

A. No licensee shall fail or refuse to (i) pay any tax provided for in § 4.1-1004; (ii) deliver, keep, and preserve such records, invoices, and accounts as are required by § 4.1-703 or Board regulation; or (iii) allow such records, invoices, and accounts or his place of business to be examined and inspected in accordance with § 4.1-703. Any person convicted of a violation of this subsection is guilty of a Class 1 misdemeanor.

B. After reasonable notice to a licensee that failed to make a return or pay taxes due, the Authority may suspend or revoke any license of such licensee that was issued by the Authority.

C. The Authority shall revoke the license of any licensee who knowingly and willfully violates subsection A and is convicted for such violation.

§ 4.1-1206. Nonpayment of marijuana tax; penalties.

A. No person shall make a sale taxable under § 4.1-1004 without paying all applicable taxes due. No retail marijuana store or microbusiness licensee shall purchase, receive, transport, store, or sell any marijuana or marijuana products on which such retailer has reason to know such tax has not been paid and may not be paid. Any person convicted of a violation of this subsection is guilty of a Class 1 misdemeanor.

B. Any person who fails to file a return required for a tax due under § 4.1-1004 is subject to a civil penalty to be added to the tax in the amount of five percent of the proper tax due if the failure is for not more than 30 days, with an additional five percent for each additional 30 days, or fraction thereof, during which the failure continues. Such civil penalty shall not exceed 25 percent in the aggregate. In addition to any civil penalty imposed pursuant to this subsection, the Authority shall revoke the license of any licensee who knowingly and willfully violates this subsection for a period of three years.

C. In the case of a false or fraudulent return, where willful intent exists to defraud the Commonwealth of any tax due on marijuana or marijuana products, a civil penalty of 50 percent of the amount of the proper tax due shall be assessed. Such penalty shall be in addition to any penalty imposed under subsection B. It shall be prima facie evidence of willful intent to defraud the Commonwealth when any person reports its taxable sales to the Authority at 50 percent or less of the actual amount. In addition to any civil penalty imposed pursuant to this subsection, the Authority shall revoke the license of any licensee who knowingly and willfully violates this subsection for a period of three years.

D. If any check tendered for any amount due under § 4.1-1004 or this section is not paid by the bank on which it is drawn, and the person that tendered the check fails to pay the Authority the amount due within five days after the Authority gives it notice that such check was returned unpaid, the person that tendered the check is guilty of a violation of § 18.2-182.1. In addition to any civil penalty imposed pursuant to this subsection, the Authority shall revoke the license of any licensee who knowingly and willfully violates this subsection for a period of three years.

E. All penalties shall be payable to the Authority and if not so paid shall be collectible in the same manner as if they were a part of the tax imposed.

§ 4.1-1300. Enjoining nuisances.

A. In addition to the penalties imposed by § 4.1-1113, the Board, its agents, the attorney for the Commonwealth, or any citizen of the county, city, or town where a common nuisance as defined in § 4.1-1113 exists may maintain a suit in equity in the name of the Commonwealth to enjoin the common nuisance.

B. The courts of equity shall have jurisdiction, and in every case where the bill charges, on the knowledge or belief of the complainant, and is sworn to by two reputable citizens, that marijuana or marijuana products are cultivated, processed, stored, sold, dispensed, given away, or used in such house, building, or other place described in § 4.1-1113 contrary to the laws of the Commonwealth, an injunction shall be granted as soon as the bill is presented to the court. The injunction shall enjoin and restrain the owners and tenants and their agents and employees, and any person connected with such house, building, or other place, and all persons whomsoever from cultivating, processing, storing, selling, dispensing, giving away, or using marijuana or marijuana products on such premises. The injunction shall also restrain all persons from removing any marijuana or marijuana products then on such premises until the further order of the court. If the court is satisfied that the material allegations of the bill are true, although the premises complained of may not then be unlawfully used, it shall continue the injunction against such place for a period of time as the court deems proper. The injunction may be dissolved if a proper case is shown for dissolution.

§ 4.1-1301. Contraband marijuana or marijuana products and other articles subject to forfeiture.

A. All apparatus and materials for the cultivation or processing of marijuana or marijuana products, all marijuana or marijuana products and materials used in their manufacture or processing, and all containers in which marijuana or marijuana products may be found that are kept, stored, possessed, or in any manner used in violation of the provisions of this subtitle, and any dangerous weapons as described in § 18.2-308 that may be used or that may be found upon the person, or in any vehicle that such person is using, to aid such person in the unlawful cultivation, manufacture, processing, transportation, or sale of marijuana or marijuana products, or found in the possession of such person, or any horse, mule, or other beast of burden or any wagon, automobile, truck, or vehicle of any nature whatsoever that is found in the immediate vicinity of any place where marijuana or marijuana products are being unlawfully manufactured or processed and where such animal or vehicle is being used to aid in the unlawful manufacture or processing, shall be deemed contraband and shall be forfeited to the Commonwealth.

B. Proceedings for the confiscation of the property in subsection A shall be in accordance with § 4.1-1303 for all such property except motor vehicles, which proceedings shall be in accordance with Chapter 22.1 (§ 19.2-386.1 et seq.) of Title 19.2.

§ 4.1-1303. Confiscation proceedings; disposition of forfeited articles.

A. All proceedings for the confiscation of articles, except motor vehicles, declared contraband and forfeited to the Commonwealth

under this subtitle shall be as provided in this section.

B. Whenever any article declared contraband under the provisions of this subtitle and required to be forfeited to the Commonwealth has been seized, with or without a warrant, by any officer charged with the enforcement of this subtitle, he shall produce the contraband article and any person in whose possession it was found. In those cases where no person is found in possession of such articles, the return shall so state and a copy of the warrant shall be posted on the door of the buildings or room where the articles were found, or if there is no door, then in any conspicuous place upon the premises.

In case of seizure of any item for any offense involving its forfeiture where it is impracticable to remove such item to a place of safe storage from the place where seized, the seizing officer may destroy such item only as necessary to prevent use of all or any part thereof. The destruction shall be in the presence of at least one credible witness, and such witness shall join the officer in a sworn report of the seizure and destruction to be made to the Board. The report shall set forth the grounds of the claim of forfeiture, the reasons for seizure and destruction, an estimate of the fair cash value of the item destroyed, and the materials remaining after such destruction. The report shall include a statement that, from facts within their own knowledge, the seizing officer and witness have no doubt whatever that the item was set up for use, or had been used in the unlawful cultivation, processing, or manufacture of marijuana, and that it was impracticable to remove such apparatus to a place of safe storage.

In case of seizure of any quantity of marijuana or marijuana products for any offense involving forfeiture of the same, the seizing officer may destroy them to prevent the use of all or any part thereof for the purpose of unlawful cultivation, processing, or manufacture of marijuana or marijuana products or any other violation of this subtitle. The destruction shall be in the presence of at least one credible witness, and such witness shall join the officer in a sworn report of the seizure and destruction to be made to the Board. The report shall set forth the grounds of the claim of forfeiture, the reasons for seizure and destruction, and a statement that, from facts within their own knowledge, the seizing officer and witness have no doubt whatever that the marijuana or marijuana products were intended for use in the unlawful cultivation, processing, or manufacture of marijuana or marijuana products or were intended for use in violation of this subtitle.

C. Upon the return of the warrant as provided in this section, the court shall fix a time not less than 10 days, unless waived by the accused in writing, and not more than 30 days thereafter, for the hearing on such return to determine whether or not the articles seized, or any part thereof, were used or in any manner kept, stored, or possessed in violation of this subtitle.

At such hearing, if no claimant appears, the court shall declare the articles seized forfeited to the Commonwealth and, if such articles are not necessary as evidence in any pending prosecution, shall turn them over to the Board. Any person claiming an interest in any of the articles seized may appear at the hearing and file a written claim setting forth particularly the character and extent of his interest. The court shall certify the warrant and the articles seized along with any claim filed to the circuit court to hear and determine the validity of such claim.

If the evidence warrants, the court shall enter a judgment of forfeiture and order the articles seized to be turned over to the Board. Action under this section and the forfeiture of any articles hereunder shall not be a bar to any prosecution under any other provision of this subtitle.

D. Any articles forfeited to the Commonwealth and turned over to the Board in accordance with this section shall be destroyed or sold by the Board as it deems proper. The net proceeds from such sales shall be paid into the Literary Fund.

If the Board believes that any foodstuffs forfeited to the Commonwealth and turned over to the Board in accordance with this section are usable, should not be destroyed, and cannot be sold, or whose sale would be impractical, it may give such foodstuffs to any institution in the Commonwealth and shall prefer a gift to the local jail or other local correctional facility in the jurisdiction where seizure took place. A record shall be made showing the nature of the foodstuffs and amount given, to whom given, and the date when given and shall be kept in the offices of the Board.

§ 4.1-1304. Contraband marijuana or marijuana products.

Failure to maintain on a conveyance or vehicle a permit or other indicia of permission issued by the Board authorizing the transportation of marijuana or marijuana products within the Commonwealth when other Board regulations applicable to such transportation have been complied with shall not be cause for deeming such marijuana or marijuana products contraband.

§ 4.1-1305. Punishment for violations of title or regulations; bond.

A. Any person convicted of a misdemeanor under the provisions of this subtitle without specification as to the class of offense or penalty, or convicted of violating any other provision thereof, or convicted of violating any Board regulation is guilty of a Class 1 misdemeanor.

B. In addition to the penalties imposed by this subtitle for violations, any court before whom any person is convicted of a violation of any provision of this subtitle may require such defendant to execute bond based upon his ability to pay, with approved security, in the penalty of not more than $1,000, with the condition that the defendant will not violate any of the provisions of this subtitle for the term of one year. If any such bond is required and is not given, the defendant shall be committed to jail until it is given, or until he is discharged by the court, provided that he shall not be confined for a period longer than six months. If any such bond

required by a court is not given during the term of the court by which conviction is had, it may be given before any judge or before the clerk of such court.

C. The provisions of this subtitle shall not prevent the Board from suspending, revoking, or refusing to continue the license of any person convicted of a violation of any provision of this subtitle.

D. No court shall hear such a case unless the respective attorney for the Commonwealth or his assistant has been notified that such a case is pending.

§ 4.1-1306. Witness not excused from testifying because of self-incrimination.

No person shall be excused from testifying or from producing books, papers, correspondence, memoranda, or other records for the Commonwealth as to any offense alleged to have been committed by another under this subtitle by reason of his testimony or other evidence tending to incriminate himself, but the testimony given and evidence so produced by such person on behalf of the Commonwealth when called for by the trial judge or court trying the case, or by the attorney for the Commonwealth, or when summoned by the Commonwealth and sworn as a witness by the court or the clerk and sent before the grand jury, shall be in no case used against him nor shall he be prosecuted as to the offense as to which he testifies.

§ 4.1-1307. Previous convictions.

In any indictment, information, or warrant charging any person with a violation of any provision of this subtitle, it may be alleged and evidence may be introduced at the trial of such person to prove that such person has been previously convicted of a violation of this subtitle.

§ 4.1-1308. Label on sealed container prima facie evidence of marijuana content.

In any prosecution for violations of this subtitle, where a sealed container is labeled as containing marijuana or marijuana products, such labeling shall be prima facie evidence of the marijuana content of the container. Nothing shall preclude the introduction of other relevant evidence to establish the marijuana content of a container, whether sealed or not.

§ 4.1-1309. No recovery for marijuana or marijuana products illegally sold.

No action to recover the price of any marijuana or marijuana products sold in contravention of this subtitle may be maintained.

§ 4.1-1402. Outdoor advertising restrictions; limitations; variances.

A. No outdoor advertising regarding marijuana, marijuana products, or any substance containing a synthetic tetrahydrocannabinol or synthetic derivative of tetrahydrocannabinol shall be placed within 500 linear feet on the same side of the road, and parallel to such road, measured from the nearest edge of the sign face upon which the advertisement is placed to the nearest edge of a building or structure located on the real property of (i) a church, synagogue, mosque, or other place of religious worship; (ii) a public, private, or parochial school or an institution of higher education; (iii) a public or private playground or similar recreational facility; (iv) a substance use disorder treatment center; or (v) a dwelling used for residential use.

B. However, (i) if there is no building or structure on a playground or similar recreational facility, the measurement shall be from the nearest edge of the sign face upon which the advertisement is placed to the property line of such playground or similar recreational facility and (ii) if a public or private school providing grades K through 12 education is located across the road from a sign, the measurement shall be from the nearest edge of the sign face upon which the advertisement is placed to the nearest edge of a building or structure located on such real property across the road.

C. If, at the time the advertisement was displayed, the advertisement was more than 500 feet from (i) a church, synagogue, mosque, or other place of religious worship; (ii) a public, private, or parochial school or an institution of higher education; (iii) a public or private playground or similar recreational facility; (iv) a substance use disorder treatment center; or (v) a dwelling used for residential use, but the circumstances change such that the advertiser would otherwise be in violation of subsection A, the Board shall permit the advertisement to remain as displayed for the remainder of the term of any written advertising contract, but in no event more than one year from the date of the change in circumstances.

D. The Board may grant a permit authorizing a variance from the distance requirements of this section upon a finding that the placement of the advertisement on a sign will not unduly expose children to advertising regarding marijuana, marijuana products, or any substance containing a synthetic tetrahydrocannabinol or synthetic derivative of tetrahydrocannabinol.

E. The distance and zoning restrictions contained in this section shall not apply to any sign that is included in the Integrated Directional Sign Program administered by the Virginia Department of Transportation or its agents.

F. *Any outdoor signs placed on the property of a marijuana establishment shall not (i) display imagery of marijuana or the use of marijuana, (ii) target or appeal particularly to persons younger than 21 years of age, including by use of cartoons, or (iii) draw undue attention to the facility, but may be designed to assist consumers to find the marijuana establishment.*

G. Nothing in this section shall be construed to authorize billboard signs containing outdoor advertising regarding marijuana, marijuana

products, or any substance containing a synthetic tetrahydrocannabinol or synthetic derivative of tetrahydrocannabinol on property zoned agricultural or residential, or on any unzoned property. Nor shall this section be construed to authorize the erection of new billboard signs containing outdoor advertising that would be prohibited under state law or local ordinance.

~~G.~~ *H.* All lawfully erected outdoor signs regarding marijuana, marijuana products, or any substance containing a synthetic tetrahydrocannabinol or synthetic derivative of tetrahydrocannabinol shall comply with the provisions of this subtitle, Board regulations, and Chapter 12 (§ 33.2-1200 et seq.) of Title 33.2 and regulations adopted pursuant thereto by the Commonwealth Transportation Board. Further, any outdoor directional sign regarding marijuana, marijuana products, or any substance containing a synthetic tetrahydrocannabinol or synthetic derivative of tetrahydrocannabinol that is located or to be located on highway rights of way shall also be governed by and comply with the Integrated Directional Sign Program administered by the Virginia Department of Transportation or its agents.

§ 4.1-1403. Board to establish regulations for marijuana testing.

The Board shall establish a testing program for marijuana and marijuana products. Except as otherwise provided in this subtitle or otherwise provided by law, the program shall require a licensee, prior to selling or distributing marijuana or a marijuana product to a consumer or to another licensee, to submit a representative sample of the marijuana or marijuana product, not to exceed an amount of the total harvest or batch as established by the Board, to a licensed marijuana testing facility for testing to ensure that the marijuana or marijuana product does not exceed the maximum level of allowable contamination for any contaminant that is injurious to health and for which testing is required and to ensure correct labeling. The Board shall adopt regulations (i) establishing a testing program pursuant to this section; (ii) establishing acceptable testing and research practices, including regulations relating to testing practices, methods, and standards; quality control analysis; equipment certification and calibration; marijuana testing facility recordkeeping, documentation, and business practices; disposal of used, unused, and waste marijuana and marijuana products; and reporting of test results; (iii) identifying the types of contaminants that are injurious to health for which marijuana and marijuana products shall be tested under this subtitle; and (iv) establishing the maximum level of allowable contamination for each contaminant.

§ 4.1-1404. Mandatory testing; scope; recordkeeping; notification; additional testing not required; required destruction; random testing.

A. A licensee may not sell or distribute marijuana or a marijuana product to a consumer or to another licensee under this subtitle unless a representative sample of the marijuana or marijuana product has been tested pursuant to this subtitle and the regulations adopted pursuant to this subtitle and the mandatory testing has demonstrated that (i) the marijuana or marijuana product does not exceed the maximum level of allowable contamination for any contaminant that is injurious to health and for which testing is required and (ii) the labeling on the marijuana or marijuana product is correct.

B. Mandatory testing of marijuana and marijuana products under this section shall include, at minimum, testing for:

1. Residual solvents, except such testing shall not be required for testing of botanical marijuana;

2. Heavy metals;

3. Microbiological contaminants;

4. Mycotoxins;

5. Pesticide chemical residue; and

6. Active ingredient analysis.

Testing shall be performed on the final form in which the marijuana or marijuana product will be consumed.

C. A licensee shall maintain a record of all mandatory testing that includes a description of the marijuana or marijuana product provided to the marijuana testing facility, the identity of the marijuana testing facility, and the results of the mandatory test.

D. If the results of a mandatory test conducted pursuant to this section indicate that the tested marijuana or marijuana product exceeds the maximum level of allowable tetrahydrocannabinol or contamination for any contaminant that is injurious to health and for which testing is required, the marijuana testing facility shall immediately quarantine, document, and properly destroy the marijuana or marijuana product, unless remedial measures can bring the marijuana or marijuana product into compliance with such required health and safety standards, and within seven days of completing the test shall notify the Board of the test results.

A marijuana testing facility is not required to notify the Board of the results of any test:

1. Conducted on marijuana or a marijuana product at the direction of a licensee for research and development purposes only, so long as the licensee notifies the marijuana testing facility prior to the performance of the test that the testing is for research and development purposes only; or

2. Conducted on marijuana or a marijuana product at the direction of a person who is not a licensee.

E. Notwithstanding the foregoing, a licensee may sell or furnish to a consumer or to another licensee marijuana or a marijuana product that the licensee has not submitted for testing in accordance with this subtitle and regulations adopted pursuant to this subtitle if the following conditions are met:

1. The marijuana or marijuana product has previously undergone testing in accordance with this subtitle and regulations adopted pursuant to this subtitle at the direction of another licensee and the testing demonstrated that the marijuana or marijuana product does not exceed the maximum level of allowable tetrahydrocannabinol or contamination for any contaminant that is injurious to health and for which testing is required;

2. The mandatory testing process and the test results for the marijuana or marijuana product are documented in accordance with the requirements of this subtitle and all applicable regulations adopted pursuant to this subtitle;

3. Tracking from immature marijuana plant to the point of retail sale has been maintained for the marijuana or marijuana product and transfers of the marijuana or marijuana product to another licensee or to a consumer can be easily identified; and

4. The marijuana or marijuana product has not undergone any further processing, manufacturing, or alteration subsequent to the performance of the prior testing under subsection A.

F. Licensees shall be required to destroy harvested batches of marijuana or batches of marijuana products whose testing samples indicate noncompliance with the health and safety standards required by this subtitle and the regulations adopted by the Board pursuant to this subtitle, unless remedial measures can bring the marijuana or marijuana product into compliance with such required health and safety standards.

G. A licensee shall comply with all requests for samples of marijuana and marijuana products for the purpose of random testing by a state-owned laboratory or state-approved private laboratory.

§ 4.1-1405. Labeling and packaging requirements; prohibitions.

A. Marijuana and marijuana products to be sold or offered for sale by a licensee to a consumer shall be labeled with the following information:

1. Identification of the type of marijuana or marijuana product;

2. Identification of the marijuana cultivation facility and marijuana processing facility where the marijuana or marijuana product was cultivated and processed, as applicable;

3. A statement of the net weight of the marijuana or marijuana product;

4. In English and in a font no less than 1/16 of an inch, information concerning (i) all ingredients; (ii) tetrahydrocannabinol, cannabidiol, and other cannabinoid content; (ii) any allergens required by the Board; (iii) the amount of servings in the package; and (iv) the total milligrams of tetrahydrocannabinol and cannabidiol included in an edible marijuana product or topical marijuana product, the number of milligrams of tetrahydrocannabinol and cannabidiol in each serving of an edible marijuana product or topical marijuana product, and the total percentage of tetrahydrocannabinol and cannabidiol included in an inhalable marijuana product, in accordance with Board regulations;

5. Instructions on usage, including information regarding the amount of marijuana or marijuana product that constitutes a single serving, and information regarding the products purpose, as applicable;

6. An expiration date;

7. For marijuana and marijuana products, a warning statement adopted by the Board prominently displayed in bold print and in a clear and legible fashion;

8. A universal symbol stamped or embossed on the packaging of any marijuana and marijuana products;

9. A QR code or other means prescribed by the Board, linking to the certificate of analysis, produced by a licensed marijuana testing facility, that states the total tetrahydrocannabinol concentration of the substance or the total tetrahydrocannabinol concentration of the batch from which the substance originates; and

10. Any other information required by Board regulations.

B. Marijuana and marijuana products to be sold or offered for sale by a licensee to a consumer in accordance with the provisions of this subtitle shall be packaged in the following manner:

1. Marijuana and marijuana products shall be prepackaged in child-resistant, tamper-evident, and resealable packaging that is opaque or shall be placed at the final point of sale to a consumer in child-resistant, tamper-evident, and resealable packaging that is opaque;

2. Packaging for multiserving liquid marijuana products shall include an integral measurement component; and

3. Packaging shall comply with any other requirements imposed by Board regulations.

C. Marijuana and marijuana products to be sold or offered for sale by a licensee to a consumer in accordance with the provisions of this subtitle shall not:

1. (i) Without authorization, bear, be packaged in a container or wrapper that bears, or otherwise be labeled to bear the trademark, trade name, famous mark as defined in 15 U.S.C. § 1125, or other identifying mark, imprint, or device, or any likeness thereof, of a manufacturer, processor, packer, or distributor of a product intended for human consumption other than the manufacturer, processor, packer, or distributor that did in fact so manufacture, process, pack, or distribute such substance or (ii) otherwise be packaged or labeled in violation of a federal trademark law or regulation;

2. Be labeled or packaged in a manner that appeals particularly to persons younger than 21 years of age;

3. Be labeled or packaged in a manner that obscures identifying information on the label;

4. Be labeled or packaged using a false or misleading label;

5. Depict, model the shape of, or use a label or package that depicts or models the shape of a human, animal, vehicle, or fruit; and

6. Be labeled or packaged in violation of any other labeling or packaging requirements imposed by Board regulations.

§ 4.1-1406. Other health and safety requirements for edible marijuana products and other marijuana products deemed applicable by the Authority; health and safety regulations.

A. In addition to all other applicable provisions of this subtitle, edible marijuana products and other marijuana products deemed applicable by the Authority to be sold or offered for sale by a licensee to a consumer:

1. Shall be processed by a marijuana processing facility licensee whose licensed premises is under inspection by the Department of Agriculture and Consumer Services pursuant to the requirements for food manufacturers established in Chapter 51 (§ 3.2-5100 et seq.) of Title 3.2 and is operating in compliance with the laws and regulations that pertain to food manufacturers and the processing of edible marijuana products;

2. Shall comply with the provisions of Chapter 51 (§ 3.2-5100 et seq.) of Title 3.2 when such products are intended for human consumption. Such products shall be considered food;

3. Shall be processed and manufactured in a manner that results in the cannabinoid content within the product being homogeneous throughout the product or throughout each element of the product that has a cannabinoid content;

4. Shall be processed and manufactured in a manner that results in the amount of marijuana concentrate within the product being homogeneous throughout the product or throughout each element of the product that contains marijuana concentrate;

5. Shall have a universal symbol stamped or embossed on the packaging of each product;

6. Shall not contain more than 10 milligrams of tetrahydrocannabinol per serving of the product and shall not contain more than 100 milligrams of tetrahydrocannabinol per package of the product;

7. Shall not contain additives that (i) are toxic or harmful to human beings, (ii) are specifically designed to make the product more addictive, (iii) contain alcohol or nicotine, (iv) are misleading to consumers, or (v) are specifically designed to make the product appeal particularly to persons younger than 21 years of age; and

8. Shall not involve the addition of marijuana to a trademarked food or drink product, except when the trademarked product is used as a component of or ingredient in the edible marijuana product and the edible marijuana product is not advertised or described for sale as containing the trademarked product.

B. The Board shall adopt any additional labeling, packaging, or other health and safety regulations that it deems necessary for marijuana and marijuana products to be sold or offered for sale by a licensee to a consumer in accordance with this subtitle. Regulations adopted pursuant to this subsection shall establish mandatory health and safety standards applicable to the cultivation of marijuana, the processing and manufacture of marijuana products, and the packaging and labeling of marijuana and marijuana products sold by a licensee to a consumer. Such regulations shall address:

1. Requirements for the storage, warehousing, and transportation of marijuana and marijuana products by licensees;

2. Standards for the processing and manufacture of marijuana and marijuana products; and

3. Limitations on the display of marijuana and marijuana products at retail marijuana stores and microbusinesses.

§ 4.1-1407. Product registration requirements; approval, deviation, and modification.

A. A marijuana cultivation facility licensee, marijuana processing facility licensee, and microbusiness licensee shall register with the Board all marijuana or marijuana products it cultivates or processes. Applications for marijuana or marijuana product registration shall be submitted to the Board on a form prescribed by the Board.

B. An application for marijuana or marijuana product registration shall include:

1. The total tetrahydrocannabinol and total cannabidiol in such marijuana or marijuana product, based on laboratory testing results for the marijuana or marijuana product formulation;

2. A product name;

3. A proposed product package; and

4. A proposed product label, which shall not be required to contain an expiration date at the time of application.

C. The Board shall register all marijuana or marijuana products that meet labeling and packaging standards established by regulation after an application for registration is submitted and the Board receives the applicable registration fee. If the marijuana or marijuana product fails to meet such standards or the application was deficient, the Board shall notify the applicant of the specific reasons for such failure or deficiency.

D. The following marijuana or marijuana product deviations from an approved marijuana or marijuana product registration shall be permitted without any requirement for a new marijuana or marijuana product registration or notice to the Board:

1. A deviation in the concentration of total tetrahydrocannabinol (THC) or total cannabidiol (CBD) in a marijuana or marijuana product or dose thereof of up to 15 percent greater than or less than the concentration of total tetrahydrocannabinol or total cannabidiol, either or both, listed in the approved marijuana or marijuana product registration; however, for marijuana or a marijuana product with five milligrams or less of total THC or total CBD per dose, the total THC or total CBD concentration shall be within 0.5 milligrams of the single dose total THC or total CBD concentrations approved for that marijuana or marijuana product;

2. A variation in packaging, provided that the packaging is substantially similar to the approved packaging and otherwise complies with applicable packaging requirements;

3. A deviation in labeling that reflects allowable deviations in total THC or total CBD or that makes a minor text, font, design, or similar modification, provided that the labeling is substantially similar to the approved labeling and otherwise complies with applicable labeling requirements; and

4. Any other insignificant changes.

E. A marijuana cultivation facility licensee, marijuana processing facility licensee, or microbusiness license may submit a request to modify an existing marijuana or marijuana product registration in the event of a marijuana or marijuana product deviation that is not set forth in subsection D. Upon receipt, the Board shall respond to such request. The Board may grant or deny the request, propose a reasonable revision, or require the licensee to provide additional information.

§ 4.1-1500. Definitions.

As used in this chapter, unless the context requires a different meaning:

"CDFI" means a community development financial institution that provides credit and financial services for underserved communities.

"Fund" means the Virginia Cannabis Equity Business Loan Fund established in § 4.1-1501.

"Funding" means loans *and grants* made from the Fund.

"Program" means the Virginia Cannabis Equity Business Loan Program established in § 4.1-1502.

~~"Social equity qualified cannabis licensee" means a person or business who meets the criteria in § 4.1-606 to qualify as a social equity applicant and who either holds or is in the final stages of acquiring, as determined by the Board, a license to operate a marijuana establishment.~~

§ 4.1-1501. Virginia Cannabis Equity Business Loan Fund.

There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Cannabis Equity Business Loan Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on 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. Moneys in the Fund shall be used solely for the purposes of providing *grants,* low-interest ~~and~~ *loans,* zero-interest loans, *conditional loans, and other supports and services* to ~~social equity qualified cannabis~~ *impact* licensees in order to foster business ownership and

economic growth within communities that have been the most disproportionately impacted by the former prohibition of cannabis. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Chief Executive Officer of the Authority.

§ 4.1-1502. Program requirements; guidelines for management of the Fund; selection of CDFI.

A. The Authority shall establish a Program to provide loans, *grants, and other supports and services* to ~~qualified social equity cannabis~~ *impact* licensees for the purpose of promoting business ownership and economic growth by communities that have been disproportionately impacted by the prohibition of cannabis. ~~The~~ *For the purposes of issuing loans, the* Authority ~~shall~~ *may* select and work in collaboration with a CDFI ~~to assist in administering the Program and carrying out the purposes of the Fund~~. ~~The~~ *If the Authority utilizes a CDFI for issuing loans, the* CDFI selected by the Authority shall have (i) a statewide presence in Virginia, (ii) experience in business lending, (iii) a proven track record of working with disadvantaged communities, and (iv) the capability to dedicate sufficient staff to manage the Program. ~~Working with the selected CDFI, the~~ *The* Authority shall establish monitoring and accountability mechanisms for ~~businesses~~ *impact licensees* receiving funding and shall report annually the number of businesses funded; the geographic distribution of the businesses; the costs of the Program; and the outcomes, including the number and types of jobs created.

B. The Program shall:

1. Identify ~~social equity qualified cannabis~~ *impact* licensees who are in need of capital *or other supports and services* for the start-up of a cannabis business properly licensed pursuant to the provisions of this subtitle;

2. Provide loans, *grants, and other supports and services* for the purposes described in subsection A *and § 4.1-1501*;

3. Provide technical assistance; and

4. Bring together community partners to sustain the Program.

§ 4.1-1600. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Botanical cannabis" means cannabis that is composed wholly of usable cannabis from the same parts of the same chemovar of cannabis plant.

"Cannabis dispensing facility" means a *dual-use* facility that (i) has obtained a permit from the Board pursuant to § 4.1-1602; (ii) is owned, at least in part, by a pharmaceutical processor; ~~and~~ (iii) dispenses cannabis products produced by a pharmaceutical processor to a patient, his registered agent, or, if such patient is a minor or a vulnerable adult as defined in § 18.2-369, such patient's parent or legal guardian*; and (iv) has been verified by the Board pursuant to § 4.1-1602.1 to hold and exercise all privileges to operate as a retail marijuana store pursuant to § 4.1-802 on the premises of the cannabis dispensing facility*.

"Cannabis oil" means any formulation of processed Cannabis plant extract, which may include industrial hemp extracts, including isolates and distillates, acquired by a pharmaceutical processor pursuant to § 4.1-1602, or a dilution of the resin of the Cannabis plant that contains, except as otherwise provided in this chapter, no more than 10 milligrams of tetrahydrocannabinol per dose. "Cannabis oil" does not include industrial hemp, as defined in § 3.2-4112, that is grown, handled, or processed in compliance with state or federal law, unless it has been grown and processed in the Commonwealth by a registered industrial hemp processor and acquired and formulated by a pharmaceutical processor.

"Cannabis product" means a product that (i) is formulated with cannabis oil or botanical cannabis; (ii) is produced by a pharmaceutical processor and sold by a pharmaceutical processor or cannabis dispensing facility; (iii) is registered with the Board; (iv) contains, except as otherwise provided in this chapter, no more than 10 milligrams of tetrahydrocannabinol per dose; and (v) is compliant with testing requirements.

"Designated caregiver facility" means any hospice or hospice facility licensed pursuant to § 32.1-162.3, or home care organization as defined in § 32.1-162.7 that provides pharmaceutical services or home health services, private provider licensed by the Department of Behavioral Health and Developmental Services pursuant to Article 2 (§ 37.2-403 et seq.) of Chapter 4 of Title 37.2, assisted living facility licensed pursuant to § 63.2-1701, or adult day center licensed pursuant to § 63.2-1701.

"Dispense" means the same as that term is defined in § 54.1-3300.

"Pharmaceutical processor" means a *dual-use* facility that (i) has obtained a permit from the Board pursuant to § 4.1-1602 ~~and~~*;* (ii) cultivates Cannabis plants intended ~~only~~ for the production of cannabis oil, botanical cannabis, and usable cannabis, produces cannabis products, and dispenses cannabis products to a patient pursuant to a written certification, his registered agent, or, if such patient is a minor or a vulnerable adult as defined in § 18.2-369, such patient's parent or legal guardian*; and (iii) has been verified by the Board pursuant to § 4.1-1602.1 to hold and exercise all privileges to operate as a marijuana cultivation facility pursuant to § 4.1-800, marijuana processing facility pursuant to § 4.1-801, and retail marijuana store pursuant to § 4.1-802*.

"Pharmacist" means the same as that term is defined in § 54.1-3300.

"Pharmacy intern" means the same as that term is defined in § 54.1-3300.

"Pharmacy technician" means the same as that term is defined in § 54.1-3300.

"Pharmacy technician trainee" means the same as that term is defined in § 54.1-3300.

"Practitioner" means a practitioner of medicine or osteopathy licensed by the Board of Medicine, a physician assistant licensed by the Board of Medicine, or an advanced practice registered nurse jointly licensed by the Boards of Nursing and Medicine.

"Registered agent" means an individual designated by a patient who has been issued a written certification, or, if such patient is a minor or a vulnerable adult as defined in § 18.2-369, designated by such patient's parent or legal guardian, and registered with the Board pursuant to subsection F of § 4.1-1601.

"Usable cannabis" means any cannabis plant material, including seeds, but not (i) resin that has been extracted from any part of the cannabis plant, its seeds, or its resin; (ii) the mature stalks, fiber produced from the stalks, or any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks; or (iii) oil or cake made from the seeds of the plant.

§ 4.1-1601. Certification for use of cannabis for treatment.

A. A practitioner in the course of his professional practice may issue a written certification for the use of cannabis products for treatment or to alleviate the symptoms of any diagnosed condition or disease determined by the practitioner to benefit from such use. The practitioner shall use his professional judgment to determine the manner and frequency of patient care and evaluation and may employ the use of telemedicine, provided that the use of telemedicine includes the delivery of patient care through real-time interactive audiovisual technology. No practitioner may issue a written certification while such practitioner is on the premises of a pharmaceutical processor or cannabis dispensing facility. A pharmaceutical processor shall not endorse or promote any practitioner who issues certifications to patients. If a practitioner determines it is consistent with the standard of care to dispense botanical cannabis to a minor, the written certification shall specifically authorize such dispensing. If not specifically included on the initial written certification, authorization for botanical cannabis may be communicated verbally or in writing to the pharmacist at the time of dispensing. A practitioner who issues written certifications shall not directly or indirectly accept, solicit, or receive anything of value from a pharmaceutical processor, cannabis dispensing facility, or any person associated with a pharmaceutical processor, cannabis dispensing facility, or provider of paraphernalia, excluding information on products or educational materials on the benefits and risks of cannabis products.

B. The written certification shall be on a form provided by the Authority. Such written certification shall contain the name, address, and telephone number of the practitioner, the name and address of the patient issued the written certification, the date on which the written certification was made, and the signature or authentic electronic signature of the practitioner. Such written certification issued pursuant to subsection A shall expire one year after its issuance unless the practitioner provides in such written certification an earlier expiration. A written certification shall not be issued to a patient by more than one practitioner during any given time period.

C. No practitioner shall be prosecuted under *Chapter 11 (§ 4.1-1100 et seq.) or* § 18.2-248 ~~or 18.2-248.1~~ for the issuance of a certification for the use of cannabis products for the treatment or to alleviate the symptoms of a patient's diagnosed condition or disease pursuant to a written certification issued pursuant to subsection A. Nothing in this section shall preclude a practitioner's professional licensing board from sanctioning the practitioner for failing to properly evaluate or treat a patient's medical condition or otherwise violating the applicable standard of care for evaluating or treating medical conditions.

D. A practitioner who issues a written certification to a patient pursuant to this section (i) shall hold sufficient education and training to exercise appropriate professional judgment in the certification of patients; (ii) shall not offer a discount or any other thing of value to a patient or a patient's parent, guardian, or registered agent that is contingent on or encourages the person's decision to use a particular pharmaceutical processor or cannabis product; (iii) shall not issue a certification to himself or his family members, employees, or coworkers; (iv) shall not provide product samples containing cannabis other than those approved by the U.S. Food and Drug Administration; and (v) shall not accept compensation from a pharmaceutical processor or cannabis dispensing facility. The Board shall not limit the number of patients to whom a practitioner may issue a written certification. The Board may report information to the applicable licensing board on unusual patterns of certifications issued by a practitioner.

E. No patient shall be required to physically present the written certification after the initial dispensing by any pharmaceutical processor or cannabis dispensing facility under each written certification, provided that the pharmaceutical processor or cannabis dispensing facility maintains an electronic copy of the written certification. Pharmaceutical processors and cannabis dispensing facilities shall electronically transmit on a monthly basis all new written certifications received by the pharmaceutical processor or cannabis dispensing facility to the Authority.

F. A patient, or, if such patient is a minor or a vulnerable adult as defined in § 18.2-369, such patient's parent or legal guardian, may designate an individual to act as his registered agent for the purposes of receiving cannabis products pursuant to a valid written certification. Such designated individual shall register with the Board unless the individual's name listed on the patient's written certification. An individual may, on the basis of medical need and in the discretion of the patient's registered practitioner, be listed on

the patient's written certification upon the patient's request. The Board may set a limit on the number of patients for whom any individual is authorized to act as a registered agent.

G. Upon delivery of a cannabis product by a pharmaceutical processor or cannabis dispensing facility to a designated caregiver facility, any employee or contractor of a designated caregiver facility who is licensed or registered by a health regulatory board and who is authorized to possess, distribute, or administer medications may accept delivery of the cannabis product on behalf of a patient or resident for subsequent delivery to the patient or resident and may assist in the administration of the cannabis product to the patient or resident as necessary.

H. Information obtained under the patient certification or agent registration process shall be confidential and shall not be subject to the disclosure provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). However, reasonable access to registry information shall be provided to (i) the Chairmen of the House and Senate Committees for Courts of Justice, (ii) state and federal agencies or local law enforcement for the purpose of investigating or prosecuting a specific individual for a specific violation of law, (iii) licensed practitioners or pharmacists, or their agents, for the purpose of providing patient care and drug therapy management and monitoring of drugs obtained by a patient, (iv) a pharmaceutical processor or cannabis dispensing facility involved in the treatment of a patient, or (v) a patient's registered agent, but only with respect to information related to such patient.

§ 4.1-1602. Permit to operate pharmaceutical processor or cannabis dispensing facility.

A. No person shall operate a pharmaceutical processor or a cannabis dispensing facility without first obtaining a permit from the Board. The application for such permit shall be made on a form provided by the Authority and signed by a pharmacist who will be in full and actual charge of the pharmaceutical processor's dispensing area or cannabis dispensing facility. The Board shall establish an application fee and other general requirements for such application. *Effective June 1, 2027, no previously issued permit shall remain valid unless the pharmaceutical processor has received dual-use verification from the Board pursuant to § 4.1-1602.1*.

B. Each permit shall expire annually on a date determined by the Board in regulation. The number of permits that the Board may issue or renew in any year is limited to one *permit in each health service area established by the Board of Health, which shall govern the operations of the* pharmaceutical processor and up to five cannabis dispensing facilities ~~for~~ *in* each health service area established by the Board of Health. Permits shall be displayed in a conspicuous place on the premises of the pharmaceutical processor and cannabis dispensing facility.

C. The Board shall adopt regulations establishing health, safety, and security requirements for pharmaceutical processors and cannabis dispensing facilities. Such regulations shall include requirements for (i) physical standards; (ii) location restrictions; (iii) security systems and controls; (iv) minimum equipment and resources; (v) recordkeeping; (vi) labeling and packaging; (vii) routine inspections no more frequently than once annually; (viii) processes for safely and securely dispensing and delivering in person cannabis products to a patient, his registered agent, or, if such patient is a minor or a vulnerable adult as defined in § 18.2-369, such patient's parent or legal guardian; (ix) dosage limitations for cannabis products that provide that each dispensed dose of a cannabis product not exceed 10 milligrams of total tetrahydrocannabinol, except as permitted under § 4.1-1603.2; (x) a process for the wholesale distribution of and the transfer of usable cannabis, botanical cannabis, cannabis oil, and cannabis products between pharmaceutical processors, between a pharmaceutical processor and a cannabis dispensing facility, and between cannabis dispensing facilities; (xi) an allowance for the sale of devices for administration of dispensed cannabis products and hemp-based CBD products that meet the applicable standards set forth in state and federal law, including the laboratory testing standards set forth in subsection N; (xii) an allowance for the use and distribution of inert product samples containing no cannabinoids for patient demonstration exclusively at the pharmaceutical processor or cannabis dispensing facility, and not for further distribution or sale, without the need for a written certification; (xiii) a process for acquiring industrial hemp extracts and formulating such extracts into cannabis products; and (xiv) an allowance for the advertising and promotion of the pharmaceutical processor's products and operations, which shall not limit the pharmaceutical processor from the provision of educational material to practitioners who issue written certifications and patients. The Board shall also adopt regulations for pharmaceutical processors that include requirements for (a) processes for safely and securely cultivating cannabis plants intended for producing cannabis products, (b) the disposal of agricultural waste, and (c) a process for registering cannabis products.

D. The Board shall require pharmaceutical processors, after processing and before dispensing any cannabis products, to make a sample available from each batch of cannabis product for testing by an independent laboratory that is located in *the* Commonwealth and meets Board requirements. ~~A valid sample size for testing shall be determined by each laboratory and may vary due to sample matrix, analytical method, and laboratory-specific procedures. A minimum sample size of 0.5 percent of individual units for dispensing or distribution from each homogenized batch of cannabis oil is required to achieve a representative cannabis oil sample for analysis. A minimum sample size, to be determined by the certified testing laboratory, from each batch of botanical cannabis is required to achieve a representative botanical cannabis sample for analysis. Botanical cannabis products shall only be tested for the following: total cannabidiol (CBD), total tetrahydrocannabinol (THC), terpenes, pesticide chemical residue, heavy metals, mycotoxins, moisture, and microbiological contaminants. Testing thresholds shall be consistent with generally accepted cannabis industry thresholds. The pharmaceutical processor may remediate botanical cannabis or cannabis oil that fails any quality testing standard except pesticides. Following remediation, all remediated botanical cannabis or cannabis oil shall be subject to laboratory testing, which shall not be more stringent than initial testing prior to remediation. Remediated botanical~~

~~cannabis or cannabis oil that passes such quality testing may be packaged and labeled. If a batch of botanical cannabis fails retesting after remediation, it shall be considered usable cannabis and may be processed into cannabis oil. Stability testing shall not be required for any cannabis product with an expiration date assigned by the pharmaceutical processor of 12 months or less from the date of the cannabis product registration approval. Stability testing required for assignment of an expiration date longer than 12 months shall be limited to microbial testing, on a pass/fail basis, and potency testing, on a 15 percent deviation basis, of total THC and total CBD. No cannabis product shall have an expiration date longer than 12 months from the date of the cannabis product registration approval unless supported by stability testing.~~ *The provisions of § 4.1-1404 shall apply, mutatis mutandis, to the testing of all cannabis products.*

E. A laboratory testing samples for a pharmaceutical processor shall obtain a controlled substances registration certificate pursuant to § 54.1-3423 and shall comply with quality standards established by the Board of Pharmacy in regulation.

F. Every pharmaceutical processor's dispensing area or cannabis dispensing facility shall be under the personal supervision of a licensed pharmacist on the premises of the pharmaceutical processor or cannabis dispensing facility unless all cannabis products are contained in a vault or other similar container to which only the pharmacist has access controls. The pharmaceutical processor shall ensure that security measures are adequate to protect the cannabis from diversion at all times, and the pharmacist-in-charge shall have concurrent responsibility for preventing diversion from the dispensing area.

Every pharmaceutical processor shall designate a person who shall have oversight of the cultivation and production areas of the pharmaceutical processor and shall provide such information to the Board. The Board shall direct all communications related to enforcement of requirements related to cultivation and production of cannabis and cannabis products by the pharmaceutical processor to such designated person.

G. The Board shall require the material owners of an applicant for a pharmaceutical processor or cannabis dispensing facility permit to submit to fingerprinting and provide personal descriptive information to be forwarded along with his fingerprints through the Central Criminal Records Exchange to the Federal Bureau of Investigation for the purpose of obtaining criminal history record information regarding the applicant's material owners. The cost of fingerprinting and the criminal history record search shall be paid by the applicant. The Central Criminal Records Exchange shall forward the results of the criminal history background check to the Board or its designee, which shall be a governmental entity.

H. A pharmaceutical processor shall maintain evidence of criminal background checks for all employees and delivery agents of the pharmaceutical processor. Criminal background checks of employees and delivery agents may be conducted by any service sufficient to disclose any federal and state criminal convictions.

I. In addition to other employees authorized by the Board, a pharmaceutical processor may employ individuals who may have less than one year of experience (i) to perform cultivation-related duties under the supervision of an individual who has received a degree in a field related to the cultivation of plants or a certification recognized by the Board or who has at least one year of experience cultivating plants, (ii) to perform extraction-related duties under the supervision of an individual who has a degree in chemistry or pharmacology or at least one year of experience extracting chemicals from plants, (iii) to perform duties at the pharmaceutical processor and cannabis dispensing facility upon certification as a pharmacy technician, and (iv) to serve as pharmacy technician trainees.

J. A pharmaceutical processor to whom a permit has been issued by the Board may (i) establish up to five cannabis dispensing facilities, subject to the permit requirement set forth in subsection B, for the dispensing of cannabis products that have been cultivated and produced on the premises of a pharmaceutical processor permitted by the Board and (ii) establish, if authorized by the Board, one additional location at which the pharmaceutical processor may cultivate cannabis plants. *Notwithstanding any other provision of law, a pharmaceutical processor shall cultivate cannabis only indoors, which may include a secure agricultural greenhouse, with a canopy that does not exceed 70,000 square feet in the aggregate across all cultivation conducted by the pharmaceutical processor, including cultivation authorized under this chapter and for purposes of a pharmaceutical processor's operations as a marijuana cultivation facility pursuant to § 4.1-800, regardless of whether such canopy is utilized on the premises of the pharmaceutical processor or collectively on the premises of the pharmaceutical processor and the additional cultivation location.* Each cannabis dispensing facility and the additional cultivation location shall be located within the same health service area as the pharmaceutical processor.

K. No person who has been convicted of a felony under the laws of the Commonwealth or another jurisdiction within the last five years shall be employed by or act as an agent of a pharmaceutical processor or cannabis dispensing facility.

L. Every pharmaceutical processor or cannabis dispensing facility shall adopt policies for pre-employment drug screening and regular, ongoing, random drug screening of employees.

M. A pharmacist at the pharmaceutical processor's dispensing area and the cannabis dispensing facility shall determine the number of pharmacy interns, pharmacy technicians, and pharmacy technician trainees who can be safely and competently supervised at one time; however, no pharmacist shall supervise more than six persons performing the duties of a pharmacy technician at one time in the pharmaceutical processor's dispensing area or cannabis dispensing facility.

N. A pharmaceutical processor may acquire from a registered industrial hemp handler or processor industrial hemp extracts that (i) are grown and processed in Virginia in compliance with state or federal law, and (ii) notwithstanding the tetrahydrocannabinol limits set forth in the definition of "industrial hemp extract" in § 3.2-5145.1, contain a total tetrahydrocannabinol concentration of no greater than 0.3 percent. A pharmaceutical processor may process and formulate such extracts into an allowable dosage of cannabis product.

Industrial hemp extracts acquired and formulated by a pharmaceutical processor are subject to the same third-party testing requirements that may apply to cannabis plant extract. Testing shall be performed by a laboratory located in Virginia and in compliance with state law governing the testing of cannabis products. The industrial hemp handler or processor shall provide such third-party testing results to the pharmaceutical processor before industrial hemp extracts may be acquired.

O. Product labels for all cannabis products and botanical cannabis shall be complete, accurate, easily ~~discernable~~ *discernible*, and uniform among different products and brands. Pharmaceutical processors shall affix to all cannabis products and botanical cannabis a label, which shall also be accessible on the pharmaceutical processor's website, that includes:

1. The product name;

2. All active and inactive ingredients, including cannabinoids, terpenes, additives, preservatives, flavorings, sweeteners, and carrier oils;

3. The total percentage and milligrams of tetrahydrocannabinol and cannabidiol included in the product and the number of milligrams of tetrahydrocannabinol and cannabidiol in each serving;

4. The amount of product that constitutes a single serving and the amount recommended for use by the practitioner or dispensing pharmacist;

5. Information regarding the product's purpose and detailed usage directions;

6. Child and safety warnings in a conspicuous font; and

7. Such other information required by the Board.

P. A pharmaceutical processor or cannabis dispensing facility shall maintain an adequate supply of cannabis products that (i) contain cannabidiol as their primary cannabinoid and (ii) have low levels of or no tetrahydrocannabinol.

Q. With the exception of § 2.2-4031, neither the provisions of the Administrative Process Act (§ 2.2-4000 et seq.) nor public participation guidelines adopted pursuant thereto shall apply to the adoption of any regulation pursuant to this section. Prior to adopting any regulation pursuant to this section, the Board shall publish a notice of opportunity to comment in the Virginia Register of Regulations and post the action on the Virginia Regulatory Town Hall. Such notice of opportunity to comment shall contain (i) a summary of the proposed regulation; (ii) the text of the proposed regulation; and (iii) the name, address, and telephone number of the agency contact person responsible for receiving public comments. Such notice shall be made at least 60 days in advance of the last date prescribed in such notice for submittals of public comment. The legislative review provisions of subsections A and B of § 2.2-4014 shall apply to the promulgation or final adoption process for regulations pursuant to this section. The Board shall consider and keep on file all public comments received for any regulation adopted pursuant to this section.

§ 4.1-1602.1. Dual-use privileges.

A. As used in this section, "interest" means a direct or indirect equity ownership interest, a partial equity ownership interest, or any other financial or economic interest representing at least 10 percent or more of the ownership, voting power, or economic value of an entity, including being an investor, partner, member, officer, or director or serving in any other management position.

B. Upon application to the Board, payment of a one-time conversion fee by a pharmaceutical processor, and verification by the Board that the applicable requirements are met, a pharmaceutical processor and its cannabis dispensing facilities may exercise dual-use privileges as set forth in this chapter.

C. In addition to the provisions of this chapter, unless otherwise provided by law or regulation, a pharmaceutical processor authorized to exercise dual-use privileges shall hold the privileges of and be subject to all laws and regulations applicable to a marijuana cultivation facility, marijuana processing facility, and retail marijuana store and a cannabis dispensing facility shall hold the privileges of and be subject to all laws and regulations applicable to a retail marijuana store.

D. Notwithstanding the provisions of subsection C or any other provisions of law, (i) the location restrictions set forth in subdivision B 3 of § 4.1-810 shall not apply to any pharmaceutical processor or cannabis dispensing facility authorized to exercise dual-use privileges and operating on December 1, 2026, and (ii) the provisions of subdivision C 3 of § 4.1-606 shall not apply to any pharmaceutical processor or cannabis dispensing facility authorized to exercise dual-use privileges and any such pharmaceutical processor or cannabis dispensing facility may operate with a retail floor space exceeding 2,500 square feet if the premises was approved by the Board prior to January 1, 2026, provided that the Board shall not approve any future premises modifications that would increase such retail floor space from the square footage previously approved.

E. Notwithstanding any other provision of law, no person that has been granted or holds an interest in a pharmaceutical processor permit pursuant to this chapter shall be issued or hold interest in any other marijuana establishment license, except for the cannabis dispensing facility permits allowed pursuant to § 4.1-1602.

§ 4.1-1603. Dispensing cannabis products; report.

A. A pharmaceutical processor or cannabis dispensing facility shall dispense or deliver cannabis products only in person to (i) a patient who is a Virginia resident or temporarily resides in Virginia and has been issued a valid written certification; (ii) such patient's registered agent; or (iii) if such patient is a minor or a vulnerable adult as defined in § 18.2-369, such patient's parent or legal guardian who is a Virginia resident or temporarily resides in Virginia. *A pharmaceutical processor or cannabis dispensing facility may dispense or deliver cannabis products to such patient or such patient's registered agent, parent, or legal guardian at any residence, including a temporary residence, or business. Notwithstanding the foregoing, a pharmaceutical processor or cannabis dispensing facility shall not dispense or deliver cannabis products to (a) any military base, child day center, school, or correctional facility; (b) the State Capitol; (c) marine terminal under the supervision of the Virginia Port Authority; or (d) any public gathering places, including sporting events, festivals, fairs, races, concerts, and terminals of public transportation companies.* A companion may accompany a patient into a pharmaceutical processor's dispensing area or cannabis dispensing facility. Prior to the initial dispensing of cannabis products pursuant to each written certification, a pharmacist or pharmacy technician employed by the pharmaceutical processor or cannabis dispensing facility shall make and maintain, on site or remotely by electronic means, for two years a paper or electronic copy of the written certification that provides an exact image of the document that is clearly legible; shall view, in person or by audiovisual means, a current photo identification of the patient, registered agent, parent, or legal guardian; and shall verify current board registration of the corresponding registered agent if applicable. Thereafter, an initial dispensing may be delivered to the patient, registered agent, parent, legal guardian, or designated caregiver facility. Prior to any subsequent dispensing of cannabis products pursuant to each written certification, an employee or delivery agent shall view a current photo identification of the patient, registered agent, parent, or legal guardian and the current board registration issued to the registered agent if applicable. No pharmaceutical processor or cannabis dispensing facility shall dispense more than a 90-day supply, as determined by the dispensing pharmacist or certifying practitioner, for any patient during any 90-day period. A pharmaceutical processor or cannabis dispensing facility may dispense less than a 90-day supply of a cannabis product for any patient during any 90-day period; however, a pharmaceutical processor or cannabis dispensing facility may dispense more than one cannabis product to a patient at one time. No more than four ounces of botanical cannabis shall be dispensed for each 30-day period for which botanical cannabis is dispensed. In determining the appropriate amount of a cannabis product to be dispensed to a patient, a pharmaceutical processor or cannabis dispensing facility shall consider all cannabis products dispensed to the patient and adjust the amount dispensed accordingly.

B. A pharmaceutical processor or cannabis dispensing facility shall dispense only cannabis products produced on the premises of a pharmaceutical processor permitted by the Board or cannabis products that have been formulated with extracts from industrial hemp acquired by a pharmaceutical processor from a registered industrial hemp handler or processor pursuant to § 4.1-1602. A pharmaceutical processor may begin cultivation upon being issued a permit by the Board.

C. The Board shall report annually by December 1 to the Chairmen of the House Committee on General Laws and the Senate Committee on Rehabilitation and Social Services on the operation of pharmaceutical processors and cannabis dispensing facilities issued a permit by the Board.

D. The concentration of total tetrahydrocannabinol in any cannabis product on site may be up to 15 percent greater than or less than the level of total tetrahydrocannabinol listed in the approved cannabis product registration. A pharmaceutical processor and cannabis dispensing facility shall ensure that such concentration in any cannabis product on site is within such range. A pharmaceutical processor producing cannabis products shall establish a stability testing schedule of cannabis products that have an expiration date of longer than 12 months.

E. All transportation or delivery of usable cannabis, botanical cannabis, cannabis oil, or cannabis products, whether by an employee, shall comply with the provisions of this subtitle and Board regulations, including those related to background checks, proof of identification, vehicle security, GPS tracking, secure communications, and recordkeeping. The Board may suspend or revoke the privileges of any employee to transport or deliver usable cannabis, cannabis oil, or cannabis products for failure of such employee to comply with the provisions of this subtitle or Board regulations.

§ 4.1-1603.1. Packaging and labeling; corrections.

A. Pharmaceutical processors shall comply with all packaging and labeling requirements set forth in this article and Board regulations. *Product labels for all cannabis products and botanical cannabis shall be complete, accurate, easily discernible, and uniform among different products and brands. Pharmaceutical processors shall affix to all cannabis products and botanical cannabis a label, which shall also be accessible on the pharmaceutical processor's website. The provisions of § 4.1-1405 shall apply, mutatis mutandis, to the packaging and labeling of all cannabis products and botanical cannabis.*

B. ~~No cannabis product shall be packaged in a container or wrapper that bears, or is otherwise labeled to bear the trademark, trade name, famous mark as defined in 15 U.S.C. § 1125, or other identifying mark, imprint, or device, or any likeness thereof, of a manufacturer, processor, packer, or distributor of a product intended for human consumption other than the manufacturer, processor, packer, or distributor that did in fact so manufacture, process, pack, or distribute such cannabis product.~~

~~C.~~ Pharmaceutical processors may correct typographical errors made on cannabis product labels and any documents generated as the result of a wholesale transaction.

§ 4.1-1603.2. Cannabis product registration.

A. A pharmaceutical processor shall register with the Board each cannabis product it manufactures. Applications for cannabis product registration shall be submitted to the Board on a form prescribed by the Board. *The provisions of § 4.1-1407 shall apply, mutatis mutandis, to the registration of such cannabis products.*

B. ~~An application for cannabis product registration shall include:~~

~~1. The total tetrahydrocannabinol and total cannabidiol in such cannabis product, based on laboratory testing results for the cannabis product formulation;~~

~~2. A product name;~~

~~3. A proposed product package; and~~

~~4. A proposed product label, which shall not be required to contain an expiration date at the time of application.~~

~~C. The Board shall register all cannabis products that meet testing, labeling, and packaging standards after an application for registration is submitted. If the cannabis product fails to meet such standards or the application was deficient, the Board shall notify the applicant of the specific reasons for such failure or deficiency.~~

~~D.~~ Within two business days of the Board's approval or deemed approval *of any cannabis product registration*, the Board shall enter the cannabis product's national drug code number into the Prescription Monitoring Program.

~~E. The following cannabis product deviations from an approved cannabis product registration shall be permitted without any requirement for a new cannabis product registration or notice to the Board:~~

~~1. A deviation in the concentration of total tetrahydrocannabinol (THC) or total cannabidiol (CBD) in a cannabis product or dose thereof of up to 15 percent greater than or less than the concentration of total tetrahydrocannabinol or total cannabidiol, either or both, listed in the approved cannabis product registration; however, for a cannabis product with five milligrams or less of total THC or total CBD per dose, the total THC or total CBD concentration shall be within 0.5 milligrams of the single dose total THC or total CBD concentrations approved for that cannabis product;~~

~~2. A variation in packaging, provided that the packaging is substantially similar to the approved packaging and otherwise complies with applicable packaging requirements;~~

~~3. A deviation in labeling, including a variation made in accordance with § 54.1-3442.7:1, that reflects allowable deviations in total THC or total CBD or that makes a minor text, font, design, or similar modification, provided that the labeling is substantially similar to the approved labeling and otherwise complies with applicable labeling requirements; and~~

~~4. Any other insignificant changes.~~

~~F. A pharmaceutical processor may submit a request to modify an existing cannabis product registration in the event of a cannabis product deviation that is not set forth in subsection E. Upon receipt, the Board shall respond to such request. The Board may grant or deny the request, propose a reasonable revision, or require the pharmaceutical processor to provide additional information.~~

§ 4.1-1604. Criminal liability; exceptions.

No agent or employee of a pharmaceutical processor or cannabis dispensing facility shall be prosecuted under Chapter 11 (§ 4.1-1100 et seq.) or § 18.2-248~~, 18.2-248.1,~~ or 18.2-250 for possession or manufacture of marijuana or for possession, manufacture, or distribution of cannabis products, subject to any civil penalty, denied any right or privilege, or subject to any disciplinary action by a professional licensing board if such agent or employee (i) possessed or manufactured such marijuana for the purposes of producing cannabis products in accordance with the provisions of this chapter and Board regulations or (ii) possessed, manufactured, or distributed such cannabis products that are consistent with generally accepted cannabis industry standards in accordance with the provisions of this chapter and Board regulations.

CHAPTER 17.

REGULATED HEMP PRODUCTS.

§ 4.1-1700. Regulated hemp product retail facility registration; fee.

A. No person shall offer for sale or sell at retail (i) a regulated hemp product or (ii) a substance intended for human consumption, orally or by inhalation, that is advertised or labeled as containing an industrial hemp-derived cannabinoid without a regulated hemp product retail facility registration.

B. A nonrefundable annual registration fee of $1,000 shall be required with each application for a regulated hemp product retail facility registration.

C. Each registration issued pursuant to this section shall be valid for a period of one year from the date of issuance and may be

renewed in successive years. Each annual renewal shall require the payment of the nonrefundable annual registration fee prescribed in subsection B.

D. A regulated hemp product retail facility registration shall be required for each location that offers for sale or sells at retail regulated hemp products.

E. Any person seeking a regulated hemp product retail facility registration shall apply to the Board on a form provided by the Authority. At a minimum, the application shall include:

1. The name and mailing address of the applicant;

2. The physical address of the facility from which the applicant intends to offer for sale or sell at retail a regulated hemp product. A registration shall authorize the offering for sale or sale of regulated hemp products only at the location specified in the registration;

3. Written consent allowing the Authority or its designee to enter the location from which the regulated hemp product is offered for sale or sold to ensure compliance with the requirements of this article;

4. If the applicant intends to offer for sale or sell an edible hemp product, a copy of the permit issued by the Commissioner of Agriculture and Consumer Services pursuant to § 3.2-5100;

5. Any other information required by the Board; and

6. The payment of a nonrefundable application fee.

F. This section shall not apply to products that are (i) approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) dispensed pursuant to Article 4.2 (§ 54.1-3442.5 et seq.) of the Drug Control Act.

§ 4.1-1701. Product packaging, labeling, and testing.

A. No person shall offer for sale or sell at retail a regulated hemp product unless the product is:

1. Contained in child-resistant packaging, as defined in § 4.1-600, if the product contains tetrahydrocannabinol;

2. Equipped with a label that states, in English and in a font no less than 1/16 of an inch, (i) all ingredients contained in the substance; (ii) the amount of such substance that constitutes a single serving; (iii) the total percentage and milligrams of all tetrahydrocannabinols included in the substance and the total number of milligrams of all tetrahydrocannabinols that are contained in each serving; and (iv) if the substance contains tetrahydrocannabinol, that the product may not be sold to persons younger than 21 years of age; and

3. Accompanied by a certificate of analysis, produced by an independent laboratory that is accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization by a third-party accrediting body, that states the total tetrahydrocannabinol concentration of the substance or the total tetrahydrocannabinol concentration of the batch from which the substance originates. The certificate of accreditation to standard ISO/IEC 17025 issued by the third-party accrediting body to the independent laboratory shall be available for review at the location at which the regulated hemp product is offered for sale or sold.

This subsection shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under Article 4.2 (§ 54.1-3442.5 et seq.) of Chapter 34 of Title 54.1.

B. No person shall offer for sale or sell a regulated hemp product that depicts or is in the shape of a human, animal, vehicle, or fruit.

C. No person shall offer for sale or sell a regulated hemp product that, without authorization, bears, is packaged in a container or wrapper that bears, or is otherwise labeled to bear the trademark, trade name, famous mark as defined in 15 U.S.C. § 1125, or other identifying mark, imprint, or device, or any likeness thereof, of a manufacturer, processor, packer, or distributor of a product intended for human consumption other than the manufacturer, processor, packer, or distributor that did in fact so manufacture, process, pack, or distribute such substance.

§ 4.1-1702. Topical hemp products; civil penalty.

A. A topical hemp product that is offered for sale or sold at retail must bear a label stating that the product is not intended for human consumption.

B. A person that offers for sale or sells at retail a topical hemp product that does not bear a label stating that the product is not intended for human consumption is subject to a civil penalty not to exceed $500 for each day a violation occurs. Such penalty shall be collected by the Authority and the proceeds shall be payable to the State Treasurer for remittance to the Board.

C. Notwithstanding the provisions of subsection A, a person may offer for sale or sell a topical hemp product that does not bear a label

stating that the product is not intended for human consumption if that person provides, upon request by the Authority, documentation that the topical hemp product was manufactured prior to July 1, 2023.

D. This section shall not apply to products that are (i) approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) dispensed pursuant to Article 4.2 (§ 54.1-3442.5 et seq.) of Chapter 34 of Title 54.1.

§ 4.1-1703. Authority to have access to retail facilities.

A. The Authority or its designee shall have access during business hours to a registered regulated hemp product retail facility and to a business that offers for sale or sells at retail a substance intended for human consumption, orally or by inhalation, that is advertised or labeled as containing a cannabinoid for the purpose of:

1. Inspecting to determine if any of the provisions of this chapter are being violated; and

2. Securing samples of any regulated hemp product or substance intended for human consumption, orally or by inhalation, that is advertised or labeled as containing a cannabinoid. It shall be the duty of the Authority or its designee to make or cause to be made examinations or laboratory analysis of samples secured under the provisions of this section to determine whether any provision of this chapter is being violated.

B. This section shall not apply to products that are (i) approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) dispensed pursuant to Article 4.2 (§ 54.1-3442.5 et seq.) of Chapter 34 of Title 54.1.

§ 4.1-1704. Civil penalties.

A. The Board may, in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), deny the application for a regulated hemp product retail facility registration or suspend or revoke the regulated hemp product retail facility registration of any person that (i) violates a provision of this chapter or (ii) has repeatedly violated any provisions of this subtitle by, without displaying a decal as required pursuant to § 4.1-1106.1, engaging in the illegal sale of marijuana or marijuana products on the licensed premises of an establishment or marketing or labeling products as marijuana or marijuana products.

B. Any person that (i) offers for sale or sells at retail a regulated hemp product without first obtaining a registration to do so from the Board in accordance with § 4.1-1700; (ii) continues to offer for sale or sell at retail a regulated hemp product after revocation or suspension of such registration; (iii) offers for sale or sells at retail a substance intended for human consumption, orally or by inhalation, that (a) contains a total tetrahydrocannabinol concentration that is greater than 0.3 percent or (b) contains more than two milligrams of total tetrahydrocannabinol per package; (iv) offers for sale or sells at retail a regulated hemp product in violation of § 4.1-1701; or (v) offers for sale or sells at retail a substance intended for human consumption, orally or by inhalation, that is advertised or labeled as containing an industrial hemp-derived cannabinoid without a regulated hemp product retail facility registration is, in addition to any other penalties provided, subject to a civil penalty not to exceed $10,000 for each day a violation occurs. Such penalty shall be collected by the Authority and the proceeds shall be payable to the State Treasurer for remittance to the Board.

§ 5.1-13. Operation of aircraft while under influence of intoxicating liquors or drugs; reckless operation.

Any person who ~~shall operate~~ *operates* any aircraft within the airspace over, above, or upon the lands or waters of ~~this~~ *the* Commonwealth~~,~~ while under the influence of intoxicating liquor or of any narcotic *or marijuana* or any habit-forming drugs ~~shall be~~ *is* guilty of a felony and shall be confined in a state correctional facility not less than one nor more than five years, or, in the discretion of the court or jury trying the case, be confined in jail not exceeding ~~twelve~~ *12* months and fined not exceeding $500, or both such fine and imprisonment.

Any person who ~~shall operate~~ *operates* any aircraft within the airspace over, above, or upon the lands or waters of ~~this~~ *the* Commonwealth carelessly or heedlessly in willful or wanton disregard of the rights or safety of others, or without due caution and circumspection and in a manner so as to endanger any person or property, ~~shall be~~ *is* guilty of a misdemeanor.

§ 6.2-108. Financial services for licensed marijuana establishments.

A. As used in this section:

"Business associate" means a person that provides goods or services to, or receives goods or services from, a licensed marijuana establishment in connection with lawful marijuana-related activities.

"Financial service" includes deposit accounts, loans, lines of credit, payment processing, funds transmission, cash management services, and other services customarily provided by a bank or credit union in the ordinary course of business.

"Licensed" and "marijuana establishment" have the same meanings as provided in § 4.1-600.

B. A bank or credit union may provide financial services to a licensed marijuana establishment or its business associates, subject

to applicable state and federal law.

C. A bank or credit union that provides a financial service to a licensed marijuana establishment, and the officers, directors, and employees of that bank or credit union, shall not be held liable pursuant to any state law or regulation solely for providing such a financial service or for further investing any income derived from such a financial service.

D. Nothing in this section shall require a bank or credit union to provide financial services to a licensed marijuana establishment.

E. No agency or political subdivision of the Commonwealth shall penalize, prohibit, or take adverse supervisory or regulatory action against a bank or credit union solely because the bank or credit union provides financial services to a licensed marijuana establishment.

F. A bank or credit union, and its officers, directors, and employees, shall not be subject to criminal prosecution, civil liability, or administrative sanction under the laws of the Commonwealth solely for providing financial services to a licensed marijuana establishment in compliance with this section.

G. The legal interest of a bank or credit union in collateral for a loan or other financial service provided to a licensed marijuana establishment shall not be subject to civil or criminal forfeiture under the laws of the Commonwealth solely because the collateral is associated with a licensed marijuana establishment.

H. Proceeds derived from a transaction involving a licensed marijuana establishment shall not be considered proceeds of unlawful activity under the laws of the Commonwealth solely because the transaction involves a licensed marijuana establishment.

I. The protections provided by this section apply where a bank or credit union has exercised reasonable due diligence to confirm that the marijuana establishment is duly licensed and operating in compliance with applicable Virginia law.

J. The protections of this section extend to financial services provided to a business associate of a licensed marijuana establishment where such services are provided in connection with lawful marijuana-related activities.

K. Nothing in this section shall be construed to prohibit the Commission from performing its supervisory duties pursuant to Chapters 8 (§ 6.2-800 et seq.) and 13 (§ 6.2-1300 et seq.) or taking any such action as it deems necessary to protect depositors and the public interest.

§ 9.1-1101. Powers and duties of the Department.

A. It shall be the responsibility of the Department to provide forensic laboratory services upon request of the Superintendent of State Police; the Chief Medical Examiner, the Assistant Chief Medical Examiners, and local medical examiners; any attorney for the Commonwealth; any chief of police, sheriff, or sergeant responsible for law enforcement in the jurisdiction served by him; any local fire department; the head of any private police department that has been designated as a criminal justice agency by the Department of Criminal Justice Services as defined by § 9.1-101; or any state agency in any criminal matter. The Department shall provide such services to any federal investigatory agency within available resources.

B. The Department shall:

1. Provide forensic laboratory services to all law-enforcement agencies throughout the Commonwealth and provide laboratory services, research, and scientific investigations for agencies of the Commonwealth as needed;

2. Establish and maintain a DNA testing program in accordance with Article 1.1 (§ 19.2-310.2 et seq.) of Chapter 18 of Title 19.2 to determine identification characteristics specific to an individual; ~~and~~

3. Test the accuracy of equipment used to test the blood alcohol content of breath at least once every six months. Only equipment found to be accurate shall be used to test the blood alcohol content of breath*; and*

4. Determine the proper methods for detecting the concentration of tetrahydrocannabinol (THC) in substances for the purposes of Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 and §§ 54.1-3401 and 54.1-3446. The testing methodology shall use post-decarboxylation testing or other equivalent method and shall consider the potential conversion of tetrahydrocannabinol acid (THC-A) into THC.

C. The Department shall have the power and duty to:

1. Receive, administer, and expend all funds and other assistance available for carrying out the purposes of this chapter;

2. Make and enter into all contracts and agreements necessary or incidental to the performance of its duties and execution of its powers under this chapter including, but not limited to, contracts with the United States, units of general local government or combinations thereof in Virginia or other states, and with agencies and departments of the Commonwealth; and

3. Perform such other acts as may be necessary or convenient for the effective performance of its duties.

D. The Director may appoint and employ a deputy director and such other personnel as are needed to carry out the duties and

responsibilities conferred by this chapter.

§ 15.2-912.4. Regulation of tobacco and hemp product retail sale locations.

Any locality may by ordinance regulate the retail sale locations of retail tobacco products, as such term is defined in § 18.2-371.2, or hemp products intended for smoking, as such term is defined in § ~~3.2-4112~~ *4.1-600*, for any such retail sale location and may prohibit a retail sale location on property within 1,000 linear feet of a child day center as defined in § 22.1-289.02 or a public, private, or parochial school. An ordinance adopted pursuant to this section shall not affect (i) a licensee holding a valid license under § 4.1-206.3 or (ii) any retail sale location of retail tobacco products or hemp products intended for smoking operating before July 1, 2024.

§ 16.1-69.40:1. Traffic infractions within authority of traffic violations clerk; schedule of fines; prepayment of local ordinances.

A. The Supreme Court shall by rule, which may from time to time be amended, supplemented or repealed, but which shall be uniform in its application throughout the Commonwealth, designate the traffic infractions for which a pretrial waiver of appearance, plea of guilty and fine payment may be accepted. Such designated infractions shall include violations of §§ 46.2-830.1, 46.2-878.2 and 46.2-1242 or any parallel local ordinances. Notwithstanding any rule of the Supreme Court, a person charged with a traffic offense that is listed as prepayable in the Uniform Fine Schedule may prepay his fines and costs without court appearance whether or not he was involved in an accident. The prepayable fine amount for a violation of § 46.2-878.2 shall be $200 plus an amount per mile-per-hour in excess of posted speed limits, as authorized in § 46.2-878.3.

Such infractions shall not include:

1. Indictable offenses;

2. [Repealed.]

3. Operation of a motor vehicle while under the influence of intoxicating liquor, *marijuana*, or a narcotic or habit-producing drug, or permitting another person, who is under the influence of intoxicating liquor, *marijuana*, or a narcotic or habit-producing drug, to operate a motor vehicle owned by the defendant or in his custody or control;

4. Reckless driving;

5. Leaving the scene of an accident;

6. Driving while under suspension or revocation of driving privileges;

7. Driving without being licensed to drive.

8. [Repealed.]

B. An appearance may be made in person or in writing by mail to a clerk of court or in person before a magistrate, prior to any date fixed for trial in court. Any person so appearing may enter a waiver of trial and a plea of guilty and pay the fine and any civil penalties established for the offense charged, with costs. He shall, prior to the plea, waiver, and payment, be informed of his right to stand trial, that his signature to a plea of guilty will have the same force and effect as a judgment of court, and that the record of conviction will be sent to the Commissioner of the Department of Motor Vehicles.

C. The Supreme Court, upon the recommendation of the Committee on District Courts, shall establish a schedule, within the limits prescribed by law, of the amounts of fines and any civil penalties to be imposed, designating each infraction specifically. The schedule, which may from time to time be amended, supplemented or repealed, shall be uniform in its application throughout the Commonwealth. Such schedule 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. The rule of the Supreme Court establishing the schedule shall be prominently posted in the place where the fines are paid. Fines and costs shall be paid in accordance with the provisions of this Code or any rules or regulations promulgated thereunder.

D. Fines imposed under local traffic infraction ordinances that do not parallel provisions of state law and fulfill the criteria set out in subsection A may be prepayable in the manner set forth in subsection B if such ordinances appear in a schedule entered by order of the local circuit courts. The chief judge of each circuit may establish a schedule of the fines, within the limits prescribed by local ordinances, to be imposed for prepayment of local ordinances designating each offense specifically. Upon the entry of such order it shall be forwarded within 10 days to the Supreme Court of Virginia by the clerk of the local circuit court. The schedule, which from time to time may be amended, supplemented or repealed, shall be uniform in its application throughout the circuit. Such schedule 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. This schedule shall be prominently posted in the place where fines are paid. Fines and costs shall be paid in accordance with the provisions of this Code or any rules or regulations promulgated thereunder.

§ 16.1-260. Intake; petition; investigation.

A. All matters alleged to be within the jurisdiction of the court shall be commenced by the filing of a petition, except as provided in subsection H and in § 16.1-259. The form and content of the petition shall be as provided in § 16.1-262. No individual shall be required to obtain support services from the Department of Social Services prior to filing a petition seeking support for a child. Complaints, requests, and the processing of petitions to initiate a case shall be the responsibility of the intake officer. However, (i) the attorney for the Commonwealth of the city or county may file a petition on his own motion with the clerk; (ii) designated nonattorney employees of the Department of Social Services may complete, sign, and file petitions and motions relating to the establishment, modification, or enforcement of support on forms approved by the Supreme Court of Virginia with the clerk; (iii) designated nonattorney employees of a local department of social services may complete, sign, and file with the clerk, on forms approved by the Supreme Court of Virginia, petitions for foster care review, petitions for permanency planning hearings, petitions to establish paternity, motions to establish or modify support, motions to amend or review an order, and motions for a rule to show cause; and (iv) any attorney may file petitions on behalf of his client with the clerk except petitions alleging that the subject of the petition is a child alleged to be in need of services, in need of supervision, or delinquent. Complaints alleging abuse or neglect of a child shall be referred initially to the local department of social services in accordance with the provisions of Chapter 15 (§ 63.2-1500 et seq.) of Title 63.2. Motions and other subsequent pleadings in a case shall be filed directly with the clerk. The intake officer or clerk with whom the petition or motion is filed shall inquire whether the petitioner is receiving child support services or public assistance. No individual who is receiving support services or public assistance shall be denied the right to file a petition or motion to establish, modify, or enforce an order for support of a child. If the petitioner is seeking or receiving child support services or public assistance, the clerk, upon issuance of process, shall forward a copy of the petition or motion, together with notice of the court date, to the Division of Child Support Enforcement. If a petitioner is seeking to establish child support, the intake officer shall provide the petitioner information on the possible availability of medical assistance through the Family Access to Medical Insurance Security (FAMIS) plan or other government-sponsored coverage through the Department of Medical Assistance Services.

B. The appearance of a child before an intake officer may be by (i) personal appearance before the intake officer or (ii) use of two-way electronic video and audio communication. If two-way electronic video and audio communication is used, an intake officer may exercise all powers conferred by law. All communications and proceedings shall be conducted in the same manner as if the appearance were in person, and any documents filed may be transmitted by facsimile process. The facsimile may be served or executed by the officer or person to whom sent, and returned in the same manner, and with the same force, effect, authority, and liability as an original document. All signatures thereon shall be treated as original signatures. Any two-way electronic video and audio communication system used for an appearance shall meet the standards as set forth in subsection B of § 19.2-3.1.

When the court service unit of any court receives a complaint alleging facts which may be sufficient to invoke the jurisdiction of the court pursuant to § 16.1-241, the unit, through an intake officer, may proceed informally to make such adjustment as is practicable without the filing of a petition or may authorize a petition to be filed by any complainant having sufficient knowledge of the matter to establish probable cause for the issuance of the petition.

An intake officer may proceed informally on a complaint alleging a child is in need of services, in need of supervision, or delinquent only if the juvenile (a) is not alleged to have committed a violent juvenile felony or (b) has not previously been proceeded against informally or adjudicated delinquent for an offense that would be a felony if committed by an adult. A petition alleging that a juvenile committed a violent juvenile felony shall be filed with the court. A petition alleging that a juvenile is delinquent for an offense that would be a felony if committed by an adult shall be filed with the court if the juvenile had previously been proceeded against informally by intake or had been adjudicated delinquent for an offense that would be a felony if committed by an adult.

If a juvenile is alleged to be a truant pursuant to a complaint filed in accordance with § 22.1-258 and the attendance officer has provided documentation to the intake officer that the relevant school division has complied with the provisions of § 22.1-258, then the intake officer shall file a petition with the court. The intake officer may defer filing the petition and proceed informally by developing a truancy plan, provided that (1) the juvenile has not previously been proceeded against informally or adjudicated in need of supervision on more than two occasions for failure to comply with compulsory school attendance as provided in § 22.1-254 and (2) the immediately previous informal action or adjudication occurred at least three calendar years prior to the current complaint. The juvenile and his parent or parents, guardian, or other person standing in loco parentis must agree, in writing, for the development of a truancy plan. The truancy plan may include requirements that the juvenile and his parent or parents, guardian, or other person standing in loco parentis participate in such programs, cooperate in such treatment, or be subject to such conditions and limitations as necessary to ensure the juvenile's compliance with compulsory school attendance as provided in § 22.1-254. The intake officer may refer the juvenile to the appropriate public agency for the purpose of developing a truancy plan using an interagency interdisciplinary team approach. The team may include qualified personnel who are reasonably available from the appropriate department of social services, community services board, local school division, court service unit, and other appropriate and available public and private agencies and may be the family assessment and planning team established pursuant to § 2.2-5207. If at the end of the deferral period the juvenile has not successfully completed the truancy plan or the truancy program, then the intake officer shall file the petition.

Whenever informal action is taken as provided in this subsection on a complaint alleging that a child is in need of services, in need of supervision, or delinquent, the intake officer shall (A) develop a plan for the juvenile, which may include restitution, the performance of community service, or on a complaint alleging that a child has committed a delinquent act other than an act that would be a felony or a Class 1 misdemeanor if committed by an adult and with the consent of the juvenile's parent or legal guardian, referral to a youth justice diversion program established pursuant to § 16.1-309.11, based upon community resources and the circumstances which resulted in the complaint, (B) create an official record of the action taken by the intake officer and file such record in the juvenile's case file, and (C) advise the juvenile and the juvenile's parent, guardian, or other person standing in loco parentis and the complainant that

any subsequent complaint alleging that the child is in need of supervision or delinquent based upon facts which may be sufficient to invoke the jurisdiction of the court pursuant to § 16.1-241, or in the case of a referral to a youth justice diversion program established pursuant to § 16.1-309.11, that any subsequent report from the youth justice diversion program alleging that the juvenile failed to comply with the youth justice diversion program's sentence within 180 days of the sentencing date, may result in the filing of a petition with the court.

C. The intake officer shall accept and file a petition in which it is alleged that (i) the custody, visitation, or support of a child is the subject of controversy or requires determination, (ii) a person has deserted, abandoned, or failed to provide support for any person in violation of law, (iii) a child or such child's parent, guardian, legal custodian, or other person standing in loco parentis is entitled to treatment, rehabilitation, or other services which are required by law, (iv) family abuse has occurred and a protective order is being sought pursuant to § 16.1-253.1, 16.1-253.4, or 16.1-279.1, or (v) an act of violence, force, or threat has occurred, a protective order is being sought pursuant to § 19.2-152.8, 19.2-152.9, or 19.2-152.10, and either the alleged victim or the respondent is a juvenile. If any such complainant does not file a petition, the intake officer may file it. In cases in which a child is alleged to be abused, neglected, in need of services, in need of supervision, or delinquent, if the intake officer believes that probable cause does not exist, or that the authorization of a petition will not be in the best interest of the family or juvenile or that the matter may be effectively dealt with by some agency other than the court, he may refuse to authorize the filing of a petition. The intake officer shall provide to a person seeking a protective order pursuant to § 16.1-253.1, 16.1-253.4, or 16.1-279.1 a written explanation of the conditions, procedures and time limits applicable to the issuance of protective orders pursuant to § 16.1-253.1, 16.1-253.4, or 16.1-279.1. If the person is seeking a protective order pursuant to § 19.2-152.8, 19.2-152.9, or 19.2-152.10, the intake officer shall provide a written explanation of the conditions, procedures, and time limits applicable to the issuance of protective orders pursuant to § 19.2-152.8, 19.2-152.9, or 19.2-152.10.

D. Prior to the filing of any petition alleging that a child is in need of supervision, the matter shall be reviewed by an intake officer who shall determine whether the petitioner and the child alleged to be in need of supervision have utilized or attempted to utilize treatment and services available in the community and have exhausted all appropriate nonjudicial remedies which are available to them. When the intake officer determines that the parties have not attempted to utilize available treatment or services or have not exhausted all appropriate nonjudicial remedies which are available, he shall refer the petitioner and the child alleged to be in need of supervision to the appropriate agency, treatment facility, or individual to receive treatment or services, and a petition shall not be filed. Only after the intake officer determines that the parties have made a reasonable effort to utilize available community treatment or services may he permit the petition to be filed.

E. If the intake officer refuses to authorize a petition relating to an offense that if committed by an adult would be punishable as a Class 1 misdemeanor or as a felony, when such refusal is based solely upon a finding that no probable cause exists, the complainant shall be notified in writing at that time of the complainant's right to apply to a magistrate for a warrant. The application for a warrant to the magistrate shall be filed within 10 days of the issuance of the written notification. The written notification shall indicate that the intake officer made a finding that no probable cause exists and shall provide notice that the complainant has 10 days to apply for a warrant to the magistrate. The complainant shall provide the magistrate with a copy of the written notification upon application to the magistrate. If a magistrate determines that probable cause exists, he shall issue a warrant returnable to the juvenile and domestic relations district court. The warrant shall be delivered forthwith to the juvenile court, and the intake officer shall accept and file a petition founded upon the warrant. If the court is closed and the magistrate finds that the criteria for detention or shelter care set forth in § 16.1-248.1 have been satisfied, the juvenile may be detained pursuant to the warrant issued in accordance with this subsection. If the intake officer refuses to authorize a petition relating to a child in need of services or in need of supervision, a status offense, or a misdemeanor other than Class 1, his decision is final. If the intake officer refuses to authorize a petition relating to an offense that if committed by an adult would be punishable as a Class 1 misdemeanor or as a felony when such refusal is based upon a finding that (i) probable cause exists, but that (ii) the matter is appropriate for diversion, his decision is final and the complainant shall not have a right to apply to a magistrate for a warrant.

Upon delivery to the juvenile court of a warrant issued pursuant to subdivision 2 of § 16.1-256, the intake officer shall accept and file a petition founded upon the warrant.

F. The intake officer shall notify the attorney for the Commonwealth of the filing of any petition which alleges facts of an offense which would be a felony if committed by an adult.

G. Notwithstanding the provisions of Article 12 (§ 16.1-299 et seq.), the intake officer shall file a report with the division superintendent of the school division in which any student who is the subject of a petition alleging that such student who is a juvenile has committed an act, wherever committed, which would be a crime if committed by an adult, or that such student who is an adult has committed a crime and is alleged to be within the jurisdiction of the court. The report shall notify the division superintendent of the filing of the petition and the nature of the offense, if the violation involves:

1. A firearm offense pursuant to Article 4 (§ 18.2-279 et seq.), 5 (§ 18.2-288 et seq.), 6 (§ 18.2-299 et seq.), 6.1 (§ 18.2-307.1 et seq.), or 7 (§ 18.2-308.1 et seq.) of Chapter 7 of Title 18.2;

2. Homicide, pursuant to Article 1 (§ 18.2-30 et seq.) of Chapter 4 of Title 18.2;

3. Felonious assault and bodily wounding, pursuant to Article 4 (§ 18.2-51 et seq.) of Chapter 4 of Title 18.2;

4. Criminal sexual assault, pursuant to Article 7 (§ 18.2-61 et seq.) of Chapter 4 of Title 18.2;

5. Manufacture, sale, gift, distribution or possession of Schedule I or II controlled substances, pursuant to Article 1 (§ 18.2-247 et seq.) of Chapter 7 of Title 18.2;

6. Manufacture, sale or distribution of marijuana pursuant to ~~Article 1~~ *Chapter 11* (§ ~~18.2-247~~ *4.1-1100* et seq.) ~~of Chapter 7~~ of Title ~~18.2~~ *4.1*;

7. Arson and related crimes, pursuant to Article 1 (§ 18.2-77 et seq.) of Chapter 5 of Title 18.2;

8. Burglary and related offenses, pursuant to §§ 18.2-89 through 18.2-93;

9. Robbery pursuant to § 18.2-58;

10. Prohibited criminal street gang activity pursuant to § 18.2-46.2;

11. Recruitment of other juveniles for a criminal street gang activity pursuant to § 18.2-46.3;

12. An act of violence by a mob pursuant to § 18.2-42.1;

13. Abduction of any person pursuant to § 18.2-47 or 18.2-48; or

14. A threat pursuant to § 18.2-60.

The failure to provide information regarding the school in which the student who is the subject of the petition may be enrolled shall not be grounds for refusing to file a petition.

The information provided to a division superintendent pursuant to this section may be disclosed only as provided in § 16.1-305.2.

H. The filing of a petition shall not be necessary:

1. In the case of violations of the traffic laws, including offenses involving bicycles, hitchhiking and other pedestrian offenses, game and fish laws, or a violation of the ordinance of any city regulating surfing or any ordinance establishing curfew violations, animal control violations, or littering violations. In such cases the court may proceed on a summons issued by the officer investigating the violation in the same manner as provided by law for adults. Additionally, an officer investigating a motor vehicle accident may, at the scene of the accident or at any other location where a juvenile who is involved in such an accident may be located, proceed on a summons in lieu of filing a petition.

2. In the case of seeking consent to apply for the issuance of a work permit pursuant to subsection H of § 16.1-241.

3. In the case of a misdemeanor violation of § 18.2-266, 18.2-266.1, or 29.1-738 or the commission of any other alcohol-related offense, provided that the juvenile is released to the custody of a parent or legal guardian pending the initial court date. The officer releasing a juvenile to the custody of a parent or legal guardian shall issue a summons to the juvenile and shall also issue a summons requiring the parent or legal guardian to appear before the court with the juvenile. Disposition of the charge shall be in the manner provided in § 16.1-278.8, 16.1-278.8:01, or 16.1-278.9. If the juvenile so charged with a violation of § 18.2-51.4, 18.2-266, 18.2-266.1, 18.2-272, or 29.1-738 refuses to provide a sample of blood or breath or samples of both blood and breath for chemical analysis pursuant to §§ 18.2-268.1 through 18.2-268.12 or 29.1-738.2, the provisions of these sections shall be followed except that the magistrate shall authorize execution of the warrant as a summons. The summons shall be served on a parent or legal guardian and the juvenile, and a copy of the summons shall be forwarded to the court in which the violation is to be tried. When a violation of § 4.1-305 *or 4.1-1105* is charged by summons, the juvenile shall be entitled to have the charge referred to intake for consideration of informal proceedings pursuant to subsection B, provided that such right is exercised by written notification to the clerk not later than 10 days prior to trial. At the time such summons alleging a violation of § 4.1-305 *or 4.1-1105* is served, the officer shall also serve upon the juvenile written notice of the right to have the charge referred to intake on a form approved by the Supreme Court and make return of such service to the court. If the officer fails to make such service or return, the court shall dismiss the summons without prejudice.

4. In the case of offenses, *other than marijuana-related offenses,* which, if committed by an adult, would be punishable as a Class 3 or Class 4 misdemeanor. In such cases the court may direct that an intake officer proceed as provided in § 16.1-237 on a summons issued by the officer investigating the violation in the same manner as provided by law for adults provided that notice of the summons to appear is mailed by the investigating officer within five days of the issuance of the summons to a parent or legal guardian of the juvenile.

I. Failure to comply with the procedures set forth in this section shall not divest the juvenile court of the jurisdiction granted it in § 16.1-241.

§ 16.1-273. Court may require investigation of social history and preparation of victim impact statement.

A. When a juvenile and domestic relations district court or circuit court has adjudicated any case involving a child subject to the jurisdiction of the court hereunder, except for a traffic violation, a violation of the game and fish law, or a violation of any city

ordinance regulating surfing or establishing curfew violations, the court before final disposition thereof may require an investigation, which (i) shall include a drug screening and (ii) may, and for the purposes of subdivision A 14 or 17 of § 16.1-278.8 shall, include a social history of the physical, mental, and social conditions, including an assessment of any affiliation with a criminal street gang as defined in § 18.2-46.1, and personality of the child and the facts and circumstances surrounding the violation of law. However, in the case of a juvenile adjudicated delinquent on the basis of an act committed on or after January 1, 2000, which would be (a) a felony if committed by an adult, ~~or~~ (b) a violation under Article 1 (§ 18.2-247 et seq.) or Article 1.1 (§ 18.2-265.1 et seq.) of Chapter 7 of Title 18.2 and such offense would be punishable as a Class 1 or Class 2 misdemeanor if committed by an adult, *or (c) a violation of § 4.1-1105*, the court shall order the juvenile to undergo a drug screening. If the drug screening indicates that the juvenile has a substance abuse or dependence problem, an assessment shall be completed by a certified substance abuse counselor as defined in § 54.1-3500 employed by the Department of Juvenile Justice or by a locally operated court services unit or by an individual employed by or currently under contract to such agencies and who is specifically trained to conduct such assessments under the supervision of such counselor.

B. The court also shall, on motion of the attorney for the Commonwealth with the consent of the victim, or may in its discretion, require the preparation of a victim impact statement in accordance with the provisions of § 19.2-299.1 if the court determines that the victim may have suffered significant physical, psychological, or economic injury as a result of the violation of law.

§ 16.1-278.9. Delinquent children; loss of driving privileges for alcohol, firearm, and drug offenses; truancy.

A. If a court has found facts which would justify a finding that a child at least 13 years of age at the time of the offense is delinquent and such finding involves (i) a violation of § 18.2-266 or of a similar ordinance of any county, city, or town; (ii) a refusal to take a breath test in violation of § 18.2-268.2; (iii) a felony violation of Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or § 18.2-248~~, 18.2-248.1,~~ or 18.2-250; (iv) a misdemeanor violation of Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or § 18.2-248; ~~18.2-248.1,~~ or 18.2-250 *or a violation of § 4.1-1105*; (v) the unlawful purchase, possession, or consumption of alcohol in violation of § 4.1-305 or the unlawful drinking or possession of alcoholic beverages in or on public school grounds in violation of § 4.1-309; (vi) public intoxication in violation of § 18.2-388 or a similar ordinance of a county, city, or town; (vii) the unlawful use or possession of a handgun or possession of a "streetsweeper" as defined below; or (viii) a violation of § 18.2-83, the court shall order, in addition to any other penalty that it may impose as provided by law for the offense, that the child be denied a driver's license. In addition to any other penalty authorized by this section, if the offense involves a violation designated under clause (i) and the child was transporting a person 17 years of age or younger, the court shall impose the additional fine and order community service as provided in § 18.2-270. If the offense involves a violation designated under clause (i), (ii), (iii), or (viii), the denial of a driver's license shall be for a period of one year or until the juvenile reaches the age of 17, whichever is longer, for a first such offense or for a period of one year or until the juvenile reaches the age of 18, whichever is longer, for a second or subsequent such offense. If the offense involves a violation designated under clause (iv), (v), or (vi) the denial of driving privileges shall be for a period of six months unless the offense is committed by a child under the age of 16 years and three months, in which case the child's ability to apply for a driver's license shall be delayed for a period of six months following the date he reaches the age of 16 and three months. If the offense involves a first violation designated under clause (v) or (vi), the court shall impose the license sanction and may enter a judgment of guilt or, without entering a judgment of guilt, may defer disposition of the delinquency charge until such time as the court disposes of the case pursuant to subsection F. If the offense involves a violation designated under clause (iii) or (iv), the court shall impose the license sanction and shall dispose of the delinquency charge pursuant to the provisions of this chapter or § 18.2-251. If the offense involves a violation designated under clause (vii), the denial of driving privileges shall be for a period of not less than 30 days, except when the offense involves possession of a concealed handgun or a striker 12, commonly called a "streetsweeper," or any semi-automatic folding stock shotgun of like kind with a spring tension drum magazine capable of holding 12 shotgun shells, in which case the denial of driving privileges shall be for a period of two years unless the offense is committed by a child under the age of 16 years and three months, in which event the child's ability to apply for a driver's license shall be delayed for a period of two years following the date he reaches the age of 16 and three months.

A1. If a court finds that a child at least 13 years of age has failed to comply with school attendance and meeting requirements as provided in § 22.1-258, the court shall order the denial of the child's driving privileges for a period of not less than 30 days. If such failure to comply involves a child under the age of 16 years and three months, the child's ability to apply for a driver's license shall be delayed for a period of not less than 30 days following the date he reaches the age of 16 and three months.

If the court finds a second or subsequent such offense, it may order the denial of a driver's license for a period of one year or until the juvenile reaches the age of 18, whichever is longer, or delay the child's ability to apply for a driver's license for a period of one year following the date he reaches the age of 16 and three months, as may be appropriate.

A2. If a court finds that a child at least 13 years of age has refused to take a blood test in violation of § 18.2-268.2, the court shall order that the child be denied a driver's license for a period of one year or until the juvenile reaches the age of 17, whichever is longer, for a first such offense or for a period of one year or until the juvenile reaches the age of 18, whichever is longer, for a second or subsequent such offense.

B. Any child who has a driver's license at the time of the offense or at the time of the court's finding as provided in subsection A1 or A2 shall be ordered to surrender his driver's license, which shall be held in the physical custody of the court during any period of license denial.

C. The court shall report any order issued under this section to the Department of Motor Vehicles, which shall preserve a record thereof. The report and the record shall include a statement as to whether the child was represented by or waived counsel or whether the order was issued pursuant to subsection A1 or A2. Notwithstanding the provisions of Article 12 (§ 16.1-299 et seq.) or the provisions of Title 46.2, this record shall be available only to all law-enforcement officers, attorneys for the Commonwealth and courts. No other record of the proceeding shall be forwarded to the Department of Motor Vehicles unless the proceeding results in an adjudication of guilt pursuant to subsection F.

The Department of Motor Vehicles shall refuse to issue a driver's license to any child denied a driver's license until such time as is stipulated in the court order or until notification by the court of withdrawal of the order of denial under subsection E.

D. If the finding as to the child involves a violation designated under clause (i), (ii), (iii) or (vi) of subsection A or a violation designated under subsection A2, the child may be referred to a certified alcohol safety action program in accordance with § 18.2-271.1 upon such terms and conditions as the court may set forth. If the finding as to such child involves a violation designated under clause (iii), (iv), (v), (vii) or (viii) of subsection A, such child may be referred to appropriate rehabilitative or educational services upon such terms and conditions as the court may set forth.

The court, in its discretion and upon a demonstration of hardship, may authorize the use of a restricted permit to operate a motor vehicle by any child who has a driver's license at the time of the offense or at the time of the court's finding as provided in subsection A1 or A2 for any of the purposes set forth in subsection E of § 18.2-271.1 or for travel to and from school, except that no restricted license shall be issued for travel to and from home and school when school-provided transportation is available and no restricted license shall be issued if the finding as to such child involves a violation designated under clause (iii) or (iv) of subsection A, or if it involves a second or subsequent violation of any offense designated in subsection A, a second finding by the court of failure to comply with school attendance and meeting requirements as provided in subsection A1, or a second or subsequent finding by the court of a refusal to take a blood test as provided in subsection A2. The issuance of the restricted permit shall be set forth within the court order, a copy of which shall be provided to the child, and shall specifically enumerate the restrictions imposed and contain such information regarding the child as is reasonably necessary to identify him. The child may operate a motor vehicle under the court order in accordance with its terms. Any child who operates a motor vehicle in violation of any restrictions imposed pursuant to this section is guilty of a violation of § 46.2-301.

E. Upon petition made at least 90 days after issuance of the order, the court may review and withdraw any order of denial of a driver's license if for a first such offense or finding as provided in subsection A1 or A2. For a second or subsequent such offense or finding, the order may not be reviewed and withdrawn until one year after its issuance.

F. If the finding as to such child involves a first violation designated under clause (vii) of subsection A, upon fulfillment of the terms and conditions prescribed by the court and after the child's driver's license has been restored, the court shall or, in the event the violation resulted in the injury or death of any person or if the finding involves a violation designated under clause (i), (ii), (v), or (vi) of subsection A, may discharge the child and dismiss the proceedings against him. Discharge and dismissal under these provisions shall be without an adjudication of guilt but a record of the proceeding shall be retained for the purpose of applying this section in subsequent proceedings. Failure of the child to fulfill such terms and conditions shall result in an adjudication of guilt. If the finding as to such child involves a violation designated under clause (iii) or (iv) of subsection A, the charge shall not be dismissed pursuant to this subsection but shall be disposed of pursuant to the provisions of this chapter or § 18.2-251. If the finding as to such child involves a second violation under clause (v), (vi) or (vii) of subsection A, the charge shall not be dismissed pursuant to this subsection but shall be disposed of under § 16.1-278.8.

§ 18.2-46.1. Definitions.

As used in this article, unless the context requires a different meaning:

"Act of violence" means those felony offenses described in subsection C of § 17.1-805 or subsection A of § 19.2-297.1.

"Criminal street gang" means any ongoing organization, association, or group of three or more persons, whether formal or informal, (i) which has as one of its primary objectives or activities the commission of one or more criminal activities; (ii) which has an identifiable name or identifying sign or symbol; and (iii) whose members individually or collectively have engaged in the commission of, attempt to commit, conspiracy to commit, or solicitation of two or more predicate criminal acts, at least one of which is an act of violence, provided such acts were not part of a common act or transaction.

"Predicate criminal act" means (i) an act of violence; (ii) any violation of § 18.2-42, 18.2-46.3, 18.2-56.1, 18.2-57, 18.2-57.2, 18.2-59, 18.2-83, 18.2-95, 18.2-103.1, 18.2-108.1, 18.2-121, 18.2-127, 18.2-128, 18.2-137, 18.2-138, 18.2-146, 18.2-147, 18.2-248.01, 18.2-248.03, 18.2-255, 18.2-255.2, 18.2-287.4, 18.2-300, 18.2-308.1, 18.2-308.2, 18.2-308.2:01, 18.2-308.4, or 18.2-357.1; (iii) a felony violation of § 18.2-60.3, 18.2-346.01, 18.2-348, or 18.2-349; (iv) a felony violation of § 4.1-1101; *or* 18.2-248; ~~or 18.2-248.1~~ or a conspiracy to commit a felony violation of § 4.1-1101; *or* 18.2-248; ~~or 18.2-248.1~~; (v) any violation of a local ordinance adopted pursuant to § 15.2-1812.2; or (vi) any substantially similar offense under the laws of another state or territory of the United States, the District of Columbia, or the United States.

§ 18.2-247. Use of terms "controlled substances," "Schedules I, II, III, IV, V, and VI," "imitation controlled substance," and "counterfeit controlled substance" in Title 18.2.

A. Wherever the terms "controlled substances" and "Schedules I, II, III, IV, V, and VI" are used in Title 18.2, such terms refer to those terms as they are used or defined in the Drug Control Act (§ 54.1-3400 et seq.).

B. The term "imitation controlled substance" when used in this article means (i) a counterfeit controlled substance or (ii) a pill, capsule, tablet, or substance in any form whatsoever ~~which~~ *that* is not a controlled substance subject to abuse, and:

1. Which by overall dosage unit appearance, including color, shape, size, marking, and packaging or by representations made, would cause the likelihood that such a pill, capsule, tablet, or substance in any other form whatsoever will be mistaken for a controlled substance unless such substance was introduced into commerce prior to the initial introduction into commerce of the controlled substance which it is alleged to imitate; or

2. Which by express or implied representations purports to act like a controlled substance as a stimulant or depressant of the central nervous system and which is not commonly used or recognized for use in that particular formulation for any purpose other than for such stimulant or depressant effect, unless marketed, promoted, or sold as permitted by the U.S. Food and Drug Administration.

C. In determining whether a pill, capsule, tablet, or substance in any other form whatsoever, is an "imitation controlled substance," there shall be considered, in addition to all other relevant factors, comparisons with accepted methods of marketing for legitimate nonprescription drugs for medicinal purposes rather than for drug abuse or any similar nonmedicinal use, including consideration of the packaging of the drug and its appearance in overall finished dosage form, promotional materials or representations, oral or written, concerning the drug, and the methods of distribution of the drug and where and how it is sold to the public.

D. ~~The term "marijuana" when used in this article means any part of a plant of the genus Cannabis, whether growing or not, its seeds or resin; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, its resin, or any extract containing one or more cannabinoids. "Marijuana" does not include (i) the mature stalks of such plant, fiber produced from such stalk, oil or cake made from the seed of such plant, unless such stalks, fiber, oil or cake is combined with other parts of plants of the genus Cannabis; (ii) industrial hemp, as defined in § 3.2-4112, that is possessed by a person registered pursuant to subsection A of § 3.2-4115 or his agent; (iii) industrial hemp, as defined in § 3.2-4112, that is possessed by a person who holds a hemp producer license issued by the U.S. Department of Agriculture pursuant to 7 C.F.R. Part 990; (iv) a hemp product, as defined in § 3.2-4112; (v) an industrial hemp extract, as defined in § 3.2-5145.1; or (vi) any substance containing a tetrahydrocannabinol isomer, ester, ether, salt or salts of such isomer, ester, or ether that has been placed by the Board of Pharmacy into one of the schedules set forth in the Drug Control Act (§ 54.1-3400 et seq.) pursuant to § 54.1-3443.~~

~~E.~~ The term "counterfeit controlled substance" means a controlled substance that, without authorization, bears, is packaged in a container or wrapper that bears, or is otherwise labeled to bear, the trademark, trade name, or other identifying mark, imprint or device or any likeness thereof, of a drug manufacturer, processor, packer, or distributor other than the manufacturer, processor, packer, or distributor who did in fact so manufacture, process, pack or distribute such drug.

~~F.~~ *E.* The term "tetrahydrocannabinol" means any naturally occurring or synthetic tetrahydrocannabinol, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation and any preparation, mixture, or substance containing, or mixed or infused with, any detectable amount of tetrahydrocannabinol. For the purposes of this definition, "isomer" means the optical, position, and geometric isomers.

~~G.~~ *F.* The term "total tetrahydrocannabinol" means the sum, after the application of any necessary conversion factor, of the percentage by weight of tetrahydrocannabinol and the percentage by weight of tetrahydrocannabinolic acid.

~~H.~~ *G.* The Department of Forensic Science shall determine the proper methods for detecting the concentration of tetrahydrocannabinol in substances for the purposes of this title, Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1, and § 54.1-3401. The testing methodology shall use post-decarboxylation testing or other equivalent method and shall consider the potential conversion of tetrahydrocannabinolic acid into tetrahydrocannabinol.

§ 18.2-248. Manufacturing, selling, giving, distributing, or possessing with intent to manufacture, sell, give, or distribute a controlled substance or an imitation controlled substance prohibited; penalties.

A. Except as authorized in the Drug Control Act (§ 54.1-3400 et seq.), it ~~shall be~~ *is* unlawful for any person to manufacture, sell, give, distribute, or possess with intent to manufacture, sell, give or distribute a controlled substance or an imitation controlled substance.

B. In determining whether any person intends to manufacture, sell, give or distribute an imitation controlled substance, the court may consider, in addition to all other relevant evidence, whether any distribution or attempted distribution of such pill, capsule, tablet or substance in any other form whatsoever included an exchange of or a demand for money or other property as consideration, and, if so, whether the amount of such consideration was substantially greater than the reasonable value of such pill, capsule, tablet or substance in any other form whatsoever, considering the actual chemical composition of such pill, capsule, tablet or substance in any other form whatsoever and, where applicable, the price at which over-the-counter substances of like chemical composition sell.

C. Except as provided in subsection C1, any person who violates this section with respect to a controlled substance classified in Schedule I or II shall upon conviction be imprisoned for not less than five nor more than 40 years and fined not more than $500,000. Upon a second conviction of such a violation, and it is alleged in the warrant, indictment, or information that the person has been before convicted of such an offense or of a substantially similar offense in any other jurisdiction, which offense would be a felony if committed in the Commonwealth, and such prior conviction occurred before the date of the offense alleged in the warrant, indictment, or information, any such person may, in the discretion of the court or jury imposing the sentence, be sentenced to imprisonment for life or for any period not less than five years, three years of which shall be a mandatory minimum term of imprisonment to be served consecutively with any other sentence, and he shall be fined not more than $500,000.

When a person is convicted of a third or subsequent offense under this subsection and it is alleged in the warrant, indictment or information that he has been before convicted of two or more such offenses or of substantially similar offenses in any other jurisdiction which offenses would be felonies if committed in the Commonwealth and such prior convictions occurred before the date of the offense alleged in the warrant, indictment, or information, he shall be sentenced to imprisonment for life or for a period of not less than 10 years, 10 years of which shall be a mandatory minimum term of imprisonment to be served consecutively with any other sentence, and he shall be fined not more than $500,000.

Any person who manufactures, sells, gives, distributes or possesses with the intent to manufacture, sell, give, or distribute the following is guilty of a felony punishable by a fine of not more than $1 million and imprisonment for five years to life, five years of which shall be a mandatory minimum term of imprisonment to be served consecutively with any other sentence:

1. 100 grams or more of a mixture or substance containing a detectable amount of heroin;

2. 500 grams or more of a mixture or substance containing a detectable amount of:

a. Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine or their salts have been removed;

b. Cocaine, its salts, optical and geometric isomers, and salts of isomers;

c. Cocaine base;

d. Ecgonine, its derivatives, their salts, isomers, and salts of isomers; or

e. Any compound, mixture, or preparation that contains any quantity of any of the substances referred to in subdivisions 2a through 2d; or

3. 10 grams or more of methamphetamine, its salts, isomers, or salts of its isomers or 20 grams or more of a mixture or substance containing a detectable amount of methamphetamine, its salts, isomers, or salts of its isomers.

The mandatory minimum term of imprisonment to be imposed for a violation of this subsection shall not be applicable if the court finds that:

a. The person does not have a prior conviction for an offense listed in subsection C of § 17.1-805;

b. The person did not use violence or credible threats of violence or possess a firearm or other dangerous weapon in connection with the offense or induce another participant in the offense to do so;

c. The offense did not result in death or serious bodily injury to any person;

d. The person was not an organizer, leader, manager, or supervisor of others in the offense, and was not engaged in a continuing criminal enterprise as defined in subsection I; and

e. Not later than the time of the sentencing hearing, the person has truthfully provided to the Commonwealth all information and evidence the person has concerning the offense or offenses that were part of the same course of conduct or of a common scheme or plan, but the fact that the person has no relevant or useful other information to provide or that the Commonwealth already is aware of the information shall not preclude a determination by the court that the defendant has complied with this requirement.

C1. Any person who violates this section with respect to the manufacturing of methamphetamine, its salts, isomers, or salts of its isomers or less than 200 grams of a mixture or substance containing a detectable amount of methamphetamine, its salts, isomers, or salts of its isomers shall, upon conviction, be imprisoned for not less than 10 nor more than 40 years and fined not more than $500,000. Upon a second conviction of such a violation, any such person may, in the discretion of the court or jury imposing the sentence, be sentenced to imprisonment for life or for any period not less than 10 years, and be fined not more than $500,000. When a person is convicted of a third or subsequent offense under this subsection and it is alleged in the warrant, indictment, or information that he has been previously convicted of two or more such offenses or of substantially similar offenses in any other jurisdiction, which offenses would be felonies if committed in the Commonwealth and such prior convictions occurred before the date of the offense alleged in the warrant, indictment, or information, he shall be sentenced to imprisonment for life or for a period not less than 10 years, three years of which shall be a mandatory minimum term of imprisonment to be served consecutively with any other sentence and he shall be fined

not more than $500,000.

Upon conviction, in addition to any other punishment, a person found guilty of this offense shall be ordered by the court to make restitution, as the court deems appropriate, to any innocent property owner whose property is damaged, destroyed, or otherwise rendered unusable as a result of such methamphetamine production. This restitution shall include the person's or his estate's estimated or actual expenses associated with cleanup, removal, or repair of the affected property. If the property that is damaged, destroyed, or otherwise rendered unusable as a result of such methamphetamine production is property owned in whole or in part by the person convicted, the court shall order the person to pay to the Methamphetamine Cleanup Fund authorized in § 18.2-248.04 the reasonable estimated or actual expenses associated with cleanup, removal, or repair of the affected property or, if actual or estimated expenses cannot be determined, the sum of $10,000. The convicted person shall also pay the cost of certifying that any building that is cleaned up or repaired pursuant to this section is safe for human occupancy according to the guidelines established pursuant to § 32.1-11.7.

D. If such person proves that he gave, distributed or possessed with intent to give or distribute a controlled substance classified in Schedule I or II only as an accommodation to another individual who is not an inmate in a community correctional facility, local correctional facility or state correctional facility as defined in § 53.1-1 or in the custody of an employee thereof, and not with intent to profit thereby from any consideration received or expected nor to induce the recipient or intended recipient of the controlled substance to use or become addicted to or dependent upon such controlled substance, he ~~shall be~~ *is* guilty of a Class 5 felony.

E. If the violation of the provisions of this article consists of the filling by a pharmacist of the prescription of a person authorized under this article to issue the same, which prescription has not been received in writing by the pharmacist prior to the filling thereof, and such written prescription is in fact received by the pharmacist within one week of the time of filling the same, or if such violation consists of a request by such authorized person for the filling by a pharmacist of a prescription which has not been received in writing by the pharmacist and such prescription is, in fact, written at the time of such request and delivered to the pharmacist within one week thereof, either such offense shall constitute a Class 4 misdemeanor.

E1. Any person who violates this section with respect to a controlled substance classified in Schedule III except for an anabolic steroid classified in Schedule III, constituting a violation of § 18.2-248.5, ~~shall be~~ *is* guilty of a Class 5 felony.

E2. Any person who violates this section with respect to a controlled substance classified in Schedule IV ~~shall be~~ *is* guilty of a Class 6 felony.

E3. Any person who proves that he gave, distributed or possessed with the intent to give or distribute a controlled substance classified in Schedule III or IV, except for an anabolic steroid classified in Schedule III, constituting a violation of § 18.2-248.5, only as an accommodation to another individual who is not an inmate in a community correctional facility, local correctional facility or state correctional facility as defined in § 53.1-1 or in the custody of an employee thereof, and not with the intent to profit thereby from any consideration received or expected nor to induce the recipient or intended recipient of the controlled substance to use or become addicted to or dependent upon such controlled substance, is guilty of a Class 1 misdemeanor.

F. Any person who violates this section with respect to a controlled substance classified in Schedule V or Schedule VI or an imitation controlled substance ~~which~~ *that* imitates a controlled substance classified in Schedule V or Schedule VI, ~~shall be~~ *is* guilty of a Class 1 misdemeanor.

G. Any person who violates this section with respect to an imitation controlled substance ~~which~~ *that* imitates a controlled substance classified in Schedule I, II, III, or IV ~~shall be~~ *is* guilty of a Class 6 felony. In any prosecution brought under this subsection, it is not a defense to a violation of this subsection that the defendant believed the imitation controlled substance to actually be a controlled substance.

H. Any person who manufactures, sells, gives, distributes or possesses with the intent to manufacture, sell, give or distribute the following:

1. 1.0 kilograms or more of a mixture or substance containing a detectable amount of heroin;

2. 5.0 kilograms or more of a mixture or substance containing a detectable amount of:

a. Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine or their salts have been removed;

b. Cocaine, its salts, optical and geometric isomers, and salts of isomers;

c. Cocaine base;

d. Ecgonine, its derivatives, their salts, isomers, and salts of isomers; or

e. Any compound, mixture, or preparation ~~which~~ *that* contains any quantity of any of the substances referred to in subdivisions a through d; *or*

3. ~~100 kilograms or more of a mixture or substance containing a detectable amount of marijuana; or~~

~~4.~~ 100 grams or more of methamphetamine, its salts, isomers, or salts of its isomers or 200 grams or more of a mixture or substance containing a detectable amount of methamphetamine, its salts, isomers, or salts of its isomers ~~shall be~~ *is* guilty of a felony punishable by a fine of not more than $1 million and imprisonment for 20 years to life, 20 years of which shall be a mandatory minimum sentence. Such mandatory minimum sentence shall not be applicable if the court finds that (i) the person does not have a prior conviction for an offense listed in subsection C of § 17.1-805; (ii) the person did not use violence or credible threats of violence or possess a firearm or other dangerous weapon in connection with the offense or induce another participant in the offense to do so; (iii) the offense did not result in death or serious bodily injury to any person; (iv) the person was not an organizer, leader, manager, or supervisor of others in the offense, and was not engaged in a continuing criminal enterprise as defined in subsection I ~~of this section~~; and (v) not later than the time of the sentencing hearing, the person has truthfully provided to the Commonwealth all information and evidence the person has concerning the offense or offenses that were part of the same course of conduct or of a common scheme or plan, but the fact that the person has no relevant or useful other information to provide or that the Commonwealth already is aware of the information shall not preclude a determination by the court that the defendant has complied with this requirement.

H1. Any person who was the principal or one of several principal administrators, organizers or leaders of a continuing criminal enterprise ~~shall be~~ *is* guilty of a felony if (i) the enterprise received at least $100,000 but less than $250,000 in gross receipts during any 12-month period of its existence from the manufacture, importation, or distribution of heroin or cocaine or ecgonine or methamphetamine or the derivatives, salts, isomers, or salts of isomers thereof ~~or marijuana~~ or (ii) the person engaged in the enterprise to manufacture, sell, give, distribute or possess with the intent to manufacture, sell, give or distribute the following during any 12-month period of its existence:

1. At least 1.0 kilograms but less than 5.0 kilograms of a mixture or substance containing a detectable amount of heroin;

2. At least 5.0 kilograms but less than 10 kilograms of a mixture or substance containing a detectable amount of:

a. Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine or their salts have been removed;

b. Cocaine, its salts, optical and geometric isomers, and salts of isomers;

c. Cocaine base;

d. Ecgonine, its derivatives, their salts, isomers, and salts of isomers; or

e. Any compound, mixture, or preparation ~~which~~ *that* contains any quantity of any of the substances referred to in subdivisions a through d; *or*

3. ~~At least 100 kilograms but less than 250 kilograms of a mixture or substance containing a detectable amount of marijuana; or~~

~~4.~~ At least 100 grams but less than 250 grams of methamphetamine, its salts, isomers, or salts of its isomers or at least 200 grams but less than 1.0 kilograms of a mixture or substance containing a detectable amount of methamphetamine, its salts, isomers, or salts of its isomers.

A conviction under this section shall be punishable by a fine of not more than $1 million and imprisonment for 20 years to life, 20 years of which shall be a mandatory minimum sentence.

H2. Any person who was the principal or one of several principal administrators, organizers or leaders of a continuing criminal enterprise if (i) the enterprise received $250,000 or more in gross receipts during any 12-month period of its existence from the manufacture, importation, or distribution of heroin or cocaine or ecgonine or methamphetamine or the derivatives, salts, isomers, or salts of isomers thereof ~~or marijuana~~ or (ii) the person engaged in the enterprise to manufacture, sell, give, distribute or possess with the intent to manufacture, sell, give or distribute the following during any 12-month period of its existence:

1. At least 5.0 kilograms of a mixture or substance containing a detectable amount of heroin;

2. At least 10 kilograms of a mixture or substance containing a detectable amount of:

a. Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine or their salts have been removed;

b. Cocaine, its salts, optical and geometric isomers, and salts of isomers;

c. Cocaine base;

d. Ecgonine, its derivatives, their salts, isomers, and salts of isomers; or

e. Any compound, mixture, or preparation ~~which~~ *that* contains any quantity of any of the substances referred to in subdivisions a through d; *or*

3. ~~At least 250 kilograms of a mixture or substance containing a detectable amount of marijuana; or~~

~~4.~~ At least 250 grams of methamphetamine, its salts, isomers, or salts of its isomers or at least 1.0 kilograms of a mixture or substance containing a detectable amount of methamphetamine, its salts, isomers, or salts of its isomers ~~shall be~~ *is* guilty of a felony punishable by a fine of not more than $1 million and imprisonment for life, which shall be served with no suspension in whole or in part. Such punishment shall be made to run consecutively with any other sentence. However, the court may impose a mandatory minimum sentence of 40 years if the court finds that the defendant substantially cooperated with law-enforcement authorities.

I. For purposes of this section, a person is engaged in a continuing criminal enterprise if (i) he violates any provision of this section, the punishment for which is a felony and either (ii) such violation is a part of a continuing series of violations of this section which are undertaken by such person in concert with five or more other persons with respect to whom such person occupies a position of organizer, a supervisory position, or any other position of management, and from which such person obtains substantial income or resources or (iii) such violation is committed, with respect to methamphetamine or other controlled substance classified in Schedule I or II, for the benefit of, at the direction of, or in association with any criminal street gang as defined in § 18.2-46.1.

J. Except as authorized in the Drug Control Act (§ 54.1-3400 et seq.), any person who possesses any two or more different substances listed below with the intent to manufacture methamphetamine, methcathinone, or amphetamine is guilty of a Class 6 felony: liquefied ammonia gas, ammonium nitrate, ether, hypophosphorus acid solutions, hypophosphite salts, hydrochloric acid, iodine crystals or tincture of iodine, phenylacetone, phenylacetic acid, red phosphorus, methylamine, methyl formamide, lithium, sodium metal, sulfuric acid, sodium hydroxide, potassium dichromate, sodium dichromate, potassium permanganate, chromium trioxide, methylbenzene, methamphetamine precursor drugs, trichloroethane, or 2-propanone.

K. The term "methamphetamine precursor drug," when used in this article, means a drug or product containing ephedrine, pseudoephedrine, or phenylpropanolamine or any of their salts, optical isomers, or salts of optical isomers.

§ 18.2-248.01. Transporting controlled substances into the Commonwealth; penalty.

Except as authorized in the Drug Control Act (§ 54.1-3400 et seq.) it is unlawful for any person to transport into the Commonwealth by any means with intent to sell or distribute one ounce or more of cocaine, coca leaves or any salt, compound, derivative or preparation thereof as described in Schedule II of the Drug Control Act or one ounce or more of any other Schedule I or II controlled substance ~~or five or more pounds of marijuana~~. A violation of this section shall constitute a separate and distinct felony. Upon conviction, the person shall be sentenced to not less than five years nor more than 40 years imprisonment, three years of which shall be a mandatory minimum term of imprisonment, and a fine not to exceed ~~$1,000,000~~ *$1 million*. A second or subsequent conviction hereunder shall be punishable by a mandatory minimum term of imprisonment of 10 years, which shall be served consecutively with any other sentence.

§ 18.2-251. Persons charged with first offense may be placed on probation; conditions; substance abuse screening, assessment treatment and education programs or services; drug tests; costs and fees; violations; discharge.

Whenever any person who has not previously been convicted of any criminal offense under this article or under any statute of the United States or of any state relating to narcotic drugs~~, marijuana,~~ or stimulant, depressant, or hallucinogenic drugs, ~~with the exception of any misdemeanor conviction for possession of marijuana,~~ or has not previously had a proceeding against him for violation of such an offense dismissed as provided in this section, ~~except a dismissal of a misdemeanor offense for possession of marijuana,~~ pleads guilty to or enters a plea of not guilty to possession of a controlled substance under § 18.2-250, the court, upon such plea if the facts found by the court would justify a finding of guilt, without entering a judgment of guilt and with the consent of the accused, may defer further proceedings and place him on probation upon terms and conditions. If the court defers further proceedings, at that time the court shall determine whether the clerk of court has been provided with the fingerprint identification information or fingerprints of the person, taken by a law-enforcement officer pursuant to § 19.2-390, and, if not, shall order that the fingerprints and photograph of the person be taken by a law-enforcement officer.

As a term or condition, the court shall require the accused to undergo a substance abuse assessment pursuant to § 18.2-251.01 or 19.2-299.2, as appropriate, and enter treatment and/or education program or services, if available, such as, in the opinion of the court, may be best suited to the needs of the accused based upon consideration of the substance abuse assessment. The program or services may be located in the judicial district in which the charge is brought or in any other judicial district as the court may provide. The services shall be provided by (i) a program licensed by the Department of Behavioral Health and Developmental Services, by a similar program which is made available through the Department of Corrections, (ii) a local community-based probation services agency established pursuant to § 9.1-174, or (iii) an ASAP program certified by the Commission on VASAP.

The court shall require the person entering such program under the provisions of this section to pay all or part of the costs of the program, including the costs of the screening, assessment, testing, and treatment, based upon the accused's ability to pay unless the person is determined by the court to be indigent.

As a condition of probation, the court shall require the accused (a) to successfully complete treatment or education program or services, (b) to remain drug and alcohol free during the period of probation and submit to such tests during that period as may be

necessary and appropriate to determine if the accused is drug and alcohol free, (c) to make reasonable efforts to secure and maintain employment, and (d) to comply with a plan of at least 100 hours of community service for a felony and up to 24 hours of community service for a misdemeanor. Such testing shall be conducted by personnel of the supervising probation agency or personnel of any program or agency approved by the supervising probation agency.

Upon violation of a term or condition, the court may enter an adjudication of guilt and proceed as otherwise provided. Upon fulfillment of the terms and conditions, and upon determining that the clerk of court has been provided with the fingerprint identification information or fingerprints of such person, the court shall discharge the person and dismiss the proceedings against him. Discharge and dismissal under this section shall be without adjudication of guilt and is a conviction only for the purposes of applying this section in subsequent proceedings.

Notwithstanding any other provision of this section, whenever a court places an individual on probation upon terms and conditions pursuant to this section, such action shall be treated as a conviction for purposes of § 22.1-315. The provisions of this paragraph shall not be applicable to any offense for which a juvenile has had his license suspended or denied pursuant to § 16.1-278.9 for the same offense.

§ 18.2-251.03. Arrest and prosecution when experiencing or reporting an overdose or act of sexual violence.

A. For purposes of this section:

"Act of sexual violence" means an alleged violation of § 18.2-361, 18.2-370, or 18.2-370.1 or the laws pertaining to criminal sexual assault pursuant to Article 7 (§ 18.2-61 et seq.) of Chapter 4.

"Overdose" means a life-threatening condition resulting from the consumption or use of a controlled substance, alcohol, or any combination of such substances.

B. No individual shall be subject to arrest or prosecution for the unlawful purchase, possession, or consumption of alcohol pursuant to § 4.1-305, unlawful purchase, possession, or consumption of marijuana pursuant to § ~~4.1-1105.1~~ *4.1-1105*, involuntary manslaughter pursuant to § 18.2-36.3, possession of a controlled substance pursuant to § 18.2-250, intoxication in public pursuant to § 18.2-388, or possession of controlled paraphernalia pursuant to § 54.1-3466 if:

1. Such individual (i) in good faith, seeks or obtains emergency medical attention (a) for himself, if he is experiencing an overdose, or (b) for another individual, if such other individual is experiencing an overdose; (ii) is experiencing an overdose and another individual, in good faith, seeks or obtains emergency medical attention for such individual, by contemporaneously reporting such overdose to a firefighter, as defined in § 65.2-102, emergency medical services personnel, as defined in § 32.1-111.1, a law-enforcement officer, as defined in § 9.1-101, or an emergency 911 system; or (iii) in good faith, renders emergency care or assistance, including cardiopulmonary resuscitation (CPR) or the administration of naloxone or other opioid antagonist for overdose reversal, to an individual experiencing an overdose while another individual seeks or obtains emergency medical attention in accordance with this subdivision;

2. Such individual remains at the scene of the overdose or at any alternative location to which he or the person requiring emergency medical attention has been transported until a law-enforcement officer responds to the report of an overdose. If no law-enforcement officer is present at the scene of the overdose or at the alternative location, then such individual shall cooperate with law enforcement as otherwise set forth herein;

3. Such individual identifies himself to the law-enforcement officer who responds to the report of the overdose; and

4. The evidence for the prosecution of an offense enumerated in this subsection was obtained as a result of the individual seeking or obtaining emergency medical attention or rendering emergency care or assistance.

C. No individual shall be subject to arrest or prosecution for the unlawful purchase, possession, or consumption of alcohol pursuant to § 4.1-305, unlawful purchase, possession, or consumption of marijuana pursuant to § ~~4.1-1105.1~~ *4.1-1105*, possession of a controlled substance pursuant to § 18.2-250, intoxication in public pursuant to § 18.2-388, or possession of controlled paraphernalia pursuant to § 54.1-3466 if:

1. Such individual, in good faith, seeks or obtains assistance for himself or another individual from emergency medical services personnel, as defined in § 32.1-111.1, a health care provider, as defined in § 8.01-581.1, or a law-enforcement officer, as defined in § 9.1-101, and seeks to report an act of sexual violence committed against himself or another individual;

2. Such individual identifies himself to the law-enforcement officer who responds to the report of the act of sexual violence; and

3. The evidence for the prosecution of an offense enumerated in this subsection was obtained as a result of the individual seeking or obtaining medical attention, rendering care or assistance, or reporting to law enforcement.

This subsection shall not apply to an individual who is alleged to have committed the act of sexual violence.

D. The provisions of this section shall not apply to any person who seeks or obtains emergency medical attention for himself or another

individual, to a person experiencing an overdose or who has experienced an act of sexual violence when another individual seeks or obtains emergency medical attention for him, or to a person who renders emergency care or assistance to an individual experiencing an overdose or who has experienced an act of sexual violence while another person seeks or obtains emergency medical attention during the execution of a search warrant or during the conduct of a lawful search or a lawful arrest.

E. This section does not establish protection from arrest or prosecution for any individual or offense other than those listed in subsection B or C. However, any individual immune to arrest or prosecution under this section shall not have his bail, probation, furlough, supervised release, suspended sentence, or parole revoked for the behavior immune from arrest or prosecution under the provisions of this section.

F. No law-enforcement officer acting in good faith shall be found liable for false arrest if it is later determined that the person arrested was immune from prosecution under this section.

§ 18.2-251.1:1. Possession or distribution of cannabis oil; public schools.

No school nurse employed by a local school board, person employed by a local health department who is assigned to the public school pursuant to an agreement between the local health department and the school board, or other person employed by or contracted with a local school board to deliver health-related services shall be prosecuted under Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or § 18.2-248, ~~18.2-248.1,~~ 18.2-250, or 18.2-255 for the possession or distribution of cannabis oil for storing, dispensing, or administering cannabis oil, in accordance with a policy adopted by the local school board, to a student who has been issued a valid written certification for the use of cannabis oil in accordance with § 4.1-1601.

§ 18.2-251.1:2. Possession or distribution of cannabis oil; nursing homes and certified nursing facilities; hospice and hospice facilities; assisted living facilities.

No person employed by a nursing home, hospice, hospice facility, or assisted living facility and authorized to possess, distribute, or administer medications to patients or residents shall be prosecuted under Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or § 18.2-248~~, 18.2-248.1,~~ or 18.2-250 for the possession or distribution of cannabis oil for the purposes of storing, dispensing, or administering cannabis oil to a patient or resident who has been issued a valid written certification for the use of cannabis oil in accordance with § 4.1-1601.

§ 18.2-251.1:3. Possession or distribution of cannabis oil, or industrial hemp; laboratories; Department of Agriculture and Consumer Services, Department of Law employees.

A. No person employed by an analytical laboratory to retrieve, deliver, or possess cannabis oil or industrial hemp samples from a permitted pharmaceutical processor, a registered industrial hemp grower, a federally licensed hemp producer, or a registered industrial hemp processor for the purpose of performing required testing shall be prosecuted under Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or § 18.2-248, ~~18.2-248.1,~~ 18.2-250, or 18.2-255 for the possession or distribution of cannabis oil or industrial hemp or for storing cannabis oil or industrial hemp for testing purposes in accordance with regulations promulgated by the Board ~~of Pharmacy~~ *of Directors of the Virginia Cannabis Control Authority* and the Board of Agriculture and Consumer Services.

B. No employee of the Department of Agriculture and Consumer Services or of the Department of Law shall be prosecuted under *Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or* § ~~18.2-247,~~ 18.2-248, 18.2-248.01, ~~18.2-248.1,~~ or 18.2-250 for the possession or distribution of industrial hemp or any substance containing tetrahydrocannabinol when possession of industrial hemp or any substance containing tetrahydrocannabinol is necessary in the performance of his duties.

§ 18.2-252. Suspended sentence conditioned upon substance abuse screening, assessment, testing, and treatment or education.

The trial judge or court trying the case of any person found guilty of a criminal violation of any law concerning the use, in any manner, of drugs, controlled substances, narcotics, ~~marijuana,~~ noxious chemical substances and like substances shall condition any suspended sentence by first requiring such person to agree to undergo a substance abuse screening pursuant to § 18.2-251.01 and to submit to such periodic substance abuse testing, to include alcohol testing, as may be directed by the court. Such testing shall be conducted by the supervising probation agency or by personnel of any program or agency approved by the supervising probation agency. The cost of such testing ordered by the court shall be paid by the Commonwealth and taxed as a part of the costs of such proceedings. The judge or court shall order the person, as a condition of any suspended sentence, to undergo such treatment or education for substance abuse, if available, as the judge or court deems appropriate based upon consideration of the substance abuse assessment. The treatment or education shall be provided by a program or agency licensed by the Department of Behavioral Health and Developmental Services, by a similar program or services available through the Department of Corrections if the court imposes a sentence of one year or more or, if the court imposes a sentence of 12 months or less, by a similar program or services available through a local or regional jail, a local community-based probation services agency established pursuant to § 9.1-174, or an ASAP program certified by the Commission on VASAP.

§ 18.2-254. Commitment of convicted person for treatment for substance abuse.

A. Whenever any person who has not previously been convicted of any criminal offense under this article or under any statute of

the United States or of any state relating to narcotic drugs~~,~~ ~~marijuana,~~ *or* stimulant, depressant, or hallucinogenic drugs or has not previously had a proceeding against him for violation of such an offense dismissed as provided in § 18.2-251 is found guilty of violating any law concerning the use, in any manner, of drugs, controlled substances, narcotics, ~~marijuana,~~ noxious chemical substances, and like substances, the judge or court shall require such person to undergo a substance abuse screening pursuant to § 18.2-251.01 and to submit to such periodic substance abuse testing, to include alcohol testing, as may be directed by the court. The cost of such testing ordered by the court shall be paid by the Commonwealth and taxed as a part of the costs of the criminal proceedings. The judge or court shall also order the person to undergo such treatment or education for substance abuse, if available, as the judge or court deems appropriate based upon consideration of the substance abuse assessment. The treatment or education shall be provided by a program or agency licensed by the Department of Behavioral Health and Developmental Services or by a similar program or services available through the Department of Corrections if the court imposes a sentence of one year or more or, if the court imposes a sentence of 12 months or less, by a similar program or services available through a local or regional jail, a local community-based probation services agency established pursuant to § 9.1-174, or an ASAP program certified by the Commission on VASAP.

B. The court trying the case of any person alleged to have committed any criminal offense designated by this article or by the Drug Control Act (§ 54.1-3400 et seq.) or in any other criminal case in which the commission of the offense was motivated by or closely related to the use of drugs and determined by the court, pursuant to a substance abuse screening and assessment, to be in need of treatment for the use of drugs may commit, based upon a consideration of the substance abuse assessment, such person, upon his conviction, to any facility for the treatment of persons with substance abuse, licensed by the Department of Behavioral Health and Developmental Services, if space is available in such facility, for a period of time not in excess of the maximum term of imprisonment specified as the penalty for conviction of such offense or, if sentence was determined by a jury, not in excess of the term of imprisonment as set by such jury. Confinement under such commitment shall be, in all regards, treated as confinement in a penal institution and the person so committed may be convicted of escape if he leaves the place of commitment without authority. A charge of escape may be prosecuted in either the jurisdiction where the treatment facility is located or the jurisdiction where the person was sentenced to commitment. The court may revoke such commitment at any time and transfer the person to an appropriate state or local correctional facility. Upon presentation of a certified statement from the director of the treatment facility to the effect that the confined person has successfully responded to treatment, the court may release such confined person prior to the termination of the period of time for which such person was confined and may suspend the remainder of the term upon such conditions as the court may prescribe.

C. The court trying a case in which commission of the criminal offense was related to the defendant's habitual abuse of alcohol and in which the court determines, pursuant to a substance abuse screening and assessment, that such defendant is in need of treatment, may commit, based upon a consideration of the substance abuse assessment, such person, upon his conviction, to any facility for the treatment of persons with substance abuse licensed by the Department of Behavioral Health and Developmental Services, if space is available in such facility, for a period of time not in excess of the maximum term of imprisonment specified as the penalty for conviction. Confinement under such commitment shall be, in all regards, treated as confinement in a penal institution and the person so committed may be convicted of escape if he leaves the place of commitment without authority. The court may revoke such commitment at any time and transfer the person to an appropriate state or local correctional facility. Upon presentation of a certified statement from the director of the treatment facility to the effect that the confined person has successfully responded to treatment, the court may release such confined person prior to the termination of the period of time for which such person was confined and may suspend the remainder of the term upon such conditions as the court may prescribe.

§ 18.2-255. Distribution of certain drugs to persons under 18 prohibited; penalty.

A. Except as authorized in the Drug Control Act~~,~~ ~~Chapter 34~~ (§ 54.1-3400 et seq.) ~~of Title 54.1~~, it ~~shall be~~ *is* unlawful for any person who is at least 18 years of age to knowingly or intentionally (i) distribute any drug classified in Schedule I, II, III, or IV ~~or marijuana~~ to any person under 18 years of age who is at least three years his junior or (ii) cause any person under 18 years of age to assist in such distribution of any drug classified in Schedule I, II, III, or IV ~~or marijuana~~. Any person violating this provision shall upon conviction be imprisoned in a state correctional facility for a period not less than 10 nor more than 50 years, and fined not more than $100,000. Five years of the sentence imposed for a conviction under this section involving a Schedule I or II controlled substance ~~or one ounce or more of marijuana~~ shall be a mandatory minimum sentence. ~~Two years of the sentence imposed for a conviction under this section involving less than one ounce of marijuana shall be a mandatory minimum sentence.~~

B. It ~~shall be~~ *is* unlawful for any person who is at least 18 years of age to knowingly or intentionally (i) distribute any imitation controlled substance to a person under 18 years of age who is at least three years his junior or (ii) cause any person under 18 years of age to assist in such distribution of any imitation controlled substance. Any person violating this provision ~~shall be~~ *is* guilty of a Class 6 felony.

§ 18.2-255.1. Distribution, sale or display of printed material advertising instruments for use in administering controlled substances to minors; penalty.

It ~~shall be~~ *is* a Class 1 misdemeanor for any person knowingly to sell, distribute, or display for sale to a minor any book, pamphlet, periodical, or other printed matter ~~which~~ *that* he knows advertises for sale any instrument, device, article, or contrivance for advertised use in unlawfully ingesting, smoking, administering, preparing, or growing ~~marijuana or~~ a controlled substance.

§ 18.2-255.2. Prohibiting the sale or manufacture of drugs on or near certain properties; penalty.

A. It ~~shall be~~ *is* unlawful for any person to manufacture, sell, or distribute or possess with intent to sell, give, or distribute any controlled substance~~,~~ *or* imitation controlled substance~~, or marijuana~~ while:

1. Upon the property, including buildings and grounds, of any public or private elementary or secondary school, any institution of higher education, or any clearly marked licensed child day center as defined in § 22.1-289.02;

2. Upon public property or any property open to public use within 1,000 feet of the property described in subdivision 1;

3. On any school bus as defined in § 46.2-100;

4. Upon a designated school bus stop, or upon either public property or any property open to public use which is within 1,000 feet of such school bus stop, during the time when school children are waiting to be picked up and transported to or are being dropped off from school or a school-sponsored activity;

5. Upon the property, including buildings and grounds, of any publicly owned or publicly operated recreation or community center facility or any public library; or

6. Upon the property of any state facility as defined in § 37.2-100 or upon public property or property open to public use within 1,000 feet of such ~~an institution~~ *facility*. It is a violation of the provisions of this section if the person possessed the controlled substance~~,~~ *or* imitation controlled substance~~, or marijuana~~ on the property described in subdivisions 1 through 6, regardless of where the person intended to sell, give, or distribute the controlled substance~~,~~ *or* imitation controlled substance~~, or marijuana~~. Nothing in this section shall prohibit the authorized distribution of controlled substances.

B. Violation of this section shall constitute a separate and distinct felony. Any person violating the provisions of this section shall, upon conviction, be imprisoned for a term of not less than one year nor more than five years and fined not more than $100,000. A second or subsequent conviction hereunder for an offense involving a controlled substance classified in Schedule I, II, or III of the Drug Control Act (§ 54.1-3400 et seq.) ~~or more than one-half ounce of marijuana~~ shall be punished by a mandatory minimum term of imprisonment of one year to be served consecutively with any other sentence. However, if such person proves that he sold such controlled substance ~~or marijuana~~ only as an accommodation to another individual and not with intent to profit thereby from any consideration received or expected nor to induce the recipient or intended recipient of the controlled substance ~~or marijuana~~ to use or become addicted to or dependent upon such controlled substance ~~or marijuana~~, he is guilty of a Class 1 misdemeanor.

C. If a person commits an act violating the provisions of this section, and the same act also violates another provision of law that provides for penalties greater than those provided for by this section, then nothing in this section shall prohibit or bar any prosecution or proceeding under that other provision of law or the imposition of any penalties provided for thereby.

§ 18.2-258. Certain premises deemed common nuisance; penalty.

Any office, store, shop, restaurant, dance hall, theater, poolroom, clubhouse, storehouse, warehouse, dwelling house, apartment, building of any kind, vehicle, vessel, boat, or aircraft, which with the knowledge of the owner, lessor, agent of any such lessor, manager, chief executive officer, operator, or tenant thereof, is frequented by persons under the influence of illegally obtained controlled substances ~~or marijuana~~, as defined in § 54.1-3401, or for the purpose of illegally obtaining possession of, manufacturing, or distributing controlled substances ~~or marijuana~~, or is used for the illegal possession, manufacture, or distribution of controlled substances ~~or marijuana~~ shall be deemed a common nuisance. Any such owner, lessor, agent of any such lessor, manager, chief executive officer, operator, or tenant who knowingly permits, establishes, keeps or maintains such a common nuisance is guilty of a Class 1 misdemeanor and~~,~~ for a second or subsequent offense, a Class 6 felony.

§ 18.2-258.02. Maintaining a fortified drug house; penalty.

Any office, store, shop, restaurant, dance hall, theater, poolroom, clubhouse, storehouse, warehouse, dwelling house, apartment or building or structure of any kind ~~which~~ *that* is (i) substantially altered from its original status by means of reinforcement with the intent to impede, deter or delay lawful entry by a law-enforcement officer into such structure, (ii) being used for the purpose of manufacturing or distributing controlled substances ~~or marijuana~~, and (iii) the object of a valid search warrant, shall be considered a fortified drug house. Any person who maintains or operates a fortified drug house is guilty of a Class 5 felony.

§ 18.2-258.1. Obtaining drugs, procuring administration of controlled substances, etc., by fraud, deceit or forgery.

A. It ~~shall be~~ *is* unlawful for any person to obtain or attempt to obtain any drug or procure or attempt to procure the administration of any controlled substance ~~or marijuana~~: (i) by fraud, deceit, misrepresentation, embezzlement, or subterfuge; (ii) by the forgery or alteration of a prescription or of any written order; (iii) by the concealment of a material fact; or (iv) by the use of a false name or the giving of a false address.

B. It ~~shall be~~ *is* unlawful for any person to furnish false or fraudulent information in or omit any information from, or willfully make a false statement in, any prescription, order, report, record, or other document required by ~~Chapter 34~~ *the Drug Control Act* (§ 54.1-3400 et seq.) ~~of Title 54.1~~.

C. It ~~shall be~~ *is* unlawful for any person to use in the course of the manufacture or distribution of a controlled substance ~~or~~

~~marijuana~~ a license number ~~which~~ *that* is fictitious, revoked, suspended, or issued to another person.

D. It ~~shall be~~ *is* unlawful for any person, for the purpose of obtaining any controlled substance ~~or marijuana~~, to falsely assume the title of, or represent himself to be, a manufacturer, wholesaler, pharmacist, physician, dentist, veterinarian, or other authorized person.

E. It ~~shall be~~ *is* unlawful for any person to make or utter any false or forged prescription or false or forged written order.

F. It ~~shall be~~ *is* unlawful for any person to affix any false or forged label to a package or receptacle containing any controlled substance.

G. This section shall not apply to officers and employees of the United States, of this Commonwealth or of a political subdivision of this Commonwealth acting in the course of their employment, who obtain such drugs for investigative, research or analytical purposes, or to the agents or duly authorized representatives of any pharmaceutical manufacturer who obtain such drugs for investigative, research or analytical purposes and who are acting in the course of their employment; provided that such manufacturer is licensed under the provisions of the Federal Food, Drug and Cosmetic Act; and provided further, that such pharmaceutical manufacturer, its agents and duly authorized representatives file with the Board such information as the Board may deem appropriate.

H. Except as otherwise provided in this subsection, any person who shall violate any provision herein ~~shall be~~ *is* guilty of a Class 6 felony.

Whenever any person who has not previously been convicted of any offense under this article or under any statute of the United States or of any state relating to narcotic drugs~~, marijuana,~~ or stimulant, depressant, or hallucinogenic drugs, or has not previously had a proceeding against him for violation of such an offense dismissed, or reduced as provided in this section, pleads guilty to or enters a plea of not guilty to the court for violating this section, upon such plea if the facts found by the court would justify a finding of guilt, the court may place him on probation upon terms and conditions.

As a term or condition, the court shall require the accused to be evaluated and enter a treatment and/or education program, if available, such as, in the opinion of the court, may be best suited to the needs of the accused. This program may be located in the judicial circuit in which the charge is brought or in any other judicial circuit as the court may provide. The services shall be provided by a program certified or licensed by the Department of Behavioral Health and Developmental Services. The court shall require the person entering such program under the provisions of this section to pay all or part of the costs of the program, including the costs of the screening, evaluation, testing and education, based upon the person's ability to pay unless the person is determined by the court to be indigent.

As a condition of supervised probation, the court shall require the accused to remain drug free during the period of probation and submit to such tests during that period as may be necessary and appropriate to determine if the accused is drug free. Such testing may be conducted by the personnel of any screening, evaluation, and education program to which the person is referred or by the supervising agency.

Unless the accused was fingerprinted at the time of arrest, the court shall order the accused to report to the original arresting law-enforcement agency to submit to fingerprinting.

Upon violation of a term or condition, the court may enter an adjudication of guilt upon the felony and proceed as otherwise provided. Upon fulfillment of the terms and conditions of probation, the court shall find the defendant guilty of a Class 1 misdemeanor.

§ 18.2-265.1. Definition.

As used in this article, "drug paraphernalia" means all equipment, products, and materials of any kind which are either designed for use or which are intended by the person charged with violating § 18.2-265.3 for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, strength testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling, or otherwise introducing into the human body ~~marijuana or~~ a controlled substance. "Drug paraphernalia" includes:

1. Kits intended for use or designed for use in planting, propagating, cultivating, growing, or harvesting ~~marijuana or~~ any species of plant which is a controlled substance or from which a controlled substance can be derived;

2. Kits intended for use or designed for use in manufacturing, compounding, converting, producing, processing, or preparing ~~marijuana or~~ controlled substances;

3. Isomerization devices intended for use or designed for use in increasing the potency of ~~marijuana or~~ any species of plant ~~which~~ *that* is a controlled substance;

4. Testing equipment intended for use or designed for use in identifying or in analyzing the strength or effectiveness of ~~marijuana or~~ controlled substances, other than drug checking products used to determine the presence or concentration of a contaminant that can cause physical harm or death;

5. Scales and balances intended for use or designed for use in weighing or measuring ~~marijuana or~~ controlled substances;

6. Diluents and adulterants, such as quinine hydrochloride, mannitol, or mannite, intended for use or designed for use in cutting controlled substances;

7. ~~Separation gins and sifters intended for use or designed for use in removing twigs and seeds from, or in otherwise cleaning or refining, marijuana;~~

~~8.~~ Blenders, bowls, containers, spoons, and mixing devices intended for use or designed for use in compounding controlled substances;

~~9.~~ *8.* Capsules, balloons, envelopes, and other containers intended for use or designed for use in packaging small quantities of ~~marijuana or~~ controlled substances;

~~10.~~ *9.* Containers and other objects intended for use or designed for use in storing or concealing ~~marijuana or~~ controlled substances;

~~11.~~ *10.* Hypodermic syringes, needles, and other objects intended for use or designed for use in parenterally injecting controlled substances into the human body;

~~12.~~ *11.* Objects intended for use or designed for use in ingesting, inhaling, or otherwise introducing ~~marijuana,~~ cocaine~~, hashish, or hashish oil~~ into the human body, such as:

a. Metal, wooden, acrylic, glass, stone, plastic, or ceramic pipes with or without screens, permanent screens, ~~hashish heads,~~ or punctured metal bowls;

b. Water pipes;

c. Carburetion tubes and devices;

d. Smoking and carburetion masks;

e. Roach clips, meaning objects used to hold burning material~~ such as a marijuana cigarette,~~ that has become too small or too short to be held in the hand;

f. Miniature cocaine spoons, and cocaine vials;

g. Chamber pipes;

h. Carburetor pipes;

i. Electric pipes;

j. Air-driven pipes;

k. Chillums;

l. Bongs;

m. Ice pipes or chillers.

§ 18.2-265.2. Evidence to be considered in cases under this article.

In determining whether an object is drug paraphernalia, the court may consider, in addition to all other relevant evidence, the following:

1. Constitutionally admissible statements by the accused concerning the use of the object;

2. The proximity of the object to ~~marijuana or~~ controlled substances, which proximity is actually known to the accused;

3. Instructions, oral or written, provided with the object concerning its use;

4. Descriptive materials accompanying the object ~~which~~ *that* explain or depict its use;

5. National and local advertising within the actual knowledge of the accused concerning its use;

6. The manner in which the object is displayed for sale;

7. Whether the accused is a legitimate supplier of like or related items to the community, such as a licensed distributor or dealer of tobacco products;

8. Evidence of the ratio of sales of the objects defined in § 18.2-265.1 to the total sales of the business enterprise;

9. The existence and scope of legitimate uses for the object in the community;

10. Expert testimony concerning its use or the purpose for which it was designed; *and*

11. Relevant evidence of the intent of the accused to deliver it to persons who he knows, or should reasonably know, intend to use the object with an illegal drug. The innocence of an owner, or of anyone in control of the object, as to a direct violation of this article shall not prevent a finding that the object is intended for use or designed for use as drug paraphernalia.

§ 18.2-265.3. Penalties for sale, etc., of drug paraphernalia.

A. Any person who sells or possesses with intent to sell drug paraphernalia, knowing, or under circumstances where one reasonably should know, that it is either designed for use or intended by such person for use to illegally plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body ~~marijuana or~~ a controlled substance, ~~shall be~~ *is* guilty of a Class 1 misdemeanor.

B. Any person ~~eighteen~~ *18* years of age or older who violates subsection A ~~hereof~~ by selling drug paraphernalia to a minor who is at least three years junior to the accused in age ~~shall be~~ *is* guilty of a Class 6 felony.

C. Any person ~~eighteen~~ *18* years of age or older who distributes drug paraphernalia to a minor ~~shall be~~ *is* guilty of a Class 1 misdemeanor.

§ 18.2-287.2. Wearing of body armor while committing a crime; penalty.

Any person who, while committing a crime of violence as defined in § 18.2-288 (2) or a felony violation of § 18.2-248 ~~or subdivision (a) 2 or 3 of~~ § ~~18.2-248.1,~~ has in his possession a firearm or knife and is wearing body armor designed to diminish the effect of the impact of a bullet or projectile ~~shall be~~ *is* guilty of a Class 4 felony.

§ 18.2-308.012. Prohibited conduct.

A. Any person permitted to carry a concealed handgun who is under the influence of alcohol, *marijuana,* or illegal drugs while carrying such handgun in a public place is guilty of a Class 1 misdemeanor. Conviction of any of the following offenses shall be prima facie evidence, subject to rebuttal, that the person is "under the influence" for purposes of this section: manslaughter in violation of § 18.2-36.1, maiming in violation of § 18.2-51.4, driving while intoxicated in violation of § 18.2-266, public intoxication in violation of § 18.2-388, or driving while intoxicated in violation of § 46.2-341.24. Upon such conviction that court shall revoke the person's permit for a concealed handgun and promptly notify the issuing circuit court. A person convicted of a violation of this subsection shall be ineligible to apply for a concealed handgun permit for a period of five years.

B. No person who carries a concealed handgun onto the premises of any restaurant or club as defined in § 4.1-100 for which a license to sell and serve alcoholic beverages for on-premises consumption has been granted by the Virginia Alcoholic Beverage Control Authority under Title 4.1 may consume an alcoholic beverage while on the premises. A person who carries a concealed handgun onto the premises of such a restaurant or club and consumes alcoholic beverages is guilty of a Class 2 misdemeanor. However, nothing in this subsection shall apply to a federal, state, or local law-enforcement officer.

§ 18.2-308.4. Possession of firearms while in possession of certain substances.

A. It ~~shall be~~ *is* unlawful for any person unlawfully in possession of a controlled substance classified in Schedule I or II of the Drug Control Act (§ 54.1-3400 et seq.) of Title 54.1 to simultaneously with knowledge and intent possess any firearm. A violation of this subsection is a Class 6 felony and constitutes a separate and distinct felony.

B. It ~~shall be~~ *is* unlawful for any person unlawfully in possession of a controlled substance classified in Schedule I or II of the Drug Control Act (§ 54.1-3400 et seq.) to simultaneously with knowledge and intent possess any firearm on or about his person. A violation of this subsection is a Class 6 felony and constitutes a separate and distinct felony and any person convicted hereunder shall be sentenced to a mandatory minimum term of imprisonment of two years. Such punishment shall be separate and apart from, and shall be made to run consecutively with, any punishment received for the commission of the primary felony.

C. It ~~shall be~~ *is* unlawful for any person to possess, use, or attempt to use any pistol, shotgun, rifle, or other firearm or display such weapon in a threatening manner while committing or attempting to commit the illegal manufacture, sale, distribution, or the possession with the intent to manufacture, sell, or distribute a controlled substance classified in Schedule I or Schedule II of the Drug Control Act (§ 54.1-3400 et seq.) ~~or more than one pound of marijuana~~. A violation of this subsection is a Class 6 felony, and constitutes a separate and distinct felony and any person convicted hereunder shall be sentenced to a mandatory minimum term of imprisonment of five years. Such punishment shall be separate and apart from, and shall be made to run consecutively with, any punishment received for the commission of the primary felony.

§ 18.2-371.2. Prohibiting purchase or possession of retail tobacco products and hemp products intended for smoking by a person under 21 years of age or sale of retail tobacco products and hemp products intended for smoking to persons under 21 years of age; civil penalties.

A. No person shall sell to, distribute to, purchase for, or knowingly permit the purchase by any person younger than 21 years of age, knowing or having reason to believe that such person is younger than 21 years of age, any retail tobacco product or hemp product

intended for smoking.

No person shall sell retail tobacco products or hemp products intended for smoking from a vending machine.

B. No person shall sell a retail tobacco product or hemp product intended for smoking to any individual who does not demonstrate, by producing a driver's license or similar photo identification issued by a government agency, that the individual is at least 21 years of age.

Before a retail dealer may sell retail tobacco products, other than cigar and pipe tobacco products as defined in § 58.1-1021.01, to any consumer, the person selling, offering for sale, giving, or furnishing the retail tobacco products shall verify that the consumer is of legal age by examining from any person who appears to be under 30 years of age a government-issued photographic identification that establishes that the person is of legal age or, if required pursuant to subdivision C 4 b of § 58.1-1021.04:1 or subdivision B 2 b of § 59.1-293.12, verifying the identification presented using identification fraud detection software, technology, or a scanner that confirms the authenticity of such identification.

This subsection shall not apply to mail order or Internet sales, provided that the person offering the retail tobacco product or hemp product intended for smoking for sale through mail order or the Internet (i) prior to the sale of the retail tobacco product or hemp product intended for smoking verifies that the purchaser is at least 21 years of age through a commercially available database that is regularly used by businesses or governmental entities for the purpose of age and identity verification and (ii) uses a method of mailing, shipping, or delivery that requires the signature of a person at least 21 years of age before the retail tobacco product or hemp product intended for smoking will be released to the purchaser.

C. A violation of subsection A or B by an individual or by a separate retail establishment is punishable by a civil penalty in the amount of $500 for a first violation and a civil penalty in the amount of $2,500 for a second or subsequent violation within a three-year period. If applicable, upon a second or subsequent violation within a three-year period, the Department of Taxation may suspend or revoke any approved license, permit, or registration issued pursuant to subsection C of § 58.1-1021.04:1.

For any violation of this section by an employee of a retail establishment, (i) such penalty shall be assessed against the establishment and (ii) an additional penalty of $100 shall be assessed against the employee.

Any attorney for the Commonwealth of the county or city in which an alleged violation occurred may bring an action to recover the civil penalty, which shall be paid into the state treasury. Any law-enforcement officer may issue a summons for a violation of subsection A or B.

D. 1. Cigarettes and hemp products intended for smoking shall be sold only in sealed packages provided by the manufacturer, with the required health warning. The proprietor of every retail establishment that offers for sale any retail tobacco product or hemp product intended for smoking shall post in a conspicuous manner and place a sign or signs indicating that the sale of retail tobacco products or hemp products intended for smoking to any person under 21 years of age is prohibited by law. Any attorney for the county, city, or town in which an alleged violation of this subsection occurred may enforce this subsection by civil action to recover a civil penalty not to exceed $500. The civil penalty shall be paid into the local treasury. No filing fee or other fee or cost shall be charged to the county, city, or town which instituted the action.

2. For the purpose of compliance with regulations of the Substance Abuse and Mental Health Services Administration published at 61 Federal Register 1492, the Department of Agriculture and Consumer Services may promulgate regulations which allow the Department to undertake the activities necessary to comply with such regulations.

3. Any attorney for the county, city, or town in which an alleged violation of this subsection occurred may enforce this subsection by civil action to recover a civil penalty not to exceed $500. The civil penalty shall be paid into the local treasury. No filing fee or other fee or cost shall be charged to the county, city, or town which instituted the action.

E. Nothing in this section shall be construed to create a private cause of action.

F. Agents of the Virginia Alcoholic Beverage Control Authority designated pursuant to § 4.1-105 may issue a summons for any violation of this section. Additionally, any retailer selling retail tobacco products shall be subject to the enforcement and compliance provisions of Chapter 23.2 (§ 59.1-293.10 et seq.) of Title 59.1.

G. As used in this section:

"Electronic smoking device" means any device that may be used to deliver any aerosolized or vaporized substance to the person inhaling from the device, including an e-cigarette, e-cigar, e-pipe, vape pen, or e-hookah. "Electronic smoking device" includes any component, part, or accessory of the device, whether or not sold separately, and also includes any substance intended to be aerosolized or vaporized during the use of the device, whether or not the substance contains nicotine. "Electronic smoking device" does not include any (i) battery or battery charger when sold separately or (ii) device used for heated tobacco products. "Electronic smoking device" does not include drugs or devices, as such terms are defined in 21 U.S.C. § 321, or combination products, as such term is used in 21 U.S.C. § 353, if such drugs, devices, or combination products are authorized for sale by the U.S. Food and Drug Administration.

"Hemp product" and "hemp product intended for smoking" mean the same as those terms are defined in § ~~3.2-4112~~ *4.1-600*.

"Retail tobacco product" means (i) any product containing, made of, or derived from tobacco or that contains nicotine that is intended for human consumption or is likely to be consumed, whether smoked, heated, chewed, dissolved, inhaled, absorbed, or ingested by other means, including a cigarette, a heated tobacco product, a cigar, pipe tobacco, chewing tobacco, snuff, or snus; (ii) any electronic smoking device and any substances that may be aerosolized or vaporized by such device, whether or not the substance contains nicotine; and (iii) any component, part, or accessory of a product described in clause (i) or (ii), whether or not such component, part, or accessory contains tobacco or nicotine, including filters, rolling papers, blunt or hemp wraps, and pipes. "Retail tobacco product" includes any nicotine vapor product as that term is defined in § 58.1-1021.01. "Retail tobacco product" does not include drugs or devices, as such terms are defined in 21 U.S.C. § 321, or combination products, as such term is used in 21 U.S.C. § 353, if such drugs, devices, or combination products are authorized for sale by the U.S. Food and Drug Administration.

"Wrappings" includes materials made or sold for covering or rolling tobacco or other materials for smoking in a manner similar to a cigarette or cigar.

§ 18.2-460. Obstructing justice; resisting arrest; fleeing from a law-enforcement officer; penalties.

A. If any person without just cause knowingly obstructs a judge, magistrate, justice, juror, attorney for the Commonwealth, witness, any law-enforcement officer, or animal control officer employed pursuant to § 3.2-6555 in the performance of his duties as such or fails or refuses without just cause to cease such obstruction when requested to do so by such judge, magistrate, justice, juror, attorney for the Commonwealth, witness, law-enforcement officer, or animal control officer employed pursuant to § 3.2-6555, he is guilty of a Class 1 misdemeanor.

B. Except as provided in subsection C, any person who, by threats or force, knowingly attempts to intimidate or impede a judge, magistrate, justice, juror, attorney for the Commonwealth, witness, any law-enforcement officer, or an animal control officer employed pursuant to § 3.2-6555 lawfully engaged in his duties as such, or to obstruct or impede the administration of justice in any court, is guilty of a Class 1 misdemeanor.

C. If any person by threats of bodily harm or force knowingly attempts to intimidate or impede a judge, magistrate, justice, juror, attorney for the Commonwealth, witness, ~~any~~ *or* law-enforcement officer, lawfully engaged in the discharge of his duty, or to obstruct or impede the administration of justice in any court relating to a violation of or conspiracy to violate § 18.2-248 ~~or subdivision (a)(3), (b) or (c) of~~ § ~~18.2-248.1, or~~ §, 18.2-46.2, or ~~§~~ 18.2-46.3, or relating to the violation of or conspiracy to violate any violent felony offense listed in subsection C of § 17.1-805, he is guilty of a Class 5 felony.

D. Any person who knowingly and willfully makes any materially false statement or representation to a law-enforcement officer or an animal control officer employed pursuant to § 3.2-6555 who is in the course of conducting an investigation of a crime by another is guilty of a Class 1 misdemeanor.

E. Any person who intentionally prevents or attempts to prevent a law-enforcement officer from lawfully arresting him, with or without a warrant, is guilty of a Class 1 misdemeanor. For purposes of this subsection, intentionally preventing or attempting to prevent a lawful arrest means fleeing from a law-enforcement officer when (i) the officer applies physical force to the person, or (ii) the officer communicates to the person that he is under arrest and (a) the officer has the legal authority and the immediate physical ability to place the person under arrest, and (b) a reasonable person who receives such communication knows or should know that he is not free to leave.

§ 18.2-474.1. Delivery of drugs, firearms, explosives, etc., to prisoners or committed persons.

Notwithstanding the provisions of § 18.2-474, any person who shall willfully in any manner deliver, attempt to deliver, or conspire with another to deliver to any prisoner confined under authority of the Commonwealth of Virginia, or of any political subdivision thereof, or to any person committed to the Department of Juvenile Justice in any juvenile correctional center, any drug ~~which~~ *that* is a controlled substance regulated by the Drug Control Act ~~in Chapter 34~~ (§ 54.1-3400 et seq.) ~~of Title 54.1 or marijuana~~ is guilty of a Class 5 felony. Any person who shall willfully in any manner so deliver or attempt to deliver or conspire to deliver to any such prisoner or confined or committed person, firearms, ammunitions, or explosives of any nature is guilty of a Class 3 felony.

Nothing herein contained shall be construed to repeal or amend § 18.2-473.

§ 19.2-66. When Attorney General or Chief Deputy Attorney General may apply for order authorizing interception of communications.

A. The Attorney General or Chief Deputy Attorney General, if the Attorney General so designates in writing, in any case where the Attorney General is authorized by law to prosecute or pursuant to a request in his official capacity of an attorney for the Commonwealth in any city or county, may apply to a judge of competent jurisdiction for an order authorizing the interception of wire, electronic or oral communications by the Department of State Police, when such interception may reasonably be expected to provide evidence of the commission of a felonious offense of extortion, bribery, kidnapping, murder, any felony violation of § 18.2-248 ~~or 18.2-248.1~~, any felony violation of Chapter 29 (§ 59.1-364 et seq.) of Title 59.1, any felony violation of Article 2 (§ 18.2-38 et seq.), Article 2.1 (§ 18.2-46.1 et seq.), Article 2.2 (§ 18.2-46.4 et seq.), Article 5 (§ 18.2-58 et seq.), Article 6 (§ 18.2-59 et seq.) or any

felonies that are not Class 6 felonies in Article 7 (§ 18.2-61 et seq.) of Chapter 4 of Title 18.2, or any conspiracy to commit any of the foregoing offenses. The Attorney General or Chief Deputy Attorney General may apply for authorization for the observation or monitoring of the interception by a police department of a county or city, by a sheriff's office, or by law-enforcement officers of the United States. Such application shall be made, and such order may be granted, in conformity with the provisions of § 19.2-68.

B. The application for an order under subsection B of § 19.2-68 shall be made as follows:

1. In the case of an application for a wire or electronic interception, a judge of competent jurisdiction shall have the authority to issue an order under subsection B of § 19.2-68 if there is probable cause to believe that an offense was committed, is being committed, or will be committed or the person or persons whose communications are to be intercepted live, work, subscribe to a wire or electronic communication system, maintain an address or a post office box, or are making the communication within the territorial jurisdiction of the court.

2. In the case of an application for an oral intercept, a judge of competent jurisdiction shall have the authority to issue an order under subsection B of § 19.2-68 if there is probable cause to believe that an offense was committed, is being committed, or will be committed or the physical location of the oral communication to be intercepted is within the territorial jurisdiction of the court.

C. For the purposes of an order entered pursuant to subsection B of § 19.2-68 for the interception of a wire or electronic communication, such communication shall be deemed to be intercepted in the jurisdiction where the order is entered, regardless of the physical location or the method by which the communication is captured or routed to the monitoring location.

§ 19.2-81. Arrest without warrant authorized in certain cases.

A. The following officers shall have the powers of arrest as provided in this section:

1. Members of the State Police force of the Commonwealth;

2. Sheriffs of the various counties and cities, and their deputies;

3. Members of any county police force or any duly constituted police force of any city or town of the Commonwealth;

4. The Commissioner, members and employees of the Marine Resources Commission granted the power of arrest pursuant to § 28.2-900;

5. Regular conservation police officers appointed pursuant to § 29.1-200;

6. United States Coast Guard and United States Coast Guard Reserve commissioned, warrant, and petty officers authorized under § 29.1-205 to make arrests;

7. Conservation officers appointed pursuant to § 10.1-115;

8. Full-time sworn members of the enforcement division of the Department of Motor Vehicles appointed pursuant to § 46.2-217;

9. Special agents of the Virginia Alcoholic Beverage Control Authority *or the Virginia Cannabis Control Authority*;

10. Campus police officers appointed under Article 3 (§ 23.1-809 et seq.) of Chapter 8 of Title 23.1; and

11. Members of the Division of Capitol Police.

B. Such officers may arrest without a warrant any person who commits any crime in the presence of the officer and any person whom he has reasonable grounds or probable cause to suspect of having committed a felony not in his presence.

Such officers may arrest without a warrant any person whom the officer has probable cause to suspect of operating any watercraft or motorboat while (i) intoxicated in violation of subsection B of § 29.1-738 or a substantially similar ordinance of any county, city, or town in the Commonwealth or (ii) in violation of an order issued pursuant to § 29.1-738.4 and may thereafter transfer custody of the person arrested to another officer, who may obtain a warrant based upon statements made to him by the arresting officer.

C. Any such officer may, at the scene of any accident involving a motor vehicle, watercraft as defined in § 29.1-733.2 or motorboat, or at any hospital or medical facility to which any person involved in such accident has been transported, or in the apprehension of any person charged with the theft of any motor vehicle, on any of the highways or waters of the Commonwealth, upon reasonable grounds to believe, based upon personal investigation, including information obtained from eyewitnesses, that a crime has been committed by any person then and there present, apprehend such person without a warrant of arrest. For purposes of this section, "the scene of any accident" shall include a reasonable location where a vehicle or person involved in an accident has been moved at the direction of a law-enforcement officer to facilitate the clearing of the highway or to ensure the safety of the motoring public.

D. Such officers may, within three hours of the alleged offense, arrest without a warrant at any location any person whom the

officer has probable cause to suspect of driving or operating a motor vehicle, watercraft or motorboat while intoxicated in violation of § 18.2-266, 18.2-266.1, 46.2-341.24, or subsection B of § 29.1-738; or a substantially similar ordinance of any county, city, or town in the Commonwealth, whether or not the offense was committed in such officer's presence. Such officers may, within three hours of the alleged offense, arrest without a warrant at any location any person whom the officer has probable cause to suspect of operating a watercraft or motorboat in violation of an order issued pursuant to § 29.1-738.4, whether or not the offense was committed in such officer's presence.

E. Such officers may arrest, without a warrant or a capias, persons duly charged with a crime in another jurisdiction upon receipt of a photocopy of a warrant or a capias, telegram, computer printout, facsimile printout, a radio, telephone or teletype message, in which photocopy of a warrant, telegram, computer printout, facsimile printout, radio, telephone or teletype message shall be given the name or a reasonably accurate description of such person wanted and the crime alleged.

F. Such officers may arrest, without a warrant or a capias, for an alleged misdemeanor not committed in his presence when the officer receives a radio message from his department or other law-enforcement agency within the Commonwealth that a warrant or capias for such offense is on file.

G. Such officers may also arrest without a warrant for an alleged misdemeanor not committed in their presence involving (i) shoplifting in violation of § 18.2-96 or 18.2-103 or a similar local ordinance, (ii) carrying a weapon on school property in violation of § 18.2-308.1, (iii) assault and battery, (iv) brandishing a firearm in violation of § 18.2-282, or (v) destruction of property in violation of § 18.2-137, when such property is located on premises used for business or commercial purposes, or a similar local ordinance, when any such arrest is based on probable cause upon reasonable complaint of the person who observed the alleged offense. The arresting officer may issue a summons to any person arrested under this section for a misdemeanor violation involving shoplifting.

§ 19.2-81.1. Arrest without warrant by correctional officers in certain cases.

Any correctional officer, as defined in § 53.1-1, may arrest, in the same manner as provided in § 19.2-81, persons for crimes involving:

~~(a)~~ *1.* The escape of an inmate from a correctional institution, as defined in § 53.1-1;

~~(b)~~ *2.* Assisting an inmate to escape from a correctional institution, as defined in § 53.1-1;

~~(c)~~ *3.* The delivery of contraband to an inmate in violation of § *4.1-1117*, 18.2-474, or ~~§~~ 18.2-474.1; and

~~(d)~~ *4.* Any other criminal offense ~~which~~ *that* may contribute to the disruption of the safety, welfare, or security of the population of a correctional institution.

§ 19.2-83.1. Report of arrest of school employees and adult students for certain offenses.

A. Every state official or agency and every sheriff, police officer, or other local law-enforcement officer or conservator of the peace having the power to arrest for a felony, upon arresting a person who is known or discovered by the arresting official to be a full-time, part-time, permanent, or temporary teacher or any other employee in any local school division in the Commonwealth for a felony or a Class 1 misdemeanor or an equivalent offense in another state, shall file a report of such arrest with the division safety official designated pursuant to subsection F of § 22.1-279.8 in the school division in which such person is employed as soon as practicable but no later than 48 hours after such arrest. The contents of the report required pursuant to this subsection shall be utilized by the local school division solely to implement the provisions of subsection B of § 22.1-296.2 and § 22.1-315.

B. The report required pursuant to subsection A shall be transmitted to the division safety official (i) via certified mail, return receipt requested, to the mailing address identified by the division superintendent pursuant to subsection F of § 22.1-279.8 or (ii) via email to the email address identified by the division superintendent pursuant to subsection F of § 22.1-279.8. Any certified mail return receipt shall be retained in the case file.

C. (Expires July 1, 2027) In the event that the law-enforcement agency has existing access to Virginia Employment Commission records, each arresting official shall request in writing that the Virginia Employment Commission provide the name of the current employer of each person arrested for an offense set forth in § 9.1-902 for purposes of determining whether a report is required pursuant to subsection A.

D. Every state official or agency and every sheriff, police officer, or other local law-enforcement officer or conservator of the peace having the power to arrest for a felony shall file a report, as soon as practicable, with the division superintendent of the school division in which the student is enrolled upon arresting a person who is known or discovered by the arresting official to be a student age 18 or older in any local school division in the Commonwealth for:

1. A firearm offense pursuant to Article 4 (§ 18.2-279 et seq.), 5 (§ 18.2-288 et seq.), 6 (§ 18.2-299 et seq.), 6.1 (§ 18.2-307.1 et seq.), or 7 (§ 18.2-308.1 et seq.) of Chapter 7 of Title 18.2;

2. Homicide, pursuant to Article 1 (§ 18.2-30 et seq.) of Chapter 4 of Title 18.2;

3. Felonious assault and bodily wounding, pursuant to Article 4 (§ 18.2-51 et seq.) of Chapter 4 of Title 18.2;

4. Criminal sexual assault, pursuant to Article 7 (§ 18.2-61 et seq.) of Chapter 4 of Title 18.2;

5. Manufacture, sale, gift, distribution or possession of Schedule I or II controlled substances, pursuant to Article 1 (§ 18.2-247 et seq.) of Chapter 7 of Title 18.2;

6. Manufacture, sale or distribution of marijuana pursuant to ~~Article 1~~ *Chapter 11* (§ ~~18.2-247~~ *4.1-1100* et seq.) ~~of Chapter 7~~ of Title ~~18.2~~ *4.1*;

7. Arson and related crimes, pursuant to Article 1 (§ 18.2-77 et seq.) of Chapter 5 of Title 18.2;

8. Burglary and related offenses, pursuant to §§ 18.2-89 through 18.2-93;

9. Robbery pursuant to § 18.2-58;

10. Prohibited criminal street gang activity pursuant to § 18.2-46.2;

11. Recruitment of juveniles for criminal street gang pursuant to § 18.2-46.3;

12. An act of violence by a mob pursuant to § 18.2-42.1; or

13. Abduction of any person pursuant to § 18.2-47 or 18.2-48.

§ 19.2-188.1. Testimony regarding identification of controlled substances.

A. In any preliminary hearing on a violation of Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1, Article 1 (§ 18.2-247 et seq.) of Chapter 7 of Title 18.2, or subdivision 6 of § 53.1-203, any law-enforcement officer shall be permitted to testify as to the results of field tests that have been approved by the Department of Forensic Science pursuant to regulations adopted in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), regarding whether or not any substance the identity of which is at issue in such hearing is a controlled substance~~,~~ *or* imitation controlled substance, *as defined in § 18.2-247*, or marijuana, as defined in § ~~18.2-247~~ *4.1-600*.

B. In any trial for a violation of § ~~4.1-1105.1~~ *4.1-1104 or 4.1-1105*, any law-enforcement officer shall be permitted to testify as to the results of any marijuana field test approved as accurate and reliable by the Department of Forensic Science pursuant to regulations adopted in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), regarding whether or not any plant material, the identity of which is at issue, is marijuana provided the defendant has been given written notice of his right to request a full chemical analysis. Such notice shall be on a form approved by the Supreme Court and shall be provided to the defendant prior to trial.

In any case in which the person accused of a violation of § ~~4.1-1105.1~~ *4.1-1104 or 4.1-1105*, or the attorney of record for the accused, desires a full chemical analysis of the alleged plant material, he may, by motion prior to trial before the court in which the charge is pending, request such a chemical analysis. Upon such motion, the court shall order that the analysis be performed by the Department of Forensic Science in accordance with the provisions of § ~~18.2-247~~ *9.1-1101* and shall prescribe in its order the method of custody, transfer, and return of evidence submitted for chemical analysis.

§ 19.2-303.01. Reduction of sentence; substantial assistance to prosecution.

Notwithstanding any other provision of law or rule of court, upon motion of the attorney for the Commonwealth, the sentencing court may reduce the defendant's sentence if the defendant, after entry of the final judgment order, provided substantial assistance in investigating or prosecuting another person for (i) an act of violence as defined in § 19.2-297.1, an act of larceny of a firearm in violation of § 18.2-95, or any violation of § 18.2-248, 18.2-248.01, 18.2-248.02, 18.2-248.03, ~~18.2-248.1,~~ 18.2-248.5, 18.2-251.2, 18.2-251.3, 18.2-255, 18.2-255.2, 18.2-258, 18.2-258.02, 18.2-258.1, or 18.2-258.2, or any substantially similar offense in any other jurisdiction, which offense would be a felony if committed in the Commonwealth; (ii) a conspiracy to commit any of the offenses listed in clause (i); or (iii) violations as a principal in the second degree or accessory before the fact of any of the offenses listed in clause (i). In determining whether the defendant has provided substantial assistance pursuant to the provisions of this section, the court shall consider (a) the court's evaluation of the significance and usefulness of the defendant's assistance, taking into consideration the Commonwealth's evaluation of the assistance rendered; (b) the truthfulness, completeness, and reliability of any information or testimony provided by the defendant; (c) the nature and extent of the defendant's assistance; (d) any injury suffered or any danger or risk of injury to the defendant or his family resulting from his assistance; and (e) the timeliness of the defendant's assistance. If the motion is made more than one year after entry of the final judgment order, the court may reduce a sentence only if the defendant's substantial assistance involved (1) information not known to the defendant until more than one year after entry of the final judgment order, (2) information provided by the defendant within one year of entry of the final judgment order but that did not become useful to the Commonwealth until more than one year after entry of the final judgment order, or (3) information the usefulness of which could not reasonably have been anticipated by the defendant until more than one year after entry of the final judgment order and which was promptly provided to the Commonwealth by the defendant after its usefulness was reasonably apparent.

§ 19.2-386.22. Seizure of property used in connection with or derived from illegal drug transactions.

A. The following property shall be subject to lawful seizure by any officer charged with enforcing the provisions of *Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or* Article 1 (§ 18.2-247 et seq.) of Chapter 7 of Title 18.2: (i) all money, medical equipment, office equipment, laboratory equipment, motor vehicles, and all other personal and real property of any kind or character, used in substantial connection with (a) the illegal manufacture, sale or distribution of controlled substances or possession with intent to sell or distribute controlled substances in violation of § 18.2-248, (b) the sale or distribution of marijuana ~~or possession with intent to distribute marijuana~~ in violation of ~~subdivisions (a)(2), (a)(3) and (c) of~~ § ~~18.2-248.1~~ *§ 4.1-1103*, or (c) a drug-related offense in violation of § *4.1-1117 or* 18.2-474.1; (ii) everything of value furnished, or intended to be furnished, in exchange for a controlled substance in violation of § 18.2-248 or for marijuana in violation of § ~~18.2-248.1~~ *4.1-1103* or for a controlled substance or marijuana in violation of § *4.1-1117 or* 18.2-474.1; and (iii) all moneys or other property, real or personal, traceable to such an exchange, together with any interest or profits derived from the investment of such money or other property. Under the provisions of clause (i), real property shall not be subject to lawful seizure unless the minimum prescribed punishment for the violation is a term of not less than five years.

B. All seizures and forfeitures under this section shall be governed by the procedures contained in Chapter 22.1 (§ 19.2-386.1 et seq.).

§ 19.2-386.23. Disposal of seized controlled substances, marijuana, and paraphernalia.

A. All controlled substances, imitation controlled substances, marijuana, or paraphernalia, the lawful possession of which is not established or the title to which cannot be ascertained, which have come into the custody of a peace officer or have been seized in connection with violations of *Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or* Chapter 7 (§ 18.2-247 et seq.) of Title 18.2, shall be forfeited and disposed of as follows:

1. Upon written application by (i) the Department of Forensic Science, (ii) the Department of State Police, or (iii) any police department or sheriff's office in a locality, the court may order the forfeiture of any such substance or paraphernalia to the Department of Forensic Science, the Department of State Police, or to such police department or sheriff's office for research and training purposes and for destruction pursuant to regulations of the United States Department of Justice Drug Enforcement Administration and of the Board of Pharmacy once these purposes have been fulfilled.

2. In the event no application is made under subdivision 1, the court shall order the destruction of all such substances or paraphernalia, which order shall state the existence and nature of the substance or paraphernalia, the quantity thereof, the location where seized, the person or persons from whom the substance or paraphernalia was seized, if known, and the manner whereby such item shall be destroyed. However, the court may order that paraphernalia identified in subdivision 5 of § 18.2-265.1 not be destroyed and that it be given to a person or entity that makes a showing to the court of sufficient need for the property and an ability to put the property to a lawful and publicly beneficial use. A return under oath, reporting the time, place and manner of destruction shall be made to the court by the officer to whom the order is directed. A copy of the order and affidavit shall be made a part of the record of any criminal prosecution in which the substance or paraphernalia was used as evidence and shall, thereafter, be prima facie evidence of its contents. In the event a law-enforcement agency recovers, seizes, finds, is given or otherwise comes into possession of any such substances or paraphernalia that are not evidence in a trial in the Commonwealth, the chief law-enforcement officer of the agency or his designee may, with the written consent of the appropriate attorney for the Commonwealth, order destruction of same; provided that a statement under oath, reporting a description of the substances and paraphernalia destroyed and the time, place and manner of destruction, is made to the chief law-enforcement officer by the officer to whom the order is directed.

B. No such substance or paraphernalia used or to be used in a criminal prosecution under *Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or* Chapter 7 (§ 18.2-247 et seq.) of Title 18.2 shall be disposed of as provided by this section until all rights of appeal have been exhausted, except as provided in § 19.2-386.24.

C. The amount of any specific controlled substance, or imitation controlled substance, retained by any law-enforcement agency pursuant to a court order issued under this section shall not exceed five pounds, or 25 pounds in the case of marijuana. Any written application to the court for controlled substances, imitation controlled substances, or marijuana, shall certify that the amount requested shall not result in the requesting agency's exceeding the limits allowed by this subsection.

D. A law-enforcement agency that retains any controlled substance, imitation controlled substance, or marijuana, pursuant to a court order issued under this section shall (i) be required to conduct an inventory of such substance on a monthly basis, which shall include a description and weight of the substance, and (ii) destroy such substance pursuant to subdivision A 1 when no longer needed for research and training purposes. A written report outlining the details of the inventory shall be made to the chief law-enforcement officer of the agency within 10 days of the completion of the inventory, and the agency shall detail the substances that were used for research and training pursuant to a court order in the immediately preceding fiscal year. Destruction of such substance shall be certified to the court along with a statement prepared under oath, reporting a description of the substance destroyed, and the time, place, and manner of destruction.

§ 19.2-386.24. Destruction of seized controlled substances or marijuana prior to trial.

Where seizures of controlled substances or marijuana are made in excess of 10 pounds in connection with any prosecution or investigation under *Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or* Chapter 7 (§ 18.2-247 et seq.) of Title 18.2, the appropriate law-enforcement agency may retain 10 pounds of the substance randomly selected from the seized substance for representative purposes as evidence and destroy the remainder of the seized substance.

Before any destruction is carried out under this section, the law-enforcement agency shall cause the material seized to be photographed with identification case numbers or other means of identification and shall prepare a report identifying the seized material. It shall also notify the accused, or other interested party, if known, or his attorney, at least five days in advance that the photography will take place and that they may be present. Prior to any destruction under this section, the law-enforcement agency shall also notify the accused or other interested party, if known, and his attorney at least seven days prior to the destruction of the time and place the destruction will occur. Any notice required under the provisions of this section shall be by first-class mail to the last known address of the person required to be notified. In addition to the substance retained for representative purposes as evidence, all photographs and records made under this section and properly identified shall be admissible in any court proceeding for any purposes for which the seized substance itself would have been admissible.

§ 19.2-386.25. Judge may order law-enforcement agency to maintain custody of controlled substances, etc.

Upon request of the clerk of any court, a judge of the court may order a law-enforcement agency to take into its custody or to maintain custody of substantial quantities of any controlled substances, imitation controlled substances, chemicals, marijuana, or paraphernalia used or to be used in a criminal prosecution under *Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 or* Chapter 7 (§ 18.2-247 et seq.) of Title 18.2. The court in its order may make provision for ensuring integrity of these items until further order of the court.

§ 19.2-389. (Effective until July 1, 2026) Dissemination of criminal history record information.

A. Criminal history record information shall be disseminated, whether directly or through an intermediary, only to:

1. Authorized officers or employees of criminal justice agencies, as defined by § 9.1-101, for purposes of the administration of criminal justice and the screening of an employment application or review of employment by a criminal justice agency with respect to its own employees or applicants, and dissemination to the Virginia Parole Board, pursuant to this subdivision, of such information on all state-responsible inmates for the purpose of making parole determinations pursuant to subdivisions 1, 2, 3, 4, and 6 of § 53.1-136 shall include collective dissemination by electronic means every 30 days. For purposes of this subdivision, criminal history record information includes information sent to the Central Criminal Records Exchange pursuant to §§ 37.2-819 and 64.2-2014 when disseminated to any full-time or part-time employee of the State Police, a police department or sheriff's office that is a part of or administered by the Commonwealth or any political subdivision thereof, and who is responsible for the prevention and detection of crime and the enforcement of the penal, traffic or highway laws of the Commonwealth for the purposes of the administration of criminal justice;

2. Such other individuals and agencies that require criminal history record information to implement a state or federal statute or executive order of the President of the United States or Governor that expressly refers to criminal conduct and contains requirements or exclusions expressly based upon such conduct, except that information concerning the arrest of an individual may not be disseminated to a noncriminal justice agency or individual if an interval of one year has elapsed from the date of the arrest and no disposition of the charge has been recorded and no active prosecution of the charge is pending;

3. Individuals and agencies pursuant to a specific agreement with a criminal justice agency to provide services required for the administration of criminal justice pursuant to that agreement which shall specifically authorize access to data, limit the use of data to purposes for which given, and ensure the security and confidentiality of the data;

4. Individuals and agencies for the express purpose of research, evaluative, or statistical activities pursuant to an agreement with a criminal justice agency that shall specifically authorize access to data, limit the use of data to research, evaluative, or statistical purposes, and ensure the confidentiality and security of the data;

5. Agencies of state or federal government that are authorized by state or federal statute or executive order of the President of the United States or Governor to conduct investigations determining employment suitability or eligibility for security clearances allowing access to classified information;

6. Individuals and agencies where authorized by court order or court rule;

7. Agencies of any political subdivision of the Commonwealth, public transportation companies owned, operated or controlled by any political subdivision, and any public service corporation that operates a public transit system owned by a local government for the conduct of investigations of applicants for employment, permit, or license whenever, in the interest of public welfare or safety, it is necessary to determine under a duly enacted ordinance if the past criminal conduct of a person with a conviction record would be compatible with the nature of the employment, permit, or license under consideration;

7a. Commissions created pursuant to the Transportation District Act of 1964 (§ 33.2-1900 et seq.) ~~of Title 33.2~~ and their contractors, for the conduct of investigations of individuals who have been offered a position of employment whenever, in the interest of public welfare or safety and as authorized in the Transportation District Act of 1964, it is necessary to determine if the past criminal conduct of a person with a conviction record would be compatible with the nature of the employment under consideration;

8. Public or private agencies when authorized or required by federal or state law or interstate compact to investigate (i) applicants

for foster or adoptive parenthood or (ii) any individual, and the adult members of that individual's household, with whom the agency is considering placing a child or from whom the agency is considering removing a child due to abuse or neglect, on an emergency, temporary, or permanent basis pursuant to §§ 63.2-901.1 and 63.2-1505, subject to the restriction that the data shall not be further disseminated to any party other than a federal or state authority or court as may be required to comply with an express requirement of law;

9. To the extent permitted by federal law or regulation, public service companies as defined in § 56-1, for the conduct of investigations of applicants for employment when such employment involves personal contact with the public or when past criminal conduct of an applicant would be incompatible with the nature of the employment under consideration;

10. The appropriate authority for purposes of granting citizenship and for purposes of international travel, including, but not limited to, issuing visas and passports;

11. A person requesting a copy of his own criminal history record information as defined in § 9.1-101 at his cost, except that criminal history record information shall be supplied at no charge to a person who has applied to be a volunteer with (i) a Virginia affiliate of Big Brothers/Big Sisters of America; (ii) a volunteer fire company; (iii) the Volunteer Emergency Families for Children; (iv) any affiliate of Prevent Child Abuse, Virginia; (v) any Virginia affiliate of Compeer; or (vi) any board member or any individual who has been offered membership on the board of a Crime Stoppers, Crime Solvers or Crime Line program as defined in § 15.2-1713.1;

12. Administrators and board presidents of and applicants for licensure or registration as a child welfare agency as defined in § 63.2-100 for dissemination to the Commissioner of Social Services' representative pursuant to § 63.2-1702 for the conduct of investigations with respect to employees of and volunteers at such facilities, caretakers, and foster and adoptive parent applicants of private child-placing agencies, pursuant to §§ 63.2-1719, 63.2-1720, and 63.2-1721, subject to the restriction that the data shall not be further disseminated by the facility or agency to any party other than the data subject, the Commissioner of Social Services' representative or a federal or state authority or court as may be required to comply with an express requirement of law for such further dissemination; however, nothing in this subdivision shall be construed to prohibit the Commissioner of Social Services' representative from issuing written certifications regarding the results of a background check that was conducted before July 1, 2021, in accordance with subsection J of § 22.1-289.035 or § 22.1-289.039;

13. The Department of Social Services for the purpose of screening individuals as a condition of licensure, employment, volunteering, or providing services on a regular basis in a licensed child welfare agency pursuant to §§ 63.2-1721 and 63.2-1726 or foster or adoptive home approved by a child-placing agency pursuant to § 63.2-901.1;

14. The school boards of the Commonwealth for the purpose of screening individuals who are offered or who accept public school employment and those current school board employees for whom a report of arrest has been made pursuant to § 19.2-83.1;

15. The Virginia Lottery for the conduct of investigations as set forth in the Virginia Lottery Law (§ 58.1-4000 et seq.) and casino gaming as set forth in Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1, and the Department of Agriculture and Consumer Services for the conduct of investigations as set forth in Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2;

16. Licensed nursing homes, hospitals and home care organizations for the conduct of investigations of applicants for compensated employment in licensed nursing homes pursuant to § 32.1-126.01, hospital pharmacies pursuant to § 32.1-126.02, and home care organizations pursuant to § 32.1-162.9:1, subject to the limitations set out in subsection E;

17. Licensed assisted living facilities and licensed adult day centers for the conduct of investigations of applicants for compensated employment in licensed assisted living facilities and licensed adult day centers pursuant to § 63.2-1720, subject to the limitations set out in subsection F;

18. The Virginia Alcoholic Beverage Control Authority for the conduct of investigations as set forth in § 4.1-103.1 *or the Virginia Cannabis Control Authority for the conduct of investigations as set forth in § 4.1-622*;

19. The State Board of Elections and authorized officers and employees thereof and general registrars appointed pursuant to § 24.2-110 in the course of conducting necessary investigations with respect to voter registration, limited to any record of felony convictions;

20. The Commissioner of Behavioral Health and Developmental Services (the Commissioner) or his designees for individuals who are committed to the custody of or being evaluated by the Commissioner pursuant to §§ 19.2-168.1, 19.2-169.1, 19.2-169.2, 19.2-169.5, 19.2-169.6, 19.2-182.2, 19.2-182.3, 19.2-182.8, and 19.2-182.9 where such information may be beneficial for the purpose of placement, evaluation, treatment, or discharge planning;

21. Any alcohol safety action program certified by the Commission on the Virginia Alcohol Safety Action Program for (i) interventions with first offenders under § 18.2-251 or (ii) services to offenders under § 18.2-51.4, 18.2-266, or 18.2-266.1;

22. Residential facilities for juveniles regulated or operated by the Department of Social Services, the Department of Education, or the Department of Behavioral Health and Developmental Services for the purpose of determining applicants' fitness for employment or for providing volunteer or contractual services;

23. The Department of Behavioral Health and Developmental Services and facilities operated by the Department for the purpose of

determining an individual's fitness for employment pursuant to departmental instructions;

24. Pursuant to § 22.1-296.3, the governing boards or administrators of private elementary or secondary schools which are accredited pursuant to § 22.1-19 or a private organization coordinating such records information on behalf of such governing boards or administrators pursuant to a written agreement with the Department of State Police;

25. Public institutions of higher education and nonprofit private institutions of higher education for the purpose of screening individuals who are offered or accept employment;

26. Members of a threat assessment team established by a local school board pursuant to § 22.1-79.4, by a public institution of higher education pursuant to § 23.1-805, or by a private nonprofit institution of higher education, for the purpose of assessing or intervening with an individual whose behavior may present a threat to safety; however, no member of a threat assessment team shall redisclose any criminal history record information obtained pursuant to this section or otherwise use any record of an individual beyond the purpose that such disclosure was made to the threat assessment team;

27. Executive directors of community services boards or the personnel director serving the community services board for the purpose of determining an individual's fitness for employment, approval as a sponsored residential service provider, permission to enter into a shared living arrangement with a person receiving medical assistance services pursuant to a waiver, or permission for any person under contract with the community services board to serve in a direct care position on behalf of the community services board pursuant to §§ 37.2-506, 37.2-506.1, and 37.2-607;

28. Executive directors of behavioral health authorities as defined in § 37.2-600 for the purpose of determining an individual's fitness for employment, approval as a sponsored residential service provider, permission to enter into a shared living arrangement with a person receiving medical assistance services pursuant to a waiver, or permission for any person under contract with the behavioral health authority to serve in a direct care position on behalf of the behavioral health authority pursuant to §§ 37.2-506, 37.2-506.1, and 37.2-607;

29. The Commissioner of Social Services for the purpose of locating persons who owe child support or who are alleged in a pending paternity proceeding to be a putative father, provided that only the name, address, demographics and social security number of the data subject shall be released;

30. Authorized officers or directors of agencies licensed pursuant to Article 2 (§ 37.2-403 et seq.) of Chapter 4 of Title 37.2 by the Department of Behavioral Health and Developmental Services for the purpose of determining if any applicant who accepts employment in any direct care position or requests approval as a sponsored residential service provider, permission to enter into a shared living arrangement with a person receiving medical assistance services pursuant to a waiver, or permission for any person under contract with the provider to serve in a direct care position has been convicted of a crime that affects his fitness to have responsibility for the safety and well-being of individuals with mental illness, intellectual disability, or substance abuse pursuant to §§ 37.2-416, 37.2-416.1, 37.2-506, 37.2-506.1, and 37.2-607;

31. The Commissioner of the Department of Motor Vehicles, for the purpose of evaluating applicants for and holders of a motor carrier certificate or license subject to the provisions of Chapters 20 (§ 46.2-2000 et seq.) and 21 (§ 46.2-2100 et seq.) of Title 46.2;

32. The Chairman of the Senate Committee for Courts of Justice or the Chairman of the House Committee for Courts of Justice for the purpose of determining if any person being considered for election to any judgeship has been convicted of a crime;

33. Heads of state agencies in which positions have been identified as sensitive for the purpose of determining an individual's fitness for employment in positions designated as sensitive under Department of Human Resource Management policies developed pursuant to § 2.2-1201.1;

34. The Office of the Attorney General, for all criminal justice activities otherwise permitted under subdivision A 1 and for purposes of performing duties required by the Civil Commitment of Sexually Violent Predators Act (§ 37.2-900 et seq.);

35. Shipyards, to the extent permitted by federal law or regulation, engaged in the design, construction, overhaul, or repair of nuclear vessels for the United States Navy, including their subsidiary companies, for the conduct of investigations of applications for employment or for access to facilities, by contractors, leased laborers, and other visitors;

36. Any employer of individuals whose employment requires that they enter the homes of others, for the purpose of screening individuals who apply for, are offered, or have accepted such employment;

37. Public agencies when and as required by federal or state law to investigate (i) applicants as providers of adult foster care and home-based services or (ii) any individual with whom the agency is considering placing an adult on an emergency, temporary, or permanent basis pursuant to § 63.2-1601.1, subject to the restriction that the data shall not be further disseminated by the agency to any party other than a federal or state authority or court as may be required to comply with an express requirement of law for such further dissemination, subject to limitations set out in subsection G;

38. The Department of Medical Assistance Services, or its designee, for the purpose of screening individuals who, through

contracts, subcontracts, or direct employment, volunteer, apply for, are offered, or have accepted a position related to the provision of transportation services to enrollees in the Medicaid Program or the Family Access to Medical Insurance Security (FAMIS) Program, or any other program administered by the Department of Medical Assistance Services;

39. The State Corporation Commission for the purpose of investigating individuals who are current or proposed members, senior officers, directors, and principals of an applicant or person licensed under Chapter 16 (§ 6.2-1600 et seq.), Chapter 19 (§ 6.2-1900 et seq.), or Chapter 26 (§ 6.2-2600 et seq.) of Title 6.2. Notwithstanding any other provision of law, if an application is denied based in whole or in part on information obtained from the Central Criminal Records Exchange pursuant to Chapter 16, 19, or 26 of Title 6.2, the Commissioner of Financial Institutions or his designee may disclose such information to the applicant or its designee;

40. The Department of Professional and Occupational Regulation for the purpose of investigating individuals for initial licensure pursuant to § 54.1-2106.1;

41. The Department for Aging and Rehabilitative Services and the Department for the Blind and Vision Impaired for the purpose of evaluating an individual's fitness for various types of employment and for the purpose of delivering comprehensive vocational rehabilitation services pursuant to Article 11 (§ 51.5-170 et seq.) of Chapter 14 of Title 51.5 that will assist the individual in obtaining employment;

42. Bail bondsmen, in accordance with the provisions of § 19.2-120;

43. The State Treasurer for the purpose of determining whether a person receiving compensation for wrongful incarceration meets the conditions for continued compensation under § 8.01-195.12;

44. The Department of Education or its agents or designees for the purpose of screening individuals seeking to enter into a contract with the Department of Education or its agents or designees for the provision of child care services for which child care subsidy payments may be provided;

45. The Department of Juvenile Justice to investigate any parent, guardian, or other adult members of a juvenile's household when completing a predispositional or postdispositional report required by § 16.1-273 or a Board of Juvenile Justice regulation promulgated pursuant to § 16.1-233;

46. The State Corporation Commission, for the purpose of screening applicants for insurance licensure under Chapter 18 (§ 38.2-1800 et seq.) of Title 38.2;

47. Administrators and board presidents of and applicants for licensure or registration as a child day program or family day system, as such terms are defined in § 22.1-289.02, for dissemination to the Superintendent of Public Instruction's representative pursuant to § 22.1-289.013 for the conduct of investigations with respect to employees of and volunteers at such facilities pursuant to §§ 22.1-289.034 through 22.1-289.037, subject to the restriction that the data shall not be further disseminated by the facility or agency to any party other than the data subject, the Superintendent of Public Instruction's representative, or a federal or state authority or court as may be required to comply with an express requirement of law for such further dissemination; however, nothing in this subdivision shall be construed to prohibit the Superintendent of Public Instruction's representative from issuing written certifications regarding the results of prior background checks in accordance with subsection J of § 22.1-289.035 or § 22.1-289.039;

48. The National Center for Missing and Exploited Children for the purpose of screening individuals who are offered or accept employment or will be providing volunteer or contractual services with the National Center for Missing and Exploited Children;

49. The Executive Director or investigators of the Board of Accountancy for the purpose of the enforcement of laws relating to the Board of Accountancy in accordance with § 54.1-4407; and

50. Other entities as otherwise provided by law.

Upon an ex parte motion of a defendant in a felony case and upon the showing that the records requested may be relevant to such case, the court shall enter an order requiring the Central Criminal Records Exchange to furnish the defendant, as soon as practicable, copies of any records of persons designated in the order on whom a report has been made under the provisions of this chapter.

Notwithstanding any other provision of this chapter to the contrary, upon a written request sworn to before an officer authorized to take acknowledgments, the Central Criminal Records Exchange, or the criminal justice agency in cases of offenses not required to be reported to the Exchange, shall furnish a copy of conviction data covering the person named in the request to the person making the request; however, such person on whom the data is being obtained shall consent in writing, under oath, to the making of such request. A person receiving a copy of his own conviction data may utilize or further disseminate that data as he deems appropriate. In the event no conviction data is maintained on the data subject, the person making the request shall be furnished at his cost a certification to that effect.

B. Use of criminal history record information disseminated to noncriminal justice agencies under this section shall be limited to the purposes for which it was given and may not be disseminated further, except as otherwise provided in subdivision A 47.

C. No criminal justice agency or person shall confirm the existence or nonexistence of criminal history record information for

employment or licensing inquiries except as provided by law.

D. Criminal justice agencies shall establish procedures to query the Central Criminal Records Exchange prior to dissemination of any criminal history record information on offenses required to be reported to the Central Criminal Records Exchange to ensure that the most up-to-date disposition data is being used. Inquiries of the Exchange shall be made prior to any dissemination except in those cases where time is of the essence and the normal response time of the Exchange would exceed the necessary time period. A criminal justice agency to whom a request has been made for the dissemination of criminal history record information that is required to be reported to the Central Criminal Records Exchange may direct the inquirer to the Central Criminal Records Exchange for such dissemination. Dissemination of information regarding offenses not required to be reported to the Exchange shall be made by the criminal justice agency maintaining the record as required by § 15.2-1722.

E. Criminal history information provided to licensed nursing homes, hospitals and to home care organizations pursuant to subdivision A 16 shall be limited to the convictions on file with the Exchange for any offense specified in §§ 32.1-126.01, 32.1-126.02, and 32.1-162.9:1.

F. Criminal history information provided to licensed assisted living facilities and licensed adult day centers pursuant to subdivision A 17 shall be limited to the convictions on file with the Exchange for any offense specified in § 63.2-1720.

G. Criminal history information provided to public agencies pursuant to subdivision A 37 shall be limited to the convictions on file with the Exchange for any offense set forth in clause (i) of the definition of barrier crime in § 19.2-392.02.

H. Upon receipt of a written request from an employer or prospective employer, the Central Criminal Records Exchange, or the criminal justice agency in cases of offenses not required to be reported to the Exchange, shall furnish at the employer's cost a copy of conviction data covering the person named in the request to the employer or prospective employer making the request, provided that the person on whom the data is being obtained has consented in writing to the making of such request and has presented a photo-identification to the employer or prospective employer. In the event no conviction data is maintained on the person named in the request, the requesting employer or prospective employer shall be furnished at his cost a certification to that effect. The criminal history record search shall be conducted on forms provided by the Exchange.

I. The attorney for the Commonwealth shall provide a physical or electronic copy of a person's criminal history record information, including criminal history record information maintained in the National Crime Information Center (NCIC) and the Interstate Identification Index System (III System) that is in his possession, pursuant to the rules of court for obtaining discovery or for review by the court. No criminal history record information provided under this subsection shall be disseminated further.

§ 19.2-389. (Effective July 1, 2026) Dissemination of criminal history record information.

A. Criminal history record information shall be disseminated, whether directly or through an intermediary, only to:

1. Authorized officers or employees of criminal justice agencies, as defined by § 9.1-101, for purposes of the administration of criminal justice and the screening of an employment application or review of employment by a criminal justice agency with respect to its own employees or applicants, and dissemination to the Virginia Parole Board, pursuant to this subdivision, of such information on all state-responsible inmates for the purpose of making parole determinations pursuant to subdivisions 1, 2, 3, 4, and 6 of § 53.1-136 shall include collective dissemination by electronic means every 30 days. For purposes of this subdivision, criminal history record information includes information sent to the Central Criminal Records Exchange pursuant to §§ 37.2-819 and 64.2-2014 when disseminated to any full-time or part-time employee of the State Police, a police department or sheriff's office that is a part of or administered by the Commonwealth or any political subdivision thereof, and who is responsible for the prevention and detection of crime and the enforcement of the penal, traffic or highway laws of the Commonwealth for the purposes of the administration of criminal justice;

2. Such other individuals and agencies that require criminal history record information to implement a state or federal statute or executive order of the President of the United States or Governor that expressly refers to criminal conduct and contains requirements or exclusions expressly based upon such conduct, except that information concerning the arrest of an individual may not be disseminated to a noncriminal justice agency or individual if an interval of one year has elapsed from the date of the arrest and no disposition of the charge has been recorded and no active prosecution of the charge is pending;

3. Individuals and agencies pursuant to a specific agreement with a criminal justice agency to provide services required for the administration of criminal justice pursuant to that agreement which shall specifically authorize access to data, limit the use of data to purposes for which given, and ensure the security and confidentiality of the data;

4. Individuals and agencies for the express purpose of research, evaluative, or statistical activities pursuant to an agreement with a criminal justice agency that shall specifically authorize access to data, limit the use of data to research, evaluative, or statistical purposes, and ensure the confidentiality and security of the data;

5. Agencies of state or federal government that are authorized by state or federal statute or executive order of the President of the United States or Governor to conduct investigations determining employment suitability or eligibility for security clearances allowing access to classified information;

6. Individuals and agencies where authorized by court order or court rule;

7. Agencies of any political subdivision of the Commonwealth, public transportation companies owned, operated or controlled by any political subdivision, and any public service corporation that operates a public transit system owned by a local government for the conduct of investigations of applicants for employment, permit, or license whenever, in the interest of public welfare or safety, it is necessary to determine under a duly enacted ordinance if the past criminal conduct of a person with a conviction record would be compatible with the nature of the employment, permit, or license under consideration;

7a. Commissions created pursuant to the Transportation District Act of 1964 (§ 33.2-1900 et seq.) ~~of Title 33.2~~ and their contractors, for the conduct of investigations of individuals who have been offered a position of employment whenever, in the interest of public welfare or safety and as authorized in the Transportation District Act of 1964, it is necessary to determine if the past criminal conduct of a person with a conviction record would be compatible with the nature of the employment under consideration;

8. Public or private agencies when authorized or required by federal or state law or interstate compact to investigate (i) applicants for foster or adoptive parenthood or (ii) any individual, and the adult members of that individual's household, with whom the agency is considering placing a child or from whom the agency is considering removing a child due to abuse or neglect, on an emergency, temporary, or permanent basis pursuant to §§ 63.2-901.1 and 63.2-1505, subject to the restriction that the data shall not be further disseminated to any party other than a federal or state authority or court as may be required to comply with an express requirement of law;

9. To the extent permitted by federal law or regulation, public service companies as defined in § 56-1, for the conduct of investigations of applicants for employment when such employment involves personal contact with the public or when past criminal conduct of an applicant would be incompatible with the nature of the employment under consideration;

10. The appropriate authority for purposes of granting citizenship and for purposes of international travel, including, but not limited to, issuing visas and passports;

11. A person requesting a copy of his own criminal history record information as defined in § 9.1-101 at his cost, except that criminal history record information shall be supplied at no charge to a person who has applied to be a volunteer with (i) a Virginia affiliate of Big Brothers/Big Sisters of America; (ii) a volunteer fire company; (iii) the Volunteer Emergency Families for Children; (iv) any affiliate of Prevent Child Abuse, Virginia; (v) any Virginia affiliate of Compeer; or (vi) any board member or any individual who has been offered membership on the board of a Crime Stoppers, Crime Solvers or Crime Line program as defined in § 15.2-1713.1;

12. Administrators and board presidents of and applicants for licensure or registration as a child welfare agency as defined in § 63.2-100 for dissemination to the Commissioner of Social Services' representative pursuant to § 63.2-1702 for the conduct of investigations with respect to employees of and volunteers at such facilities, caretakers, and foster and adoptive parent applicants of private child-placing agencies, pursuant to §§ 63.2-1719, 63.2-1720, and 63.2-1721, subject to the restriction that the data shall not be further disseminated by the facility or agency to any party other than the data subject, the Commissioner of Social Services' representative or a federal or state authority or court as may be required to comply with an express requirement of law for such further dissemination; however, nothing in this subdivision shall be construed to prohibit the Commissioner of Social Services' representative from issuing written certifications regarding the results of a background check that was conducted before July 1, 2021, in accordance with subsection J of § 22.1-289.035 or § 22.1-289.039;

13. Administrators and board presidents of and applicants for licensure as a prescribed pediatric extended care center for dissemination to the State Health Commissioner's representative pursuant to §§ 32.1-162.15:1.5 and 32.1-162.15:1.10 for the conduct of investigations with respect to employees of and volunteers at such centers, pursuant to § 32.1-162.15:1.17, subject to the restriction that the data shall not be further disseminated by the center to any party other than the data subject, the State Health Commissioner's representative, or a federal or state authority or court as may be required to comply with an express requirement of law;

14. The Department of Social Services for the purpose of screening individuals as a condition of licensure, employment, volunteering, or providing services on a regular basis in a licensed child welfare agency pursuant to §§ 63.2-1721 and 63.2-1726 or foster or adoptive home approved by a child-placing agency pursuant to § 63.2-901.1;

15. The school boards of the Commonwealth for the purpose of screening individuals who are offered or who accept public school employment and those current school board employees for whom a report of arrest has been made pursuant to § 19.2-83.1;

16. The Virginia Lottery for the conduct of investigations as set forth in the Virginia Lottery Law (§ 58.1-4000 et seq.) and casino gaming as set forth in Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1, and the Department of Agriculture and Consumer Services for the conduct of investigations as set forth in Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2;

17. Licensed prescribed pediatric extended care centers for the conduct of investigations of applicants for compensated employment and volunteers in licensed prescribed pediatric extended care centers pursuant to § 32.1-162.15:1.17;

18. Licensed nursing homes, hospitals and home care organizations for the conduct of investigations of applicants for compensated employment in licensed nursing homes pursuant to § 32.1-126.01, hospital pharmacies pursuant to § 32.1-126.02, and home care organizations pursuant to § 32.1-162.9:1, subject to the limitations set out in subsection E;

19. Licensed assisted living facilities and licensed adult day centers for the conduct of investigations of applicants for compensated employment in licensed assisted living facilities and licensed adult day centers pursuant to § 63.2-1720, subject to the limitations set out in subsection F;

20. The Virginia Alcoholic Beverage Control Authority for the conduct of investigations as set forth in § 4.1-103.1 *or the Virginia Cannabis Control Authority for the conduct of investigations as set forth in § 4.1-622*;

21. The State Board of Elections and authorized officers and employees thereof and general registrars appointed pursuant to § 24.2-110 in the course of conducting necessary investigations with respect to voter registration, limited to any record of felony convictions;

22. The Commissioner of Behavioral Health and Developmental Services (the Commissioner) or his designees for individuals who are committed to the custody of or being evaluated by the Commissioner pursuant to §§ 19.2-168.1, 19.2-169.1, 19.2-169.2, 19.2-169.5, 19.2-169.6, 19.2-182.2, 19.2-182.3, 19.2-182.8, and 19.2-182.9 where such information may be beneficial for the purpose of placement, evaluation, treatment, or discharge planning;

23. Any alcohol safety action program certified by the Commission on the Virginia Alcohol Safety Action Program for (i) interventions with first offenders under § 18.2-251 or (ii) services to offenders under § 18.2-51.4, 18.2-266, or 18.2-266.1;

24. Residential facilities for juveniles regulated or operated by the Department of Social Services, the Department of Education, or the Department of Behavioral Health and Developmental Services for the purpose of determining applicants' fitness for employment or for providing volunteer or contractual services;

25. The Department of Behavioral Health and Developmental Services and facilities operated by the Department for the purpose of determining an individual's fitness for employment pursuant to departmental instructions;

26. Pursuant to § 22.1-296.3, the governing boards or administrators of private elementary or secondary schools which are accredited pursuant to § 22.1-19 or a private organization coordinating such records information on behalf of such governing boards or administrators pursuant to a written agreement with the Department of State Police;

27. Public institutions of higher education and nonprofit private institutions of higher education for the purpose of screening individuals who are offered or accept employment;

28. Members of a threat assessment team established by a local school board pursuant to § 22.1-79.4, by a public institution of higher education pursuant to § 23.1-805, or by a private nonprofit institution of higher education, for the purpose of assessing or intervening with an individual whose behavior may present a threat to safety; however, no member of a threat assessment team shall redisclose any criminal history record information obtained pursuant to this section or otherwise use any record of an individual beyond the purpose that such disclosure was made to the threat assessment team;

29. Executive directors of community services boards or the personnel director serving the community services board for the purpose of determining an individual's fitness for employment, approval as a sponsored residential service provider, permission to enter into a shared living arrangement with a person receiving medical assistance services pursuant to a waiver, or permission for any person under contract with the community services board to serve in a direct care position on behalf of the community services board pursuant to §§ 37.2-506, 37.2-506.1, and 37.2-607;

30. Executive directors of behavioral health authorities as defined in § 37.2-600 for the purpose of determining an individual's fitness for employment, approval as a sponsored residential service provider, permission to enter into a shared living arrangement with a person receiving medical assistance services pursuant to a waiver, or permission for any person under contract with the behavioral health authority to serve in a direct care position on behalf of the behavioral health authority pursuant to §§ 37.2-506, 37.2-506.1, and 37.2-607;

31. The Commissioner of Social Services for the purpose of locating persons who owe child support or who are alleged in a pending paternity proceeding to be a putative father, provided that only the name, address, demographics and social security number of the data subject shall be released;

32. Authorized officers or directors of agencies licensed pursuant to Article 2 (§ 37.2-403 et seq.) of Chapter 4 of Title 37.2 by the Department of Behavioral Health and Developmental Services for the purpose of determining if any applicant who accepts employment in any direct care position or requests approval as a sponsored residential service provider, permission to enter into a shared living arrangement with a person receiving medical assistance services pursuant to a waiver, or permission for any person under contract with the provider to serve in a direct care position has been convicted of a crime that affects his fitness to have responsibility for the safety and well-being of individuals with mental illness, intellectual disability, or substance abuse pursuant to §§ 37.2-416, 37.2-416.1, 37.2-506, 37.2-506.1, and 37.2-607;

33. The Commissioner of the Department of Motor Vehicles, for the purpose of evaluating applicants for and holders of a motor carrier certificate or license subject to the provisions of Chapters 20 (§ 46.2-2000 et seq.) and 21 (§ 46.2-2100 et seq.) of Title 46.2;

34. The Chairman of the Senate Committee for Courts of Justice or the Chairman of the House Committee for Courts of Justice for the purpose of determining if any person being considered for election to any judgeship has been convicted of a crime;

35. Heads of state agencies in which positions have been identified as sensitive for the purpose of determining an individual's fitness for employment in positions designated as sensitive under Department of Human Resource Management policies developed pursuant to § 2.2-1201.1;

36. The Office of the Attorney General, for all criminal justice activities otherwise permitted under subdivision A 1 and for purposes of performing duties required by the Civil Commitment of Sexually Violent Predators Act (§ 37.2-900 et seq.);

37. Shipyards, to the extent permitted by federal law or regulation, engaged in the design, construction, overhaul, or repair of nuclear vessels for the United States Navy, including their subsidiary companies, for the conduct of investigations of applications for employment or for access to facilities, by contractors, leased laborers, and other visitors;

38. Any employer of individuals whose employment requires that they enter the homes of others, for the purpose of screening individuals who apply for, are offered, or have accepted such employment;

39. Public agencies when and as required by federal or state law to investigate (i) applicants as providers of adult foster care and home-based services or (ii) any individual with whom the agency is considering placing an adult on an emergency, temporary, or permanent basis pursuant to § 63.2-1601.1, subject to the restriction that the data shall not be further disseminated by the agency to any party other than a federal or state authority or court as may be required to comply with an express requirement of law for such further dissemination, subject to limitations set out in subsection G;

40. The Department of Medical Assistance Services, or its designee, for the purpose of screening individuals who, through contracts, subcontracts, or direct employment, volunteer, apply for, are offered, or have accepted a position related to the provision of transportation services to enrollees in the Medicaid Program or the Family Access to Medical Insurance Security (FAMIS) Program, or any other program administered by the Department of Medical Assistance Services;

41. The State Corporation Commission for the purpose of investigating individuals who are current or proposed members, senior officers, directors, and principals of an applicant or person licensed under Chapter 16 (§ 6.2-1600 et seq.), Chapter 19.1 (§ 6.2-1922 et seq.), or Chapter 26 (§ 6.2-2600 et seq.) of Title 6.2. Notwithstanding any other provision of law, if an application is denied based in whole or in part on information obtained from the Central Criminal Records Exchange pursuant to Chapter 16, 19, or 26 of Title 6.2, the Commissioner of Financial Institutions or his designee may disclose such information to the applicant or its designee;

42. The Department of Professional and Occupational Regulation for the purpose of investigating individuals for initial licensure pursuant to § 54.1-2106.1;

43. The Department for Aging and Rehabilitative Services and the Department for the Blind and Vision Impaired for the purpose of evaluating an individual's fitness for various types of employment and for the purpose of delivering comprehensive vocational rehabilitation services pursuant to Article 11 (§ 51.5-170 et seq.) of Chapter 14 of Title 51.5 that will assist the individual in obtaining employment;

44. Bail bondsmen, in accordance with the provisions of § 19.2-120;

45. The State Treasurer for the purpose of determining whether a person receiving compensation for wrongful incarceration meets the conditions for continued compensation under § 8.01-195.12;

46. The Department of Education or its agents or designees for the purpose of screening individuals seeking to enter into a contract with the Department of Education or its agents or designees for the provision of child care services for which child care subsidy payments may be provided;

47. The Department of Juvenile Justice to investigate any parent, guardian, or other adult members of a juvenile's household when completing a predispositional or postdispositional report required by § 16.1-273 or a Board of Juvenile Justice regulation promulgated pursuant to § 16.1-233;

48. The State Corporation Commission, for the purpose of screening applicants for insurance licensure under Chapter 18 (§ 38.2-1800 et seq.) of Title 38.2;

49. Administrators and board presidents of and applicants for licensure or registration as a child day program or family day system, as such terms are defined in § 22.1-289.02, for dissemination to the Superintendent of Public Instruction's representative pursuant to § 22.1-289.013 for the conduct of investigations with respect to employees of and volunteers at such facilities pursuant to §§ 22.1-289.034 through 22.1-289.037, subject to the restriction that the data shall not be further disseminated by the facility or agency to any party other than the data subject, the Superintendent of Public Instruction's representative, or a federal or state authority or court as may be required to comply with an express requirement of law for such further dissemination; however, nothing in this subdivision shall be construed to prohibit the Superintendent of Public Instruction's representative from issuing written certifications regarding the results of prior background checks in accordance with subsection J of § 22.1-289.035 or § 22.1-289.039;

50. The National Center for Missing and Exploited Children for the purpose of screening individuals who are offered or accept employment or will be providing volunteer or contractual services with the National Center for Missing and Exploited Children;

51. The Executive Director or investigators of the Board of Accountancy for the purpose of the enforcement of laws relating to the Board of Accountancy in accordance with § 54.1-4407; and

52. Other entities as otherwise provided by law.

Upon an ex parte motion of a defendant in a felony case and upon the showing that the records requested may be relevant to such case, the court shall enter an order requiring the Central Criminal Records Exchange to furnish the defendant, as soon as practicable, copies of any records of persons designated in the order on whom a report has been made under the provisions of this chapter.

Notwithstanding any other provision of this chapter to the contrary, upon a written request sworn to before an officer authorized to take acknowledgments, the Central Criminal Records Exchange, or the criminal justice agency in cases of offenses not required to be reported to the Exchange, shall furnish a copy of conviction data covering the person named in the request to the person making the request; however, such person on whom the data is being obtained shall consent in writing, under oath, to the making of such request. A person receiving a copy of his own conviction data may utilize or further disseminate that data as he deems appropriate. In the event no conviction data is maintained on the data subject, the person making the request shall be furnished at his cost a certification to that effect.

B. Use of criminal history record information disseminated to noncriminal justice agencies under this section shall be limited to the purposes for which it was given and may not be disseminated further, except as otherwise provided in subdivision A 49.

C. No criminal justice agency or person shall confirm the existence or nonexistence of criminal history record information for employment or licensing inquiries except as provided by law.

D. Criminal justice agencies shall establish procedures to query the Central Criminal Records Exchange prior to dissemination of any criminal history record information on offenses required to be reported to the Central Criminal Records Exchange to ensure that the most up-to-date disposition data is being used. Inquiries of the Exchange shall be made prior to any dissemination except in those cases where time is of the essence and the normal response time of the Exchange would exceed the necessary time period. A criminal justice agency to whom a request has been made for the dissemination of criminal history record information that is required to be reported to the Central Criminal Records Exchange may direct the inquirer to the Central Criminal Records Exchange for such dissemination. Dissemination of information regarding offenses not required to be reported to the Exchange shall be made by the criminal justice agency maintaining the record as required by § 15.2-1722.

E. Criminal history information provided to licensed nursing homes, hospitals and to home care organizations pursuant to subdivision A 18 shall be limited to the convictions on file with the Exchange for any offense specified in §§ 32.1-126.01, 32.1-126.02, and 32.1-162.9:1.

F. Criminal history information provided to licensed assisted living facilities and licensed adult day centers pursuant to subdivision A 19 shall be limited to the convictions on file with the Exchange for any offense specified in § 63.2-1720.

G. Criminal history information provided to public agencies pursuant to subdivision A 39 shall be limited to the convictions on file with the Exchange for any offense set forth in clause (i) of the definition of barrier crime in § 19.2-392.02.

H. Upon receipt of a written request from an employer or prospective employer, the Central Criminal Records Exchange, or the criminal justice agency in cases of offenses not required to be reported to the Exchange, shall furnish at the employer's cost a copy of conviction data covering the person named in the request to the employer or prospective employer making the request, provided that the person on whom the data is being obtained has consented in writing to the making of such request and has presented a photo-identification to the employer or prospective employer. In the event no conviction data is maintained on the person named in the request, the requesting employer or prospective employer shall be furnished at his cost a certification to that effect. The criminal history record search shall be conducted on forms provided by the Exchange.

I. The attorney for the Commonwealth shall provide a physical or electronic copy of a person's criminal history record information, including criminal history record information maintained in the National Crime Information Center (NCIC) and the Interstate Identification Index System (III System) that is in his possession, pursuant to the rules of court for obtaining discovery or for review by the court. No criminal history record information provided under this subsection shall be disseminated further.

§ 19.2-389.3. (Repealed effective July 1, 2026) Marijuana possession; limits on dissemination of criminal history record information; prohibited practices by employers, educational institutions, and state and local governments; penalty.

A. Records relating to the arrest, criminal charge, or conviction of a person for a misdemeanor violation of *former* § 18.2-248.1 or a violation of *former* § 18.2-250.1, including any violation charged under ~~§§~~ *former §* 18.2-248.1 or *former §* 18.2-250.1 that was deferred and dismissed pursuant to § 18.2-251, maintained in the Central Criminal Records Exchange shall not be open for public inspection or otherwise disclosed, provided that such records may be disseminated (i) to make the determination as provided in § 18.2-308.2:2 of eligibility to possess or purchase a firearm; (ii) to aid in the preparation of a pretrial investigation report prepared

by a local pretrial services agency established pursuant to Article 5 (§ 19.2-152.2 et seq.) of Chapter 9, a pre-sentence or post-sentence investigation report pursuant to § 19.2-299 or in the preparation of the discretionary sentencing guidelines worksheets pursuant to subsection C of § 19.2-298.01; (iii) to aid local community-based probation services agencies established pursuant to the Comprehensive Community Corrections Act for Local-Responsible Offenders (§ 9.1-173 et seq.) with investigating or serving adult local-responsible offenders and all court service units serving juvenile delinquent offenders; (iv) for fingerprint comparison utilizing the fingerprints maintained in the Automated Fingerprint Information System computer; (v) to attorneys for the Commonwealth to secure information incidental to sentencing and to attorneys for the Commonwealth and probation officers to prepare the discretionary sentencing guidelines worksheets pursuant to subsection C of § 19.2-298.01; (vi) to any full-time or part-time employee of the State Police, a police department, or sheriff's office that is a part of or administered by the Commonwealth or any political subdivision thereof, and who is responsible for the prevention and detection of crime and the enforcement of the penal, traffic, or highway laws of the Commonwealth, for purposes of the administration of criminal justice as defined in § 9.1-101; (vii) to the Virginia Criminal Sentencing Commission for research purposes; (viii) to any full-time or part-time employee of the State Police or a police department or sheriff's office that is a part of or administered by the Commonwealth or any political subdivision thereof for the purpose of screening any person for full-time or part-time employment with the State Police or a police department or sheriff's office that is a part of or administered by the Commonwealth or any political subdivision thereof; (ix) to the State Health Commissioner or his designee for the purpose of screening any person who applies to be a volunteer with or an employee of an emergency medical services agency as provided in § 32.1-111.5; (x) to any full-time or part-time employee of the Department of Forensic Science for the purpose of screening any person for full-time or part-time employment with the Department of Forensic Science; (xi) to the chief law-enforcement officer of a locality, or his designee who shall be an individual employed as a public safety official of the locality, that has adopted an ordinance in accordance with §§ 15.2-1503.1 and 19.2-389 for the purpose of screening any person who applies to be a volunteer with or an employee of an emergency medical services agency as provided in § 32.1-111.5; and (xii) to any full-time or part-time employee of the Department of Motor Vehicles, any employer as defined in § 46.2-341.4, or any medical examiner as defined in 49 C.F.R. § 390.5 for the purpose of complying with the regulations of the Federal Motor Carrier Safety Administration.

B. An employer or educational institution shall not, in any application, interview, or otherwise, require an applicant for employment or admission to disclose information concerning any arrest, criminal charge, or conviction against him when the record relating to such arrest, criminal charge, or conviction is not open for public inspection pursuant to subsection A. An applicant need not, in answer to any question concerning any arrest, criminal charge, or conviction, include a reference to or information concerning any arrest, criminal charge, or conviction when the record relating to such arrest, criminal charge, or conviction is not open for public inspection pursuant to subsection A.

C. Agencies, officials, and employees of the state and local governments shall not, in any application, interview, or otherwise, require an applicant for a license, permit, registration, or governmental service to disclose information concerning any arrest, criminal charge, or conviction against him when the record relating to such arrest, criminal charge, or conviction is not open for public inspection pursuant to subsection A. An applicant need not, in answer to any question concerning any arrest, criminal charge, or conviction, include a reference to or information concerning any arrest, criminal charge, or conviction when the record relating to such arrest, criminal charge, or conviction is not open for public inspection pursuant to subsection A. Such an application may not be denied solely because of the applicant's refusal to disclose information concerning any such arrest, criminal charge, or conviction.

D. A person who willfully violates subsection B or C is guilty of a Class 1 misdemeanor for each violation.

§ 19.2-392.02. National criminal background checks by businesses and organizations regarding employees or volunteers providing care to children or the elderly or disabled.

A. For purposes of this section:

"Barrier crime" means (i) a felony violation of § 16.1-253.2; any violation of § 18.2-31, 18.2-32, 18.2-32.1, 18.2-32.2, 18.2-33, 18.2-35, 18.2-36, 18.2-36.1, 18.2-36.2, 18.2-41, or 18.2-42; any felony violation of § 18.2-46.2, 18.2-46.3, 18.2-46.3:1, or 18.2-46.3:3; any violation of § 18.2-46.5, 18.2-46.6, or 18.2-46.7; any violation of subsection A or B of § 18.2-47; any violation of § 18.2-48, 18.2-49, or 18.2-50.3; any violation of § 18.2-51, 18.2-51.1, 18.2-51.2, 18.2-51.3, 18.2-51.4, 18.2-51.5, 18.2-51.6, 18.2-52, 18.2-52.1, 18.2-53, 18.2-53.1, 18.2-54.1, 18.2-54.2, 18.2-55, 18.2-55.1, 18.2-56, 18.2-56.1, 18.2-56.2, 18.2-57, 18.2-57.01, 18.2-57.02, 18.2-57.2, 18.2-58, 18.2-58.1, 18.2-59, 18.2-60, or 18.2-60.1; any felony violation of § 18.2-60.3 or 18.2-60.4; any violation of § 18.2-61, 18.2-63, 18.2-64.1, 18.2-64.2, 18.2-67.1, 18.2-67.2, 18.2-67.3, 18.2-67.4, 18.2-67.4:1, 18.2-67.4:2, 18.2-67.5, 18.2-67.5:1, 18.2-67.5:2, 18.2-67.5:3, 18.2-77, 18.2-79, 18.2-80, 18.2-81, 18.2-82, 18.2-83, 18.2-84, 18.2-85, 18.2-86, 18.2-87, 18.2-87.1, or 18.2-88; any felony violation of § 18.2-279, 18.2-280, 18.2-281, 18.2-282, 18.2-282.1, 18.2-286.1, or 18.2-287.2; any violation of § 18.2-289, 18.2-290, 18.2-300, 18.2-308.4, or 18.2-314; any felony violation of § 18.2-346.01, 18.2-348, or 18.2-349; any violation of § 18.2-355, 18.2-356, 18.2-357, or 18.2-357.1; any violation of subsection B of § 18.2-361; any violation of § 18.2-366, 18.2-369, 18.2-370, 18.2-370.1, 18.2-370.2, 18.2-370.3, 18.2-370.4, 18.2-370.5, 18.2-370.6, 18.2-371.1, 18.2-374.1, 18.2-374.1:1, 18.2-374.3, 18.2-374.4, 18.2-379, 18.2-386.1, or 18.2-386.2; any felony violation of § 18.2-405 or 18.2-406; any violation of § 18.2-408, 18.2-413, 18.2-414, 18.2-423, 18.2-423.01, 18.2-423.1, 18.2-423.2, 18.2-433.2, 18.2-472.1, 18.2-474.1, 18.2-477, 18.2-477.1, 18.2-477.2, 18.2-478, 18.2-479, 18.2-480, 18.2-481, 18.2-484, 18.2-485, 37.2-917, or 53.1-203; or any substantially similar offense under the laws of another jurisdiction; (ii) any violation of § 18.2-89, 18.2-90, 18.2-91, 18.2-92, 18.2-93, or 18.2-94 or any substantially similar offense under the laws of another jurisdiction; (iii) any felony violation of § 4.1-1101, *4.1-1114,* 18.2-248, 18.2-248.01, 18.2-248.02, 18.2-248.03, ~~18.2-248.1,~~ 18.2-248.5, 18.2-251.2, 18.2-251.3, 18.2-255, 18.2-255.2, 18.2-258, 18.2-258.02, 18.2-258.1, or 18.2-258.2 or any substantially similar offense under the laws of another jurisdiction; (iv) any felony violation of § 18.2-250 or any substantially similar offense under the laws of another

jurisdiction; (v) any offense set forth in § 9.1-902 that results in the person's requirement to register with the Sex Offender and Crimes Against Minors Registry pursuant to § 9.1-901, including any finding that a person is not guilty by reason of insanity in accordance with Chapter 11.1 (§ 19.2-182.2 et seq.) of Title 19.2 of an offense set forth in § 9.1-902 that results in the person's requirement to register with the Sex Offender and Crimes Against Minors Registry pursuant to § 9.1-901; any substantially similar offense under the laws of another jurisdiction; or any offense for which registration in a sex offender and crimes against minors registry is required under the laws of the jurisdiction where the offender was convicted; or (vi) any other felony not included in clause (i), (ii), (iii), (iv), or (v) unless five years have elapsed from the date of the conviction.

"Barrier crime information" means the following facts concerning a person who has been arrested for, or has been convicted of, a barrier crime, regardless of whether the person was a juvenile or adult at the time of the arrest or conviction: full name, race, sex, date of birth, height, weight, fingerprints, a brief description of the barrier crime or offenses for which the person has been arrested or has been convicted, the disposition of the charge, and any other information that may be useful in identifying persons arrested for or convicted of a barrier crime.

"Care" means the provision of care, treatment, education, training, instruction, supervision, or recreation to children or the elderly or disabled.

"Department" means the Department of State Police.

"Employed by" means any person who is employed by, volunteers for, seeks to be employed by, or seeks to volunteer for a qualified entity.

"Identification document" means a document made or issued by or under the authority of the United States government, a state, a political subdivision of a state, a foreign government, political subdivision of a foreign government, an international governmental or an international quasi-governmental organization that, when completed with information concerning a particular individual, is of a type intended or commonly accepted for the purpose of identification of individuals.

"Provider" means a person who (i) is employed by a qualified entity and has, seeks to have, or may have unsupervised access to a child or to an elderly or disabled person to whom the qualified entity provides care; (ii) is a volunteer of a qualified entity and has, seeks to have, or may have unsupervised access to a child to whom the qualified entity provides care; or (iii) owns, operates, or seeks to own or operate a qualified entity.

"Qualified entity" means a business or organization that provides care to children or the elderly or disabled, whether governmental, private, for profit, nonprofit, or voluntary, except organizations exempt pursuant to subdivision A 7 of § 22.1-289.030.

B. A qualified entity may request the Department of State Police to conduct a national criminal background check on any provider who is employed by such entity. No qualified entity may request a national criminal background check on a provider until such provider has:

1. Been fingerprinted; and

2. Completed and signed a statement, furnished by the entity, that includes (i) his name, address, and date of birth as it appears on a valid identification document; (ii) a disclosure of whether or not the provider has ever been convicted of or is the subject of pending charges for a criminal offense within or outside the Commonwealth, and if the provider has been convicted of a crime, a description of the crime and the particulars of the conviction; (iii) a notice to the provider that the entity may request a background check; (iv) a notice to the provider that he is entitled to obtain a copy of any background check report, to challenge the accuracy and completeness of any information contained in any such report, and to obtain a prompt determination as to the validity of such challenge before a final determination is made by the Department; and (v) a notice to the provider that prior to the completion of the background check the qualified entity may choose to deny the provider unsupervised access to children or the elderly or disabled for whom the qualified entity provides care.

C. Upon receipt of (i) a qualified entity's written request to conduct a background check on a provider, (ii) the provider's fingerprints, and (iii) a completed, signed statement as described in subsection B, the Department shall make a determination whether the provider has been convicted of or is the subject of charges of a barrier crime. To conduct its determination regarding the provider's barrier crime information, the Department shall access the national criminal history background check system, which is maintained by the Federal Bureau of Investigation and is based on fingerprints and other methods of identification, and shall access the Central Criminal Records Exchange maintained by the Department. If the Department receives a background report lacking disposition data, the Department shall conduct research in whatever state and local recordkeeping systems are available in order to obtain complete data. The Department shall make reasonable efforts to respond to a qualified entity's inquiry within 15 business days.

D. Any background check conducted pursuant to this section for a provider employed by a private entity shall be screened by the Department of State Police. If the provider has been convicted of or is under indictment for a barrier crime, the qualified entity shall be notified that the provider is not qualified to work or volunteer in a position that involves unsupervised access to children or the elderly or disabled.

E. Any background check conducted pursuant to this section for a provider employed by a governmental entity shall be provided to that entity.

F. In the case of a provider who desires to volunteer at a qualified entity and who is subject to a national criminal background check, the Department and the Federal Bureau of Investigation may each charge the provider the lesser of $18 or the actual cost to the entity of the background check conducted with the fingerprints.

G. The failure to request a criminal background check pursuant to subsection B shall not be considered negligence per se in any civil action.

§ 19.2-392.6. (Effective July 1, 2026) Automatic sealing of offenses resulting in conviction.

A. If a person was convicted of a violation of any of the following sections with an offense date on or after January 1, 1986, such conviction, including any records relating to such conviction, shall be ordered to be automatically sealed in the manner set forth in § 19.2-392.7, subject to the provisions of subsections B and C: a misdemeanor violation of § 18.2-96 or 18.2-103; § 18.2-119, 18.2-120, or 18.2-134; a misdemeanor violation of *former* § 18.2-248.1; or § 18.2-415.

B. Subject to the provisions of subsection C, any conviction listed under subsection A shall be ordered to be automatically sealed if seven years have passed since the date of the conviction and the person convicted of such offense has not been convicted of violating any law of the Commonwealth that requires a report to the Central Criminal Records Exchange under subsection A of § 19.2-390 or any other state, the District of Columbia, or the United States or any territory thereof, excluding traffic infractions under Title 46.2, during that time period.

C. No conviction listed under subsection A shall be automatically sealed if, on the date of the conviction, the person was convicted of another offense that is not eligible for automatic sealing under subsection A.

This section shall not be construed as prohibiting a person from seeking sealing in the circuit court pursuant to the provisions of § 19.2-392.12 or 19.2-392.12:1.

§ 19.2-392.12:1. (Effective July 1, 2026) Sealing of charges and convictions related to automatic sealing; petition.

A. A person who has been convicted of or had a charge deferred and dismissed for a violation of § 4.1-305; a misdemeanor violation of § 18.2-96 or 18.2-103; a violation of § 18.2-119, 18.2-120, or 18.2-134; a misdemeanor violation of *former* § 18.2-248.1; a violation of subsection A of § 18.2-265.3; or a violation of § 18.2-415, where the offense date for any such offense was on or after January 1, 1986, may file a petition setting forth the relevant facts and requesting the sealing of the criminal history record information and court records relating to the charge or conviction. In addition to requesting the sealing of a charge or conviction, such petition may also request the sealing of any specifically identified ancillary matter related to such charge or conviction.

B. A person who had a conviction or offense automatically sealed pursuant to § 19.2-392.7 or 19.2-392.11 where the offense date for such conviction or offense was on or after January 1, 1986, or who had an offense sealed pursuant to § 19.2-392.6:1 regardless of the date of the offense, may file a petition setting forth the relevant facts and requesting sealing of the criminal history record information and court records of any specifically identified ancillary matter related to that charge or conviction.

C. A person shall not be required to pay any court fees or costs for filing a petition pursuant to this section.

D. The petition under subsection A or B, with a copy of the warrant, summons, or indictment, if reasonably available, shall be filed in the circuit court of the county or city in which the case was disposed of and shall contain, except when not reasonably available, (i) the date of arrest; (ii) the name of the arresting agency; (iii) the date of conviction, deferred dismissal, or final disposition of any ancillary matter; and (iv) the case number associated with each court record that is the subject of the petition. When this information is not reasonably available, the petition shall state the reason for such unavailability. The petition shall further state (a) the charge, conviction, or ancillary matter to be sealed; (b) the date of final disposition of the charge, conviction, or ancillary matter as set forth in the petition; (c) the petitioner's date of birth, sex, race, and social security number, if available; and (d) the full name used by the petitioner at the time of arrest or summons. A petition may request the sealing of the criminal history record information and court records for multiple charges, convictions, or ancillary matters as set forth in subsections A and B, provided that all such charges, convictions, and ancillary matters are eligible for sealing under this section. A petition may not request the sealing of the criminal history record information and court records where the charge, conviction, or ancillary matter was finalized on the same date as a conviction or deferred dismissal that is not eligible for sealing under this section.

E. A petitioner is not limited in the number of petitions that may be granted pursuant to this section within his lifetime. Any petition granted pursuant to this section shall not be counted toward the lifetime maximum of two petitions set forth in § 19.2-392.12.

F. The Commonwealth shall be made party to the proceeding. The petitioner shall provide a copy of the petition under subsection A or B by delivery or by first-class mail, postage prepaid, to the attorney for the Commonwealth of the county or city in which the petition is filed. The attorney for the Commonwealth may file an objection or answer to the petition or may give written notice to the court that he does not object to the petition within 30 days after it is delivered to him or received in the mail.

G. In addition to the filing of the petition under subsection D, the petitioner shall request that the Central Criminal Records Exchange

(CCRE) electronically forward a copy of the petitioner's Virginia and national criminal history record to the circuit court in which the petition was filed. Upon receiving such request, the CCRE shall electronically forward such record to the circuit court; however, if the circuit court is unable to receive an electronic transmission, the CCRE shall forward a copy of such record to the circuit court which shall be maintained under seal by the clerk unless otherwise ordered by the court. Upon completion of the hearing, the court shall cause the criminal history record to be destroyed unless, within 30 days of the date of the entry of the final order in the matter, the petitioner or the attorney for the Commonwealth notes an appeal as provided by law in civil cases.

H. After receiving the criminal history record of the petitioner, the court may conduct a hearing on the petition.

I. For a petition filed pursuant to subsection A, the court shall enter an order requiring the sealing of the records related to the charge, conviction, or ancillary matter if the court finds that seven years have passed since the date of conviction or of dismissal of the deferred charge listed in subsection A and the petitioner has not been convicted of violating any law of the Commonwealth that requires a report to the Central Criminal Records Exchange under subsection A of § 19.2-390 or any other state, the District of Columbia, or the United States or any territory thereof, excluding traffic infractions under Title 46.2, during that time period.

J. For a petition filed pursuant to subsection B, the court shall enter an order to seal the ancillary matter if the charge or conviction identified in the petition has been sealed pursuant to § 19.2-392.6:1, 19.2-392.7, or 19.2-392.11.

K. If the attorney for the Commonwealth of the county or city in which the petition is filed (i) gives written notice to the court pursuant to subsection F that he does not object to the petition and (ii) stipulates in such written notice that the petitioner is eligible to have such charge, conviction, or ancillary matter sealed, the court may enter an order of sealing without conducting a hearing.

L. Any party aggrieved by the decision of the court may appeal, as provided by law in civil cases.

M. Upon the entry of an order of sealing, the clerk of the court shall maintain a copy of such order under seal and shall cause an electronic notification of such order to be forwarded to the Department of State Police. Such electronic notification shall contain (i) the petitioner's full name, date of birth, sex, race, and social security number, if available; (ii) the full name used by the petitioner at the time of arrest or summons; (iii) the petitioner's state identification number from the criminal history record; (iv) the court case number of the charge, conviction, or ancillary matter to be sealed, if available; and (v) the document control number, if available. The Department of State Police shall validate the accuracy of any criminal history record ordered to be sealed pursuant to this section but shall not validate whether such record is eligible for sealing. Upon receipt of such electronic notification, the Department of State Police shall seal such records in accordance with § 19.2-392.13. The Department of State Police shall also electronically notify the Office of the Executive Secretary of the Supreme Court and any other agencies and individuals known to maintain or to have obtained such a record that such record has been ordered to be sealed and may only be disseminated in accordance with § 19.2-392.13.

N. Any order entered where (i) the court or parties failed to strictly comply with the procedures set forth in this section or (ii) the court entered an order for the sealing of records contrary to law shall be voidable upon motion and notice made within two years of the entry of such order.

O. A petition filed under this section and any responsive pleadings filed by the attorney for the Commonwealth shall be maintained under seal by the clerk unless otherwise ordered by the court. Any order to seal issued pursuant to this section shall be sealed and may only be disseminated for the purposes set forth in § 19.2-392.13.

P. Nothing in this chapter shall prohibit the circuit court from entering an order to seal a charge, conviction, or ancillary matter under this section when such charge, conviction, or ancillary matter is eligible for sealing under some other section of this chapter.

§ 22.1-206. Instruction concerning drugs, alcohol, substance abuse, retail tobacco products, hemp products intended for smoking, and gambling.

A. Instruction concerning drugs and drug abuse shall be provided by the public schools as prescribed by the Board of Education.

B. Instruction concerning the public safety hazards and dangers of alcohol abuse, underage drinking, *underage marijuana use*, and drunk driving shall be provided in the public schools. The Virginia Alcoholic Beverage Control Authority *and the Virginia Cannabis Control Authority* shall provide educational materials to the Department of Education. The Department of Education shall review and shall distribute such materials as are approved to the public schools.

The Virginia Foundation for Healthy Youth shall develop and the Department of Education shall distribute to each local school division educational materials concerning the health and safety risks of using retail tobacco products and hemp products intended for smoking, as such terms are defined in § 18.2-371.2. Instruction concerning the health and safety risks of using *retail* tobacco products and hemp products intended for smoking, as such terms are defined in § 18.2-371.2, shall be provided in each public elementary and secondary school in the Commonwealth, consistent with such educational materials.

C. Instruction concerning gambling and the addictive potential thereof shall be provided by the public schools as prescribed by the Board.

§ 22.1-277.08. Expulsion of students for certain drug offenses.

A. School boards shall expel from school attendance any student whom such school board has determined, in accordance with the procedures set forth in this article, to have brought a controlled substance~~,~~ *or* imitation controlled substance~~, or marijuana~~ as *those terms are* defined in § 18.2-247 onto school property or to a school-sponsored activity. A school administrator, pursuant to school board policy, or a school board may, however, determine, based on the facts of a particular situation, that special circumstances exist and no disciplinary action or another disciplinary action or another term of expulsion is appropriate. A school board may, by regulation, authorize the division superintendent or his designee to conduct a preliminary review of such cases to determine whether a disciplinary action other than expulsion is appropriate. Such regulations shall ensure that, if a determination is made that another disciplinary action is appropriate, any such subsequent disciplinary action is to be taken in accordance with the procedures set forth in this article. Nothing in this section shall be construed to require a student's expulsion regardless of the facts of the particular situation.

B. Each school board shall revise its standards of student conduct to incorporate the requirements of this section no later than three months after the date on which this act becomes effective.

§ 23.1-1301. Governing boards; powers.

A. The board of visitors of each baccalaureate public institution of higher education or its designee may:

1. Make regulations and policies concerning the institution;

2. Manage the funds of the institution and approve an annual budget;

3. Appoint the chief executive officer of the institution;

4. Appoint professors and fix their salaries; and

5. Fix the rates charged to students for tuition, mandatory fees, and other necessary charges.

B. The governing board of each public institution of higher education or its designee may:

1. In addition to the powers set forth in Restructured Higher Education Financial and Administrative Operations Act (§ 23.1-1000 et seq.), lease or sell and convey its interest in any real property that it has acquired by purchase, will, or deed of gift, subject to the prior approval of the Governor and any terms and conditions of the will or deed of gift, if applicable. The proceeds shall be held, used, and administered in the same manner as all other gifts and bequests;

2. Grant easements for roads, streets, sewers, waterlines, electric and other utility lines, or other purposes on any property owned by the institution;

3. Adopt regulations or institution policies for parking and traffic on property owned, leased, maintained, or controlled by the institution;

4. Adopt regulations or institution policies for the employment and dismissal of professors, teachers, instructors, and other employees;

5. Adopt regulations or institution policies for the acceptance and assistance of students in addition to the regulations or institution policies required pursuant to § 23.1-1303;

6. Adopt regulations or institution policies for the conduct of students in attendance and for the rescission or restriction of financial aid, suspension, and dismissal of students who fail or refuse to abide by such regulations or policies;

7. Establish programs, in cooperation with the Council and the Office of the Attorney General, to promote (i) student compliance with state laws on the use of alcoholic beverages *and marijuana* and (ii) the awareness and prevention of sexual crimes committed upon students;

8. Establish guidelines for the initiation or induction of students into any social fraternity or sorority in accordance with the prohibition against hazing as defined in § 18.2-56;

9. Assign any interest it possesses in intellectual property or in materials in which the institution claims an interest, provided such assignment is in accordance with the terms of the institution's intellectual property policies adopted pursuant to § 23.1-1303. The Governor's prior written approval is required for transfers of such property (i) developed wholly or predominantly through the use of state general funds, exclusive of capital assets and (ii)(a) developed by an employee of the institution acting within the scope of his assigned duties or (b) for which such transfer is made to an entity other than (1) the Innovation and Entrepreneurship Investment Authority, (2) an entity whose purpose is to manage intellectual properties on behalf of nonprofit organizations, colleges, and universities, or (3) an entity whose purpose is to benefit the respective institutions. The Governor may attach conditions to these transfers as he deems necessary. In the event the Governor does not approve such transfer, the materials shall remain the property of the respective institutions and may be used and developed in any manner permitted by law;

10. Conduct closed meetings pursuant to §§ 2.2-3711 and 2.2-3712 and conduct business through electronic communication means pursuant to § 2.2-3708.3; and

11. Adopt a resolution to require the governing body of a locality that is contiguous to the institution to enforce state statutes and local ordinances with respect to offenses occurring on the property of the institution. Upon receipt of such resolution, the governing body of such locality shall enforce statutes and local ordinances with respect to offenses occurring on the property of the institution.

§ 46.2-105.2. Obtaining documents from the Department when not entitled thereto; penalty.

A. It shall be unlawful for any person to obtain a Virginia driver's license, special identification card, vehicle registration, certificate of title, or other document issued by the Department if such person has not satisfied all legal and procedural requirements for the issuance thereof, or is otherwise not legally entitled thereto, including obtaining any document issued by the Department through the use of counterfeit, forged, or altered documents.

B. It shall be unlawful to aid any person to obtain any driver's license, special identification card, vehicle registration, certificate of title, or other document in violation of the provisions of subsection A.

C. It shall be unlawful to knowingly possess or use for any purpose any driver's license, special identification card, vehicle registration, certificate of title, or other document obtained in violation of the provisions of subsection A.

D. A violation of any provision of this section shall constitute a Class 2 misdemeanor if a person is charged and convicted of a violation of this section that involved the unlawful obtaining or possession of any document issued by the Department for the purpose of engaging in any age-limited activity, including but not limited to obtaining, possessing, or consuming alcoholic beverages *or marijuana*. However, if a person is charged and convicted of any other violation of this section, such offense shall constitute a Class 6 felony.

E. Whenever it appears to the satisfaction of the Commissioner that any driver's license, special identification card, vehicle registration, certificate of title, or other document issued by the Department has been obtained in violation of this section, it may be cancelled by the Commissioner, who shall mail notice of the cancellation to the address of record maintained by the Department.

F. A violation of this section may be prosecuted in the jurisdiction (i) from which any person obtained any document issued by the Department, (ii) where any person received or created any counterfeit, forged, or altered document used to obtain any document issued by the Department, or (iii) where any counterfeit, forged, or altered document has been filed with the Department.

§ 46.2-347. Fraudulent use of driver's license or Department of Motor Vehicles identification card to obtain alcoholic beverages or marijuana; penalties.

Any underage person as specified in § 4.1-304 who knowingly uses or attempts to use a forged, deceptive or otherwise nongenuine driver's license issued by any state, territory or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico or any foreign country or government; United States Armed Forces identification card; United States passport or foreign government visa; Virginia Department of Motor Vehicles special identification card; official identification issued by any other federal, state or foreign government agency; or official student identification card of an institution of higher education to obtain alcoholic beverages ~~shall be~~ *or marijuana is* guilty of a Class 3 misdemeanor, and upon conviction of a violation of this section, the court shall revoke such convicted person's driver's license or privilege to drive a motor vehicle for a period of not less than 30 days nor more than one year.

§ 48-17.1. Temporary injunctions against alcoholic beverage sales or marijuana sales.

A. Any locality by or through its mayor, chief executive, or attorney may petition a circuit court to temporarily enjoin the sale of alcohol *or marijuana* at any establishment licensed by the Virginia Alcoholic Beverage Control Authority *or the Virginia Cannabis Control Authority*. The basis for such petition shall be the operator of the establishment has allowed it to become a meeting place for persons committing serious criminal violations of the law on or immediately adjacent to the premises so frequent and serious as to be deemed a continuing threat to public safety, as represented in an affidavit by the chief law-enforcement officer of the locality, supported by records of such criminal acts. The court shall, upon the presentation of evidence at a hearing on the matter, grant a temporary injunction, without bond, enjoining the sale of alcohol *or marijuana* at the establishment, if it appears to the satisfaction of the court that the threat to public safety complained of exists and is likely to continue if such injunction is not granted. The court hearing on the petition shall be held within 10 days of service upon the respondent. The respondent shall be served with notice of the time and place of the hearing and copies of all documentary evidence to be relied upon by the complainant at such hearing. Any injunction issued by the court shall be dissolved in the event the court later finds that the threat to public safety that is the basis of the injunction has been abated by reason of a change of ownership, management, or business operations at the establishment, or other change in circumstance.

B. The Virginia Alcoholic Beverage Control Authority *or the Virginia Cannabis Control Authority* shall be given notice of any hearing under this section. In the event an injunction is granted, the Virginia Alcoholic Beverage Control Authority *or the Virginia Cannabis Control Authority* shall initiate an investigation into the activities at the establishment complained of and conduct an administrative hearing. After the Virginia Alcoholic Beverage Control Authority *or the Virginia Cannabis Control Authority* hearing and when a final determination has been issued by the Virginia Alcoholic Beverage Control Authority *or the Virginia*

Cannabis Control Authority, regardless of disposition, any injunction issued hereunder shall be null, without further action by the complainant, respondent, or the court.

§ 53.1-231.2. Restoration of the civil right to be eligible to register to vote to certain persons.

This section shall apply to any person who is not a qualified voter because of a felony conviction, who seeks to have his right to register to vote restored and become eligible to register to vote, and who meets the conditions and requirements set out in this section.

Any person, other than a person (i) convicted of a violent felony as defined in § 19.2-297.1 or in subsection C of § 17.1-805 and any crime ancillary thereto; (ii) convicted of a felony pursuant to § 4.1-1101, *4.1-1114,* 18.2-248, 18.2-248.01, ~~18.2-248.1,~~ 18.2-255, 18.2-255.2, or 18.2-258.02; or (iii) convicted of a felony pursuant to § 24.2-1016, may petition the circuit court of the county or city in which he was convicted of a felony, or the circuit court of the county or city in which he presently resides, for restoration of his civil right to be eligible to register to vote through the process set out in this section. On such petition, the court may approve the petition for restoration to the person of his right if the court is satisfied from the evidence presented that the petitioner has completed, five or more years previously, service of any sentence and any modification of sentence including probation, parole, and suspension of sentence; that the petitioner has demonstrated civic responsibility through community or comparable service; and that the petitioner has been free from criminal convictions, excluding traffic infractions, for the same period.

If the court approves the petition, it shall so state in an order, provide a copy of the order to the petitioner, and transmit its order to the Secretary of the Commonwealth. The order shall state that the petitioner's right to be eligible to register to vote may be restored by the date that is 90 days after the date of the order, subject to the approval or denial of restoration of that right by the Governor. The Secretary of the Commonwealth shall transmit the order to the Governor who may grant or deny the petition for restoration of the right to be eligible to register to vote approved by the court order. The Secretary of the Commonwealth shall send, within 90 days of the date of the order, to the petitioner at the address stated on the court's order, a certificate of restoration of that right or notice that the Governor has denied the restoration of that right. The Governor's denial of a petition for the restoration of voting rights shall be a final decision and the petitioner shall have no right of appeal. The Secretary shall notify the court and the State Board of Elections in each case of the restoration of the right or denial of restoration by the Governor.

On receipt of the certificate of restoration of the right to register to vote from the Secretary of the Commonwealth, the petitioner, who is otherwise a qualified voter, shall become eligible to register to vote.

§ 54.1-2903. What constitutes practice; advertising in connection with medical practice.

A. Any person shall be regarded as practicing the healing arts who actually engages in such practice as defined in this chapter, or who opens an office for such purpose, or who advertises or announces to the public in any manner a readiness to practice or who uses in connection with his name the words or letters "Doctor," "Dr.," "M.D.," "D.O.," "D.P.M.," "D.C.," "Healer," "N.P.," or any other title, word, letter or designation intending to designate or imply that he is a practitioner of the healing arts or that he is able to heal, cure or relieve those suffering from any injury, deformity or disease.

Signing a birth or death certificate, or signing any statement certifying that the person so signing has rendered professional service to the sick or injured, or signing or issuing a prescription for drugs or other remedial agents, shall be prima facie evidence that the person signing or issuing such writing is practicing the healing arts within the meaning of this chapter except where persons other than physicians are required to sign birth certificates.

B. No person regulated under this chapter shall use the title "Doctor" or the abbreviation "Dr." in writing or in advertising in connection with his practice unless he simultaneously uses words, initials, an abbreviation or designation, or other language that identifies the type of practice for which he is licensed. No person regulated under this chapter shall include in any advertisement a reference to marijuana, as defined in § ~~18.2-247~~ *54.1-3401*, unless such advertisement is for the treatment of addiction or substance abuse. However, nothing in this subsection shall prevent a person from including in any advertisement that such person is registered with the Board of Directors of the Virginia Cannabis Control Authority to issue written certifications for the use of cannabis products, as defined in § 4.1-1600.

§ 54.1-3401. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Administer" means the direct application of a controlled substance, whether by injection, inhalation, ingestion, or any other means, to the body of a patient or research subject by (i) a practitioner or by his authorized agent and under his direction or (ii) the patient or research subject at the direction and in the presence of the practitioner.

"Advertisement" means all representations disseminated in any manner or by any means, other than by labeling, for the purpose of inducing, or which are likely to induce, directly or indirectly, the purchase of drugs or devices.

"Agent" means an authorized person who acts on behalf of or at the direction of a manufacturer, distributor, or dispenser. "Agent" does not include a common or contract carrier, public warehouseman, or employee of the carrier or warehouseman.

"Anabolic steroid" means any drug or hormonal substance, chemically and pharmacologically related to testosterone, other than estrogens, progestins, corticosteroids, and dehydroepiandrosterone.

"Animal" means any nonhuman animate being endowed with the power of voluntary action.

"Automated drug dispensing system" means a mechanical or electronic system that performs operations or activities, other than compounding or administration, relating to pharmacy services, including the storage, dispensing, or distribution of drugs and the collection, control, and maintenance of all transaction information, to provide security and accountability for such drugs.

"Biological product" means a virus, therapeutic serum, toxin, antitoxin, vaccine, blood, blood component or derivative, allergenic product, protein other than a chemically synthesized polypeptide, or analogous product, or arsphenamine or any derivative of arsphenamine or any other trivalent organic arsenic compound, applicable to the prevention, treatment, or cure of a disease or condition of human beings.

"Biosimilar" means a biological product that is highly similar to a specific reference biological product, notwithstanding minor differences in clinically inactive compounds, such that there are no clinically meaningful differences between the reference biological product and the biological product that has been licensed as a biosimilar pursuant to 42 U.S.C. § 262(k) in terms of safety, purity, and potency of the product.

"Board" means the Board of Pharmacy.

"Bulk drug substance" means any substance that is represented for use, and that, when used in the compounding, manufacturing, processing, or packaging of a drug, becomes an active ingredient or a finished dosage form of the drug; however, "bulk drug substance" does not include intermediates that are used in the synthesis of such substances.

"Change of ownership" of an existing entity permitted, registered, or licensed by the Board means (i) the sale or transfer of all or substantially all of the assets of the entity or of any corporation that owns or controls the entity; (ii) the creation of a partnership by a sole proprietor, the dissolution of a partnership, or a change in partnership composition; (iii) the acquisition or disposal of 50 percent or more of the outstanding shares of voting stock of a corporation owning the entity or of the parent corporation of a wholly owned subsidiary owning the entity, except that this shall not apply to any corporation the voting stock of which is actively traded on any securities exchange or in any over-the-counter market; (iv) the merger of a corporation owning the entity or of the parent corporation of a wholly owned subsidiary owning the entity with another business or corporation; or (v) the expiration or forfeiture of a corporation's charter.

"Co-licensed partner" means a person who, with at least one other person, has the right to engage in the manufacturing or marketing of a prescription drug, consistent with state and federal law.

"Compounding" means the combining of two or more ingredients to fabricate such ingredients into a single preparation and includes the mixing, assembling, packaging, or labeling of a drug or device (i) by a pharmacist, or within a permitted pharmacy, pursuant to a valid prescription issued for a medicinal or therapeutic purpose in the context of a bona fide practitioner-patient-pharmacist relationship, or in expectation of receiving a valid prescription based on observed historical patterns of prescribing and dispensing; (ii) by a practitioner of medicine, osteopathy, podiatry, dentistry, or veterinary medicine as an incident to his administering or dispensing, if authorized to dispense, a controlled substance in the course of his professional practice; or (iii) for the purpose of, or as incident to, research, teaching, or chemical analysis and not for sale or for dispensing. The mixing, diluting, or reconstituting of a manufacturer's product drugs for the purpose of administration to a patient, when performed by a practitioner of medicine or osteopathy licensed under Chapter 29 (§ 54.1-2900 et seq.), a person supervised by such practitioner pursuant to subdivision A 6 or 19 of § 54.1-2901, or a person supervised by such practitioner or a licensed advanced practice registered nurse or physician assistant pursuant to subdivision A 4 of § 54.1-2901 shall not be considered compounding.

"Controlled substance" means a drug, substance, or immediate precursor in Schedules I through VI of this chapter. "Controlled substance" does not include distilled spirits, wine, malt beverages, or tobacco as those terms are defined or used in Title 3.2 or Title 4.1. The term "controlled substance" includes a controlled substance analog that has been placed into Schedule I or II by the Board pursuant to the regulatory authority in subsection D of § 54.1-3443.

"Controlled substance analog" means a substance the chemical structure of which is substantially similar to the chemical structure of a controlled substance in Schedule I or II and either (i) which has a stimulant, depressant, or hallucinogenic effect on the central nervous system that is substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in Schedule I or II or (ii) with respect to a particular person, which such person represents or intends to have a stimulant, depressant, or hallucinogenic effect on the central nervous system that is substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in Schedule I or II. "Controlled substance analog" does not include (a) any substance for which there is an approved new drug application as defined under § 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 355) or that is generally recognized as safe and effective pursuant to §§ 501, 502, and 503 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. §§ 351, 352, and 353) and 21 C.F.R. Part 330; (b) with respect to a particular person, any substance for which an exemption is in effect for investigational use for that person under § 505 of the Federal Food, Drug, and Cosmetic Act to the extent that the conduct with respect to that substance is pursuant to such exemption; or (c) any substance to the extent not intended for human consumption before such an exemption takes effect with respect to that substance.

"DEA" means the Drug Enforcement Administration, U.S. Department of Justice, or its successor agency.

"Deliver" or "delivery" means the actual, constructive, or attempted transfer of any item regulated by this chapter, whether or not there exists an agency relationship, including delivery of a Schedule VI prescription device to an ultimate user or consumer on behalf of a medical equipment supplier by a manufacturer, nonresident manufacturer, wholesale distributor, nonresident wholesale distributor, warehouser, nonresident warehouser, third-party logistics provider, or nonresident third-party logistics provider at the direction of a medical equipment supplier in accordance with § 54.1-3415.1.

"Device" means instruments, apparatus, and contrivances, including their components, parts, and accessories, intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or animals or to affect the structure or any function of the body of man or animals.

"Dialysis care technician" or "dialysis patient care technician" means an individual who is certified by an organization approved by the Department of Health Professions pursuant to Chapter 27.01 (§ 54.1-2729.1 et seq.) and who, under the supervision of a licensed physician, an advanced practice registered nurse, a physician assistant, or a registered nurse, assists in the care of patients undergoing renal dialysis treatments in a Medicare-certified renal dialysis facility.

"Dialysis solution" means either the commercially available, unopened, sterile solutions whose purpose is to be instilled into the peritoneal cavity during the medical procedure known as peritoneal dialysis, or commercially available solutions whose purpose is to be used in the performance of hemodialysis not to include any solutions administered to the patient intravenously.

"Dispense" means to deliver a drug to an ultimate user or research subject by or pursuant to the lawful order of a practitioner, including the prescribing and administering, packaging, labeling, or compounding necessary to prepare the substance for that delivery. However, "dispensing" does not include the transportation of drugs mixed, diluted, or reconstituted in accordance with this chapter to other sites operated by such practitioner or that practitioner's medical practice for the purpose of administration of such drugs to patients of the practitioner or that practitioner's medical practice at such other sites. For practitioners of medicine or osteopathy, "dispense" includes only the provision of drugs by a practitioner to patients to take with them away from the practitioner's place of practice.

"Dispenser" means a practitioner who dispenses.

"Distribute" means to deliver other than by administering or dispensing a controlled substance.

"Distributor" means a person who distributes.

"Drug" means (i) articles or substances recognized in the official United States Pharmacopoeia National Formulary or official Homeopathic Pharmacopoeia of the United States, or any supplement to any of them; (ii) articles or substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or animals; (iii) articles or substances, other than food, intended to affect the structure or any function of the body of man or animals; (iv) articles or substances intended for use as a component of any article specified in clause (i), (ii), or (iii); or (v) a biological product. "Drug" does not include devices or their components, parts, or accessories.

"Drug product" means a specific drug in dosage form from a known source of manufacture, whether by brand or therapeutically equivalent drug product name.

"Electronic prescription" means a written prescription that is generated on an electronic application and is transmitted to a pharmacy as an electronic data file; Schedules II through V prescriptions shall be transmitted in accordance with 21 C.F.R. Part 1300.

"Facsimile (FAX) prescription" means a written prescription or order that is transmitted by an electronic device over telephone lines that sends the exact image to the receiving pharmacy in hard copy form.

"FDA" means the U.S. Food and Drug Administration.

"Immediate precursor" means a substance which the Board of Pharmacy has found to be and by regulation designates as being the principal compound commonly used or produced primarily for use, and which is an immediate chemical intermediary used or likely to be used in the manufacture of a controlled substance, the control of which is necessary to prevent, curtail, or limit manufacture.

"Interchangeable" means a biosimilar that meets safety standards for determining interchangeability pursuant to 42 U.S.C. § 262(k)(4).

"Label" means a display of written, printed, or graphic matter upon the immediate container of any article. A requirement made by or under authority of this chapter that any word, statement, or other information appear on the label shall not be considered to be complied with unless such word, statement, or other information also appears on the outside container or wrapper, if any, of the retail package of such article or is easily legible through the outside container or wrapper.

"Labeling" means all labels and other written, printed, or graphic matter on an article or any of its containers or wrappers, or accompanying such article.

"Manufacture" means the production, preparation, propagation, conversion, or processing of any item regulated by this chapter, either directly or indirectly by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a

combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container. "Manufacture" does not include compounding.

"Manufacturer" means every person who manufactures, a manufacturer's co-licensed partner, or a repackager.

"Marijuana" means any part of a plant of the genus Cannabis whether growing or not, its seeds, or its resin; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, its resin, or any extract containing one or more cannabinoids. "Marijuana" does not include (i) the mature stalks of such plant, fiber produced from such stalk, or oil or cake made from the seeds of such plant, unless such stalks, fiber, oil, or cake is combined with other parts of plants of the genus Cannabis; (ii) industrial hemp, as defined in § 3.2-4112, that is possessed by a person registered pursuant to subsection A of § 3.2-4115 or his agent; (iii) industrial hemp, as defined in § 3.2-4112, that is possessed by a person who holds a hemp producer license issued by the U.S. Department of Agriculture pursuant to 7 C.F.R. Part 990; (iv) a hemp product, as defined in § ~~3.2-4112~~ *4.1-600*; (v) an industrial hemp extract, as defined in § 3.2-5145.1; or (vi) any substance containing a tetrahydrocannabinol isomer, ester, ether, salt, or salts of such isomer, ester, or ether that has been placed by the Board of Pharmacy into one of the schedules set forth in the Drug Control Act (§ 54.1-3400 et seq.) pursuant to § 54.1-3443.

"Medical equipment supplier" means any person, as defined in § 1-230, engaged in the delivery to the ultimate consumer, pursuant to the lawful order of a practitioner, of hypodermic syringes and needles, medicinal oxygen, Schedule VI controlled devices, those Schedule VI controlled substances with no medicinal properties that are used for the operation and cleaning of medical equipment, solutions for peritoneal dialysis, and sterile water or saline for irrigation.

"Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis: (i) opium, opiates, and any salt, compound, derivative, or preparation of opium or opiates; (ii) any salt, compound, isomer, derivative, or preparation thereof which is chemically equivalent or identical with any of the substances referred to in clause (i), but not including the isoquinoline alkaloids of opium; (iii) opium poppy and poppy straw; or (iv) coca leaves and any salt, compound, derivative, or preparation of coca leaves, and any salt, compound, isomer, derivative, or preparation thereof which is chemically equivalent or identical with any of these substances, but not including decocainized coca leaves or extraction of coca leaves which do not contain cocaine or ecgonine.

"New drug" means (i) any drug, except a new animal drug or an animal feed bearing or containing a new animal drug, the composition of which is such that such drug is not generally recognized, among experts qualified by scientific training and experience to evaluate the safety and effectiveness of drugs, as safe and effective for use under the conditions prescribed, recommended, or suggested in the labeling, except that such a drug not so recognized shall not be deemed to be a "new drug" if at any time prior to the enactment of this chapter it was subject to the Food and Drugs Act of June 30, 1906, as amended, and if at such time its labeling contained the same representations concerning the conditions of its use, or (ii) any drug, except a new animal drug or an animal feed bearing or containing a new animal drug, the composition of which is such that such drug, as a result of investigations to determine its safety and effectiveness for use under such conditions, has become so recognized, but which has not, otherwise than in such investigations, been used to a material extent or for a material time under such conditions.

"Nuclear medicine technologist" means an individual who holds a current certification with the American Registry of Radiological Technologists or the Nuclear Medicine Technology Certification Board.

"Official compendium" means the official United States Pharmacopoeia National Formulary, official Homeopathic Pharmacopoeia of the United States, or any supplement to any of them.

"Official written order" means an order written on a form provided for that purpose by the U.S. Drug Enforcement Administration, under any laws of the United States making provision therefor, if such order forms are authorized and required by federal law, and if no such order form is provided then on an official form provided for that purpose by the Board of Pharmacy.

"Opiate" means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having such addiction-forming or addiction-sustaining liability. "Opiate" does not include, unless specifically designated as controlled under Article 4 (§ 54.1-3437 et seq.), the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). "Opiate" does include its racemic and levorotatory forms.

"Opium poppy" means the plant of the species Papaver somniferum L., except the seeds thereof.

"Original package" means the unbroken container or wrapping in which any drug or medicine is enclosed together with label and labeling, put up by or for the manufacturer, wholesaler, or distributor for use in the delivery or display of such article.

"Outsourcing facility" means a facility that is engaged in the compounding of sterile drugs and is currently registered as an outsourcing facility with the U.S. Secretary of Health and Human Services and that complies with all applicable requirements of federal and state law, including the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 et seq.

"Person" means both the plural and singular, as the case demands, and includes an individual, partnership, corporation, association, governmental agency, trust, or other institution or entity.

"Pharmacist-in-charge" means the person who, being licensed as a pharmacist, signs the application for a pharmacy permit and assumes full legal responsibility for the operation of the relevant pharmacy in a manner complying with the laws and regulations for the practice of pharmacy and the sale and dispensing of controlled substances; the "pharmacist-in-charge" shall personally supervise the pharmacy and the pharmacy's personnel as required by § 54.1-3432.

"Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

"Practitioner" means a physician, dentist, licensed advanced practice registered nurse pursuant to § 54.1-2957.01, licensed physician assistant pursuant to § 54.1-2952.1, pharmacist pursuant to § 54.1-3300, TPA-certified optometrist pursuant to Article 5 (§ 54.1-3222 et seq.) of Chapter 32, veterinarian, scientific investigator, or other person licensed, registered, or otherwise permitted to distribute, dispense, prescribe and administer, or conduct research with respect to a controlled substance in the course of professional practice or research in the Commonwealth.

"Prescriber" means a practitioner who is authorized pursuant to §§ 54.1-3303 and 54.1-3408 to issue a prescription.

"Prescription" means an order for drugs or medical supplies, written or signed or transmitted by word of mouth, telephone, telegraph, or other means of communication to a pharmacist by a duly licensed physician, dentist, veterinarian, or other practitioner authorized by law to prescribe and administer such drugs or medical supplies.

"Prescription drug" means any drug required by federal law or regulation to be dispensed only pursuant to a prescription, including finished dosage forms and active ingredients subject to § 503(b) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 353(b)).

"Production" or "produce" includes the manufacture, planting, cultivation, growing, or harvesting of a controlled substance or marijuana.

"Proprietary medicine" means a completely compounded nonprescription drug in its unbroken, original package which does not contain any controlled substance or marijuana as defined in this chapter and is not in itself poisonous, and which is sold, offered, promoted, or advertised directly to the general public by or under the authority of the manufacturer or primary distributor, under a trademark, trade name, or other trade symbol privately owned, and the labeling of which conforms to the requirements of this chapter and applicable federal law. However, "proprietary medicine" does not include a drug that is only advertised or promoted professionally to licensed practitioners, a narcotic or drug containing a narcotic, a drug that may be dispensed only upon prescription or the label of which bears substantially the statement "Warning may be habit-forming," or a drug intended for injection.

"Radiopharmaceutical" means any drug that exhibits spontaneous disintegration of unstable nuclei with the emission of nuclear particles or photons and includes any non-radioactive reagent kit or radionuclide generator that is intended to be used in the preparation of any such substance, but does not include drugs such as carbon-containing compounds or potassium-containing salts that include trace quantities of naturally occurring radionuclides. "Radiopharmaceutical" also includes any biological product that is labeled with a radionuclide or intended solely to be labeled with a radionuclide.

"Reference biological product" means the single biological product licensed pursuant to 42 U.S.C. § 262(a) against which a biological product is evaluated in an application submitted to the U.S. Food and Drug Administration for licensure of biological products as biosimilar or interchangeable pursuant to 42 U.S.C. § 262(k).

"Remote dispensing system" means a profile-driven automated drug dispensing system that performs operations or activities relative to the storage, packaging, labeling, or dispensing of medications employing bidirectional audio-visual technology to facilitate pharmacist communication with a patient, authorized agent of the patient, or person licensed to administer drugs, and collects, controls, and maintains all information online. Drugs intended to be administered by the patient or a person not licensed to administer drugs must fully comply with the labeling requirements in §§ 54.1-3410 and 54.1-3463 and Board regulations. Directions for use may only be abbreviated when drugs are administered exclusively by persons licensed to administer drugs.

"Sale" includes barter, exchange, or gift, or offer therefor, and each such transaction made by any person, whether as an individual, proprietor, agent, servant, or employee.

"Tetrahydrocannabinol" means any naturally occurring or synthetic tetrahydrocannabinol, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation and any preparation, mixture, or substance containing, or mixed or infused with, any detectable amount of tetrahydrocannabinol. For the purposes of this definition, "isomer" means the optical, position, and geometric isomers.

"Therapeutically equivalent drug products" means drug products that contain the same active ingredients and are identical in strength or concentration, dosage form, and route of administration and that are classified as being therapeutically equivalent by the U.S. Food and Drug Administration pursuant to the definition of "therapeutically equivalent drug products" set forth in the most recent edition of the Approved Drug Products with Therapeutic Equivalence Evaluations, otherwise known as the "Orange Book."

"Third-party logistics provider" means a person that provides or coordinates warehousing of or other logistics services for a drug or device in interstate commerce on behalf of a manufacturer, wholesale distributor, or dispenser of the drug or device but does not take ownership of the product or have responsibility for directing the sale or disposition of the product.

"Total tetrahydrocannabinol" means the sum, after the application of any necessary conversion factor, of the percentage by weight of tetrahydrocannabinol and the percentage by weight of tetrahydrocannabinolic acid.

"USP-NF" means the current edition of the United States Pharmacopeia-National Formulary.

"Warehouser" means any person, other than a wholesale distributor, manufacturer, or third-party logistics provider, engaged in the business of (i) selling or otherwise distributing prescription drugs or devices to any person who is not the ultimate user or consumer and (ii) delivering Schedule VI prescription devices to the ultimate user or consumer pursuant to § 54.1-3415.1. No person shall be subject to any state or local tax by reason of this definition.

"Wholesale distribution" means (i) distribution of prescription drugs to persons other than consumers or patients and (ii) delivery of Schedule VI prescription devices to the ultimate user or consumer pursuant to § 54.1-3415.1, subject to the exemptions set forth in the federal Drug Supply Chain Security Act.

"Wholesale distributor" means any person other than a manufacturer, a manufacturer's co-licensed partner, a third-party logistics provider, or a repackager that engages in wholesale distribution.

The words "drugs" and "devices" as used in Chapter 33 (§ 54.1-3300 et seq.) and in this chapter do not include surgical or dental instruments, physical therapy equipment, X-ray apparatus, or glasses or lenses for the eyes.

The terms "pharmacist," "pharmacy," and "practice of pharmacy" as used in this chapter have the same meanings as provided in Chapter 33 (§ 54.1-3300 et seq.) unless the context requires a different meaning.

§ 54.1-3443. Board to administer article.

A. The Board shall administer this article and may add substances to or deschedule or reschedule all substances enumerated in the schedules in this article pursuant to the procedures of the Administrative Process Act (§ 2.2-4000 et seq.). In making a determination regarding a substance, the Board shall consider the following:

1. The actual or relative potential for abuse;

2. The scientific evidence of its pharmacological effect, if known;

3. The state of current scientific knowledge regarding the substance;

4. The history and current pattern of abuse;

5. The scope, duration, and significance of abuse;

6. The risk to the public health;

7. The potential of the substance to produce psychic or physical dependence; and

8. Whether the substance is an immediate precursor of a substance already controlled under this article.

B. After considering the factors enumerated in subsection A, the Board shall make findings and issue a regulation controlling the substance if it finds the substance has a potential for abuse.

C. If the Board designates a substance as an immediate precursor, substances which are precursors of the controlled precursor shall not be subject to control solely because they are precursors of the controlled precursor.

D. If the Board, in consultation with the Department of Forensic Science, determines the substance shall be placed into Schedule I or II pursuant to § 54.1-3445 or 54.1-3447, the Board may amend its regulations pursuant to Article 2 (§ 2.2-4006 et seq.) of the Administrative Process Act. Prior to making such amendments, the Board shall conduct a public hearing. At least 30 days prior to conducting such hearing, it shall post notice of the hearing on the Virginia Regulatory Town Hall and shall send notice of the hearing to any persons requesting to be notified of a regulatory action. In the notice, the Board shall include a list of all substances it intends to schedule by regulation. The Board shall notify the House and Senate Committees for Courts of Justice of any new substance added to Schedule I or II pursuant to this subsection. Any substance added to Schedule I or II pursuant to this subsection shall remain on Schedule I or II for a period of 18 months. Upon expiration of such 18-month period, such substance shall be descheduled unless a general law is enacted adding such substance to Schedule I or II. Nothing in this subsection shall preclude the Board from adding substances to or descheduling or rescheduling all substances enumerated in the schedules pursuant to the provisions of subsections A, B, and E.

E. If any substance is designated, rescheduled, or descheduled as a controlled substance under federal law and notice of such action is given to the Board, the Board may similarly control the substance under this chapter after the expiration of 30 days from publication in the Federal Register of a final or interim final order or rule designating a substance as a controlled substance or rescheduling or descheduling a substance by amending its regulations in accordance with the requirements of Article 2 (§ 2.2-4006 et seq.) of the Administrative Process Act. Prior to making such amendments, the Board shall post notice of the hearing on

the Virginia Regulatory Town Hall and shall send notice of the hearing to any persons requesting to be notified of a regulatory action. The Board shall include a list of all substances it intends to schedule by regulation in such notice.

F. Authority to control under this section does not extend to distilled spirits, wine, malt beverages, or tobacco as those terms are defined or used in Title 4.1.

G. The Board shall exempt any nonnarcotic substance from a schedule if such substance may, under the provisions of the federal Food, Drug, and Cosmetic Act (21 U.S.C. § 301 et seq.) or state law, be lawfully sold over the counter without a prescription.

H. Any tetrahydrocannabinol isomer, ester, ether, salt, or salts of such isomer, ester, or ether scheduled pursuant to this section shall not be included in the definition of marijuana set forth in § 4.1-600~~, 18.2-247,~~ or 54.1-3401.

§ 54.1-4426. Accounting services for licensed marijuana establishments.

A. As used in this section, "licensed" and "marijuana establishment" have the same meanings as provided in § 4.1-600.

B. A CPA, CPA firm, or officer, director, or employee of a CPA or CPA firm that provides accounting services to a licensed marijuana establishment shall not be held liable pursuant to any state law or regulation solely for providing such accounting services.

C. Nothing in this section shall require a CPA or CPA firm to provide accounting services to a licensed marijuana establishment.

§ 58.1-301. Conformity to Internal Revenue Code.

A. Any term used in this chapter shall have the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes, unless a different meaning is clearly required.

B. Any reference in this chapter to the laws of the United States relating to federal income taxes shall mean the provisions of the Internal Revenue Code of 1954, and amendments thereto, and other provisions of the laws of the United States relating to federal income taxes, except for:

1. The special depreciation allowance for certain property provided for under §§ 168(k), 168(l), 168(m), 1400L, and 1400N of the Internal Revenue Code;

2. The carry-back of certain net operating losses for five years under § 172(b)(1)(H) of the Internal Revenue Code;

3. The original issue discount on applicable high yield discount obligations under § 163(e)(5)(F) of the Internal Revenue Code;

4. The deferral of certain income under § 108(i) of the Internal Revenue Code. For Virginia income tax purposes, income from the discharge of indebtedness in connection with the reacquisition of an "applicable debt instrument" (as defined under § 108(i) of the Internal Revenue Code) reacquired in the taxable year shall be fully included in the taxpayer's Virginia taxable income for the taxable year, unless the taxpayer elects to include such income in the taxpayer's Virginia taxable income ratably over a three-taxable-year period beginning with taxable year 2009 for transactions completed in taxable year 2009, or over a three-taxable-year period beginning with taxable year 2010 for transactions completed in taxable year 2010 on or before April 21, 2010. For purposes of such election, all other provisions of § 108(i) of the Internal Revenue Code shall apply mutatis mutandis. No other deferral shall be allowed for income from the discharge of indebtedness in connection with the reacquisition of an "applicable debt instrument";

5. For taxable years beginning on and after January 1, 2019, the suspension of the overall limitation on itemized deductions under § 68(f) of the Internal Revenue Code;

6. For taxable years beginning on and after January 1, 2017, but before January 1, 2018, and for taxable years beginning on and after January 1, 2019, the 7.5 percent of federal adjusted gross income threshold set forth in § 213(a) of the Internal Revenue Code that is used for purposes of computing the deduction allowed for expenses for medical care pursuant to § 213 of the Internal Revenue Code. For such taxable years, the threshold utilized for Virginia income tax purposes to compute the deduction allowed for expenses for medical care pursuant to § 213 of the Internal Revenue Code shall be 10 percent of federal adjusted gross income;

7. The provisions of §§ 2303(a) and 2303(b) of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020), related to the net operating loss limitation and carryback;

8. The provisions of § 2304(a) of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020), related to a loss limitation applicable to taxpayers other than corporations;

9. The provisions of § 2306 of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020), related to the limitation on business interest;

10. For taxable years beginning before January 1, 2021, the provisions of §§ 276(a), 276(b)(2), 276(b)(3), 278(a)(2), 278(a)(3), 278(b)(2), 278(b)(3), 278(c)(2), 278(c)(3), 278(d)(2), and 278(d)(3) of the federal Consolidated Appropriations Act, P.L. 116-260 (2020), and §§ 9672(2), 9672(3), 9673(2), and 9673(3) of the federal American Rescue Plan Act, P.L. 117-2 (2021) related to deductions, tax attributes, and basis increases for certain loan forgiveness and other business financial assistance;~~ and~~

11. a. (1) Any amendment enacted on or after January 1, 2023, with a projected impact that would increase or decrease general fund revenues by greater than $15 million in the fiscal year in which the amendment was enacted or any of the succeeding four fiscal years. The provisions of this subdivision shall not apply to any amendment to federal income tax law that is either subsequently adopted by the General Assembly or a federal tax extender as defined in subdivision b.

(2) All amendments enacted on or after January 1, 2023, and occurring between adjournment sine die of the previous regular session of the General Assembly and the first day of the subsequent regular session of the General Assembly if the cumulative projected impact of such amendments would increase or decrease general fund revenues by greater than $75 million in the fiscal year in which the amendments were enacted or any of the succeeding four fiscal years. The provisions of this subdivision shall not apply to any amendment to federal income tax law that is (i) subsequently adopted by the General Assembly, (ii) a federal tax extender as defined in subdivision b, or (iii) enacted before the date on which the cumulative projected impact is met. However, any amendment conformed to pursuant to clause (iii) shall be included in the calculation of the $75 million threshold for purposes of determining whether such threshold has been met.

(3) Beginning January 1, 2024, the threshold provided by subdivision (1) shall be adjusted annually based on the preceding change in the Chained Consumer Price Index for All Urban Consumers (C-CPI-U), as published by the Bureau of Labor Statistics for the U.S. Department of Labor or any successor index for the previous year.

b. For purposes of this subdivision 11, "amendment" means a single amendment to federal income tax law or a group of such amendments enacted in the same act of Congress that collectively surpass the threshold impact, and "federal tax extender" means an amendment to federal tax law that extends the expiration date of a federal tax provision to which Virginia conforms or has previously conformed.

c. The Secretary of Finance, in consultation with the Chairmen of the Senate Committee on Finance and Appropriations and the House Committees on Appropriations and Finance, shall be responsible for determining whether the criteria of subdivision a are met.

d. The Secretary of Finance shall annually provide a report on or before November 15 of each year on the fiscal impact of amendments to federal income tax law occurring since the adjournment sine die of the preceding regular session of the General Assembly to the Chairmen of the Senate Committee on Finance and Appropriations and the House Committees on Appropriations and Finance. The Secretary of Finance shall also provide updates to the same Chairmen on any further amendments to federal income tax law occurring between submission of the required report and the first day of the subsequent regular session of the General Assembly*; and*

12. For taxable years beginning on and after January 1, 2026, the prohibition on utilizing tax deductions for ordinary and necessary expenditures made in connection with carrying on a trade or business licensed in Virginia pursuant to the Cannabis Control Act (§ 4.1-600 et seq.) under § 280E of the Internal Revenue Code.

C. The Department of Taxation is hereby authorized to develop procedures or guidelines for implementation of the provisions of this section, which procedures or guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

§ 59.1-200. Prohibited practices.

A. The following fraudulent acts or practices committed by a supplier in connection with a consumer transaction are hereby declared unlawful:

1. Misrepresenting goods or services as those of another;

2. Misrepresenting the source, sponsorship, approval, or certification of goods or services;

3. Misrepresenting the affiliation, connection, or association of the supplier, or of the goods or services, with another;

4. Misrepresenting geographic origin in connection with goods or services;

5. Misrepresenting that goods or services have certain quantities, characteristics, ingredients, uses, or benefits;

6. Misrepresenting that goods or services are of a particular standard, quality, grade, style, or model;

7. Advertising or offering for sale goods that are used, secondhand, repossessed, defective, blemished, deteriorated, or reconditioned, or that are "seconds," irregulars, imperfects, or "not first class," without clearly and unequivocally indicating in the advertisement or offer for sale that the goods are used, secondhand, repossessed, defective, blemished, deteriorated, reconditioned, or are "seconds," irregulars, imperfects, or "not first class";

8. Advertising goods or services with intent not to sell them as advertised, or with intent not to sell at the price or upon the terms advertised.

In any action brought under this subdivision, the refusal by any person, or any employee, agent, or servant thereof, to sell any

goods or services advertised or offered for sale at the price or upon the terms advertised or offered, shall be prima facie evidence of a violation of this subdivision. This paragraph shall not apply when it is clearly and conspicuously stated in the advertisement or offer by which such goods or services are advertised or offered for sale, that the supplier or offeror has a limited quantity or amount of such goods or services for sale, and the supplier or offeror at the time of such advertisement or offer did in fact have or reasonably expected to have at least such quantity or amount for sale;

9. Making false or misleading statements of fact concerning the reasons for, existence of, or amounts of price reductions;

10. Misrepresenting that repairs, alterations, modifications, or services have been performed or parts installed;

11. Misrepresenting by the use of any written or documentary material that appears to be an invoice or bill for merchandise or services previously ordered;

12. Notwithstanding any other provision of law, using in any manner the words "wholesale," "wholesaler," "factory," or "manufacturer" in the supplier's name, or to describe the nature of the supplier's business, unless the supplier is actually engaged primarily in selling at wholesale or in manufacturing the goods or services advertised or offered for sale;

13. Using in any contract or lease any liquidated damage clause, penalty clause, or waiver of defense, or attempting to collect any liquidated damages or penalties under any clause, waiver, damages, or penalties that are void or unenforceable under any otherwise applicable laws of the Commonwealth, or under federal statutes or regulations;

13a. Failing to provide to a consumer, or failing to use or include in any written document or material provided to or executed by a consumer, in connection with a consumer transaction any statement, disclosure, notice, or other information however characterized when the supplier is required by 16 C.F.R. Part 433 to so provide, use, or include the statement, disclosure, notice, or other information in connection with the consumer transaction;

14. Using any other deception, fraud, false pretense, false promise, or misrepresentation in connection with a consumer transaction;

15. Violating any provision of § 3.2-6509, 3.2-6512, 3.2-6513, 3.2-6513.1, 3.2-6514, 3.2-6515, 3.2-6516, or 3.2-6519 is a violation of this chapter;

16. Failing to disclose all conditions, charges, or fees relating to:

a. The return of goods for refund, exchange, or credit. Such disclosure shall be by means of a sign attached to the goods, or placed in a conspicuous public area of the premises of the supplier, so as to be readily noticeable and readable by the person obtaining the goods from the supplier. If the supplier does not permit a refund, exchange, or credit for return, he shall so state on a similar sign. The provisions of this subdivision shall not apply to any retail merchant who has a policy of providing, for a period of not less than 20 days after date of purchase, a cash refund or credit to the purchaser's credit card account for the return of defective, unused, or undamaged merchandise upon presentation of proof of purchase. In the case of merchandise paid for by check, the purchase shall be treated as a cash purchase and any refund may be delayed for a period of 10 banking days to allow for the check to clear. This subdivision does not apply to sale merchandise that is obviously distressed, out of date, post season, or otherwise reduced for clearance; nor does this subdivision apply to special order purchases where the purchaser has requested the supplier to order merchandise of a specific or unusual size, color, or brand not ordinarily carried in the store or the store's catalog; nor shall this subdivision apply in connection with a transaction for the sale or lease of motor vehicles, farm tractors, or motorcycles as defined in § 46.2-100;

b. A layaway agreement. Such disclosure shall be furnished to the consumer (i) in writing at the time of the layaway agreement, or (ii) by means of a sign placed in a conspicuous public area of the premises of the supplier, so as to be readily noticeable and readable by the consumer, or (iii) on the bill of sale. Disclosure shall include the conditions, charges, or fees in the event that a consumer breaches the agreement;

16a. Failing to provide written notice to a consumer of an existing open-end credit balance in excess of $5 (i) on an account maintained by the supplier and (ii) resulting from such consumer's overpayment on such account. Suppliers shall give consumers written notice of such credit balances within 60 days of receiving overpayments. If the credit balance information is incorporated into statements of account furnished consumers by suppliers within such 60-day period, no separate or additional notice is required;

17. If a supplier enters into a written agreement with a consumer to resolve a dispute that arises in connection with a consumer transaction, failing to adhere to the terms and conditions of such an agreement;

18. Violating any provision of the Virginia Health Club Act, Chapter 24 (§ 59.1-294 et seq.);

19. Violating any provision of the Virginia Home Solicitation Sales Act, Chapter 2.1 (§ 59.1-21.1 et seq.);

20. Violating any provision of the Automobile Repair Facilities Act, Chapter 17.1 (§ 59.1-207.1 et seq.);

21. Violating any provision of the Virginia Lease-Purchase Agreement Act, Chapter 17.4 (§ 59.1-207.17 et seq.);

22. Violating any provision of the Prizes and Gifts Act, Chapter 31 (§ 59.1-415 et seq.);

23. Violating any provision of the Virginia Public Telephone Information Act, Chapter 32 (§ 59.1-424 et seq.);

24. Violating any provision of § 54.1-1505;

25. Violating any provision of the Motor Vehicle Manufacturers' Warranty Adjustment Act, Chapter 17.6 (§ 59.1-207.34 et seq.);

26. Violating any provision of § 3.2-5627, relating to the pricing of merchandise;

27. Violating any provision of the Pay-Per-Call Services Act, Chapter 33 (§ 59.1-429 et seq.);

28. Violating any provision of the Extended Service Contract Act, Chapter 34 (§ 59.1-435 et seq.);

29. Violating any provision of the Virginia Membership Camping Act, Chapter 25 (§ 59.1-311 et seq.);

30. Violating any provision of the Comparison Price Advertising Act, Chapter 17.7 (§ 59.1-207.40 et seq.);

31. Violating any provision of the Virginia Travel Club Act, Chapter 36 (§ 59.1-445 et seq.);

32. Violating any provision of §§ 46.2-1231 and 46.2-1233.1;

33. Violating any provision of Chapter 40 (§ 54.1-4000 et seq.) of Title 54.1;

34. Violating any provision of Chapter 10.1 (§ 58.1-1031 et seq.) of Title 58.1;

35. Using the consumer's social security number as the consumer's account number with the supplier, if the consumer has requested in writing that the supplier use an alternate number not associated with the consumer's social security number;

36. Violating any provision of Chapter 18 (§ 6.2-1800 et seq.) of Title 6.2;

37. Violating any provision of § 8.01-40.2;

38. Violating any provision of Article 7 (§ 32.1-212 et seq.) of Chapter 6 of Title 32.1;

39. Violating any provision of Chapter 34.1 (§ 59.1-441.1 et seq.);

40. Violating any provision of Chapter 20 (§ 6.2-2000 et seq.) of Title 6.2;

41. Violating any provision of the Virginia Post-Disaster Anti-Price Gouging Act, Chapter 46 (§ 59.1-525 et seq.). For the purposes of this subdivision, "consumer transaction" has the same meaning as provided in § 59.1-526;

42. Violating any provision of Chapter 47 (§ 59.1-530 et seq.);

43. Violating any provision of § 59.1-443.2;

44. Violating any provision of Chapter 48 (§ 59.1-533 et seq.);

45. Violating any provision of Chapter 25 (§ 6.2-2500 et seq.) of Title 6.2;

46. Violating the provisions of clause (i) of subsection B of § 54.1-1115;

47. Violating any provision of § 18.2-239;

48. Violating any provision of Chapter 26 (§ 59.1-336 et seq.);

49. Selling, offering for sale, or manufacturing for sale a children's product the supplier knows or has reason to know was recalled by the U.S. Consumer Product Safety Commission. There is a rebuttable presumption that a supplier has reason to know a children's product was recalled if notice of the recall has been posted continuously at least 30 days before the sale, offer for sale, or manufacturing for sale on the website of the U.S. Consumer Product Safety Commission. This prohibition does not apply to children's products that are used, secondhand or "seconds";

50. Violating any provision of Chapter 44.1 (§ 59.1-518.1 et seq.);

51. Violating any provision of Chapter 22 (§ 6.2-2200 et seq.) of Title 6.2;

52. Violating any provision of § 8.2-317.1;

53. Violating subsection A of § 9.1-149.1;

54. Selling, offering for sale, or using in the construction, remodeling, or repair of any residential dwelling in the Commonwealth, any drywall that the supplier knows or has reason to know is defective drywall. This subdivision shall not apply to the sale or offering for sale of any building or structure in which defective drywall has been permanently installed or affixed;

55. Engaging in fraudulent or improper or dishonest conduct as defined in § 54.1-1118 while engaged in a transaction that was initiated (i) during a declared state of emergency as defined in § 44-146.16 or (ii) to repair damage resulting from the event that prompted the declaration of a state of emergency, regardless of whether the supplier is licensed as a contractor in the Commonwealth pursuant to Chapter 11 (§ 54.1-1100 et seq.) of Title 54.1;

56. Violating any provision of Chapter 33.1 (§ 59.1-434.1 et seq.);

57. Violating any provision of § 18.2-178, 18.2-178.1, or 18.2-200.1;

58. Violating any provision of Chapter 17.8 (§ 59.1-207.45 et seq.). For the purposes of this subdivision, "consumer transaction" also includes transactions involving an automatic renewal or continuous service offer by a supplier to a small business, as those terms are defined in § 59.1-207.45;

59. Violating any provision of subsection E of § 32.1-126;

60. Violating any provision of § 54.1-111 relating to the unlicensed practice of a profession licensed under Chapter 11 (§ 54.1-1100 et seq.) or Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1;

61. Violating any provision of § 2.2-2001.5;

62. Violating any provision of Chapter 5.2 (§ 54.1-526 et seq.) of Title 54.1;

63. Violating any provision of § 6.2-312;

64. Violating any provision of Chapter 20.1 (§ 6.2-2026 et seq.) of Title 6.2;

65. Violating any provision of Chapter 26 (§ 6.2-2600 et seq.) of Title 6.2;

66. Violating any provision of Chapter 54 (§ 59.1-586 et seq.);

67. Knowingly violating any provision of § 8.01-27.5;

68. Failing to, in accordance with § 59.1-207.46, (i) make available a conspicuous online option to cancel a recurring purchase of a good or service or (ii) with respect to a free trial lasting more than 30 days, notify a consumer of his option to cancel such free trial within 30 days of the end of the trial period to avoid an obligation to pay for the goods or services;

69. Selling or offering for sale any substance intended for human consumption, orally or by inhalation, that contains a synthetic derivative of tetrahydrocannabinol. As used in this subdivision, "synthetic derivative" means a chemical compound produced by man through a chemical transformation to turn a compound into a different compound by adding or subtracting molecules to or from the original compound. This subdivision shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under ~~Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1~~ *the Cannabis Control Act (§ 4.1-600 et seq.)*;

70. Selling or offering for sale to a person younger than 21 years of age any substance intended for human consumption, orally or by inhalation, that contains tetrahydrocannabinol. This subdivision shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under ~~Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1~~ *the Cannabis Control Act (§ 4.1-600 et seq.)*;

71. Selling or offering for sale any substance intended for human consumption, orally or by inhalation, that contains tetrahydrocannabinol, unless such substance is (i) contained in child-resistant packaging, as defined in § 4.1-600; (ii) equipped with a label that states, in English and in a font no less than 1/16 of an inch, (a) that the substance contains tetrahydrocannabinol and may not be sold to persons younger than 21 years of age, (b) all ingredients contained in the substance, (c) the amount of such substance that constitutes a single serving, and (d) the total percentage and milligrams of tetrahydrocannabinol included in the substance and the number of milligrams of tetrahydrocannabinol that are contained in each serving; and (iii) accompanied by a certificate of analysis, produced by ~~an independent laboratory that is accredited pursuant to standard ISO/IEC 17025 of the International Organization of Standardization by a third-party accrediting body~~ *a licensed marijuana testing facility*, that states the tetrahydrocannabinol concentration of the substance or the tetrahydrocannabinol concentration of the batch from which the substance originates. This subdivision shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under ~~Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1~~ *the Cannabis Control Act (§ 4.1-600 et seq.)*;

72. Manufacturing, offering for sale at retail, or selling at retail an industrial hemp extract, as defined in § 3.2-5145.1, a food containing an industrial hemp extract, or a substance containing tetrahydrocannabinol that depicts or is in the shape of a human, animal, vehicle, or fruit;

73. Selling or offering for sale any substance intended for human consumption, orally or by inhalation, that contains tetrahydrocannabinol and, without authorization, bears, is packaged in a container or wrapper that bears, or is otherwise labeled to bear

the trademark, trade name, famous mark as defined in 15 U.S.C. § 1125, or other identifying mark, imprint, or device, or any likeness thereof, of a manufacturer, processor, packer, or distributor of a product intended for human consumption other than the manufacturer, processor, packer, or distributor that did in fact so manufacture, process, pack, or distribute such substance;

74. Selling or offering for sale a topical hemp product, as defined in § ~~3.2-4112~~ *4.1-600*, that does not include a label stating that the product is not intended for human consumption. This subdivision shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.), (ii) be construed to prohibit any conduct permitted under Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1, or (iii) apply to topical hemp products that were manufactured prior to July 1, 2023, provided that the person provides documentation of the date of manufacture if requested;

75. Violating any provision of § 59.1-466.8;

76. Violating subsection F of § 36-96.3:1;

77. Selling or offering for sale (i) any kratom product to a person younger than 21 years of age or (ii) any kratom product that does not include a label listing all ingredients and with the following guidance: "This product may be harmful to your health, has not been evaluated by the FDA, and is not intended to diagnose, treat, cure, or prevent any disease." As used in this subdivision, "kratom" means any part of the leaf of the plant Mitragyna speciosa or any extract thereof;

78. Advertising of any ignition interlock system in Virginia by an ignition interlock vendor not approved by the Commission on the Virginia Alcohol Safety Action Program to operate in Virginia; targeted advertising of any ignition interlock system to a person before determination of guilt; and any advertising, whether before or after determination of guilt, without a conspicuous statement that such advertisement is not affiliated with any government agency. For purposes of this subdivision, "ignition interlock system" has the same meaning as ascribed to that term in § 18.2-270.1 and "targeted advertising" has the same meaning ascribed to that term in § 59.1-575 and includes direct mailings to an individual. This provision shall not apply to ignition interlock service vendor ads, pamphlets, or kiosk advertisements approved by the Commission on the Virginia Alcohol Safety Action Program and provided at a Commission-approved location;

79. Failing to disclose the total cost of a good or continuous service, as defined in § 59.1-207.45, to a consumer, including any mandatory fees or charges, prior to entering into an agreement for the sale of any such good or provision of any such continuous service;

80. Violating any provision of the Unfair Real Estate Service Agreement Act (§ 55.1-3200 et seq.);

81. Selling or offering for sale services as a professional mold remediator to be performed upon any residential dwelling without holding a mold remediation certification from a nationally or internationally recognized certifying body for mold remediation, and failing to comply with (i) the U.S. Environmental Protection Agency's publication on Mold Remediation in Schools and Commercial Buildings, as revised; (ii) the ANSI/IICRC S520 Standard for Professional Mold Remediation, as revised; or (iii) any other equivalent ANSI-accredited mold remediation standard, when conducting or offering to conduct mold remediation in the Commonwealth;

82. Willfully violating any provision of § 59.1-444.4;

83. Violating any provision of Chapter 23.2 (§ 59.1-293.10 et seq.);

84. Selling any food that is required by the FDA to have a nutrition label that does not meet the requirements of 21 C.F.R. Part 101;

85. Obtaining, disclosing, selling, or disseminating any personally identifiable reproductive or sexual health information without the consent of the consumer;

86. Violating any provision of Chapter 58 (§ 59.1-607 et seq.); and

87. (Effective July 1, 2026) Violating any provision of the Medical Debt Protection Act (§ 59.1-611 et seq.).

B. Nothing in this section shall be construed to invalidate or make unenforceable any contract or lease solely by reason of the failure of such contract or lease to comply with any other law of the Commonwealth or any federal statute or regulation, to the extent such other law, statute, or regulation provides that a violation of such law, statute, or regulation shall not invalidate or make unenforceable such contract or lease.

6. That §§ 3.2-4112 and 3.2-5145.2:1 of the Code of Virginia are amended and reenacted and that the § 4.1-700 of the Code of Virginia, as created by the fifth enactment of this act, is amended and reenacted as follows:

§ 3.2-4112. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Cannabis sativa product" means a product made from any part of the plant Cannabis sativa with a concentration of tetrahydrocannabinol that is greater than that allowed by federal law.

~~"Edible hemp product" means any hemp product that is or includes an industrial hemp extract, as defined in § 3.2-5145.1, and that is intended to be consumed orally.~~

"Federally licensed hemp producer" means a person who holds a hemp producer license issued by the U.S. Department of Agriculture pursuant to 7 C.F.R. Part 990.

"Grow" means to plant, cultivate, or harvest a plant or crop.

"Grower" means any person registered pursuant to subsection A of § 3.2-4115 to grow industrial hemp.

"Handle" means to temporarily possess industrial hemp grown in compliance with state or federal law that (i) has not been processed and (ii) was not grown by and will not be processed by the person temporarily possessing it.

"Handler" means any person who is registered pursuant to subsection A of § 3.2-4115 to handle industrial hemp. "Handler" does not include a retail establishment that sells or offers for sale a hemp product.

"Handler's storage site" means the location at which a handler stores or intends to store the industrial hemp he handles.

"Hemp product" means ~~a product, including any raw materials from industrial hemp that are used for or added to a food or beverage, that (i) contains industrial hemp and has completed all stages of processing needed for the product and (ii) when offered for retail sale (a) contains a total tetrahydrocannabinol concentration of no greater than 0.3 percent and (b) contains either no more than two milligrams of total tetrahydrocannabinol per package or an amount of cannabidiol that is no less than 25 times greater than the amount of total tetrahydrocannabinol per package~~ *the same as that term is defined in § 4.1-600*.

~~"Hemp product intended for smoking" means any hemp product intended to be consumed by inhalation.~~

"Industrial hemp" means any part of the plant Cannabis sativa, including seeds thereof, whether growing or not, with a concentration of tetrahydrocannabinol that is no greater than that allowed by federal law. "Industrial hemp" includes an industrial hemp extract that has not completed all stages of processing needed to convert the extract into a hemp product.

"Process" means to convert industrial hemp into a hemp product.

"Processor" means a person registered pursuant to subsection A of § 3.2-4115 to process industrial hemp.

"Process site" means the location at which a processor processes or intends to process industrial hemp.

"Production field" means the land or area on which a grower or a federally licensed hemp producer is growing or intends to grow industrial hemp.

~~"Regulated hemp product" means a hemp product intended for smoking or an edible hemp product.~~

"Tetrahydrocannabinol" means ~~any naturally occurring or synthetic tetrahydrocannabinol, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation and any preparation, mixture, or substance containing, or mixed or infused with, any detectable amount of tetrahydrocannabinol. For the purposes of this definition, "isomer" means the optical, position, and geometric isomers~~ *the same as that term is defined in § 4.1-600*.

~~"Topical hemp product" means a hemp product that (i) is intended to be rubbed, poured, sprinkled, or sprayed on or otherwise applied to the human body or any part thereof and (ii) is not intended to be consumed orally or by inhalation.~~

"Total tetrahydrocannabinol" means the ~~sum, after the application of any necessary conversion factor, of the percentage by weight of tetrahydrocannabinol and the percentage by weight of tetrahydrocannabinolic acid~~ *same as that term is defined in § 4.1-600*.

§ 3.2-5145.2:1. Manufacturers of industrial hemp extract; penalties.

A. Any person who manufactures~~, sells, or offers for sale~~ an industrial hemp extract or food containing an industrial hemp extract shall be subject to the requirements of this chapter and regulations adopted pursuant to this chapter.

B. Any person who (i) manufactures~~, sells, or offers for sale~~ an industrial hemp extract or food containing an industrial hemp extract without first obtaining a permit to do so from the Commissioner pursuant to § 3.2-5100~~, unless exempt from a permit pursuant to subdivision C 6 of § 3.2-5130~~; (ii) continues to manufacture~~, sell, or offer for sale~~ an industrial hemp extract or food containing an industrial hemp extract after revocation or suspension of such permit; (iii) fails to disclose on a form prescribed by the Commissioner that he intends to manufacture~~, sell, or offer for sale~~ a substance intended to be consumed orally that contains an industrial hemp-derived cannabinoid; (iv) ~~sells or offers for sale at retail a food that (a) contains a total tetrahydrocannabinol concentration that is greater than 0.3 percent or (b) contains more than two milligrams of total tetrahydrocannabinol per package and does not contain an amount of cannabidiol that is at least 25 times greater than the amount of total tetrahydrocannabinol per package; (v)~~ manufactures;

~~offers for sale, or sells~~ in violation of this chapter or a regulation adopted pursuant to this chapter a substance intended to be consumed orally that is advertised or labeled as containing an industrial hemp-derived cannabinoid; or ~~(vi)~~ *(v)* otherwise violates any provision of this chapter or a regulation adopted pursuant to this chapter, in addition to any other penalties provided, is subject to a civil penalty not to exceed $10,000 for each day a violation occurs. Such penalty shall be collected by the Commissioner and the proceeds shall be payable to the State Treasurer for remittance to the Department.

C. Any person who (i) manufactures~~, sells, or offers for sale~~ an industrial hemp extract or food containing an industrial hemp extract without first obtaining a permit to do so from the Commissioner pursuant to § 3.2-5100~~, unless exempt from a permit pursuant to subdivision C 6 of § 3.2-5130~~; (ii) continues to manufacture~~, sell, or offer for sale~~ an industrial hemp extract or food containing an industrial hemp extract after revocation or suspension of such permit; (iii) fails to disclose on a form prescribed by the Commissioner that he intends to manufacture~~, sell, or offer for sale~~ a substance intended to be consumed orally that contains an industrial hemp-derived cannabinoid; (iv) manufactures~~, offers for sale, or sells~~ in violation of this chapter or a regulation adopted pursuant to this chapter a substance intended to be consumed orally that is advertised or labeled as containing an industrial hemp-derived cannabinoid; or (v) otherwise violates any provision of this chapter or a regulation adopted pursuant to this chapter, in addition to any other penalties provided, is guilty of a Class 1 misdemeanor. Each day in which a violation occurs shall constitute a separate offense.

D. The Commissioner may, in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), deny, suspend, or revoke a permit issued pursuant to § 3.2-5100 if the permitted entity is found to have violated subdivision A 69, 70, 71, 72, 73, or 74 of § 59.1-200 by a court of competent jurisdiction.

E. This section shall not apply to products that are (i) approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) dispensed pursuant to Article 4.2 (§ 54.1-3442.5 et seq.) of Chapter 34 of Title 54.1.

§ 4.1-700. Exemptions from licensure.

The licensure requirements of this subtitle shall not apply to (i) a handler, grower, or processor of industrial hemp that is registered with the Commissioner of Agriculture and Consumer Services pursuant to Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2 and is acting in accordance with the provisions of Title 3.2; (ii) a person that has been issued a regulated hemp product retail facility registration and is acting in accordance with the provisions of Chapter 17 (§ 4.1-1700 et seq.); (iii) a manufacturer of an edible hemp product operating in accordance with Article 5 (§ 3.2-5145.1 et seq.) of Chapter 51 of Title 3.2; or (iv) a person who cultivates marijuana at home for personal use pursuant to § 4.1-1101. Nothing in this subtitle shall be construed to (a) prevent any person described in clauses (i) through (iii) from obtaining a license pursuant to this subtitle, provided such person satisfies applicable licensing requirements; (b) prevent a licensee from acquiring hemp products from an industrial hemp processor in accordance with the provisions of Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2; or (c) prevent a cultivation, processing, transporter, microbusiness, or retail licensee from operating on the licensed premises of an industrial hemp processing facility in accordance with Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2.

7. That § 4.1-600 of the Code of Virginia is amended and reenacted as follows:

§ 4.1-600. Definitions.

As used in this subtitle, unless the context requires a different meaning:

"Advertisement" or "advertising" means any written or verbal statement, illustration, or depiction that is calculated to induce sales of ~~retail~~ marijuana, ~~retail~~ marijuana products, marijuana plants, or marijuana seeds, including any written, printed, graphic, digital, electronic, or other material, billboard, sign, or other outdoor display, publication, or radio or television broadcast.

"Authority" means the Virginia Cannabis Control Authority created pursuant to this subtitle.

"Board" means the Board of Directors of the Virginia Cannabis Control Authority.

"Cannabis Control Act" means Subtitle II (§ 4.1-600 et seq.).

"Canopy" means the space used by a licensee to produce flowering marijuana plants, including areas between plants, pathways, walkways, and empty space between rows that allow for airflow, light, growth, access for watering, trimming, and other activities associated with marijuana cultivation. "Canopy" does not include space used for mother plants, clones, immature or nonflowering plants, processing, drying, curing, trimming, storage, offices, hallways, work areas, or other administrative and nonproduction uses. If flowering marijuana plants are cultivated using a shelving or other layered system, the surface area of each level shall be included for purposes of calculating canopy.

"Child-resistant" means, with respect to packaging or a container, (i) specially designed or constructed to be significantly difficult for a typical child ~~under~~ *younger than* five years of age to open and not to be significantly difficult for a typical adult to open and reseal and (ii) for any product intended for more than a single use or that contains multiple servings, resealable.

"Cultivation" or "cultivate" means the planting, propagation, growing, harvesting, drying, curing, grading, trimming, *packaging,*

or other similar ~~processing~~ *manufacturing* of marijuana for use or sale. "Cultivation" or "cultivate" does not include ~~manufacturing~~ *processing* or testing.

"Edible hemp product" means any hemp product that is or includes an industrial hemp extract, as defined in § 3.2-5145.1, and that is intended to be consumed orally.

"Edible marijuana product" means a marijuana product intended to be consumed orally, including marijuana intended to be consumed orally or marijuana concentrate intended to be consumed orally.

"Hemp product" means a product, including any raw materials from industrial hemp that are used for or added to a food or beverage, that (i) contains industrial hemp and has completed all stages of processing needed for the product and (ii) when offered for retail sale (a) contains a total tetrahydrocannabinol concentration of no greater than 0.3 percent and (b) contains no more than two milligrams of total tetrahydrocannabinol per package.

"Hemp product intended for smoking" means any hemp product intended to be consumed by inhalation.

"Historically economically disadvantaged community" means either (i) a jurisdiction identified by the Board utilizing census tract data made available by the United States Census Bureau in which offenses for marijuana possession were committed at a rate in excess of 150 percent of the statewide average for marijuana possession offenses during the 10-year period of 2009 to 2019 or (ii) a historically underutilized business zone as defined in 15 U.S.C. § 657a.

"Immature plant" means a nonflowering marijuana plant that is no taller than eight inches and no wider than eight inches, is produced from a cutting, clipping, or seedling, and is growing in a container.

"Impact licensee" means a licensee that meets the criteria set forth in subdivision B 13 of § 4.1-606.

"Industrial hemp" means the same as that term is defined in § 3.2-4112.

"Industrial hemp extract" means the same as that term is defined in § 3.2-5145.1.

"Inhalable marijuana product" means a marijuana product that is intended to be inhaled, including marijuana intended to be inhaled or marijuana concentrate intended to be inhaled.

"Licensed" means the holding of a valid license *or permit* granted by the Authority.

"Licensee" means any person to whom a license *or permit* has been granted by the Authority.

~~"Manufacturing" or "manufacture" means the production of marijuana products or the blending, infusing, compounding, or other preparation of marijuana and marijuana products, including marijuana extraction or preparation by means of chemical synthesis. "Manufacturing" or "manufacture" does not include cultivation or testing.~~

"Marijuana" means any part of a plant of the genus Cannabis, whether growing or not, its seeds or resin; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, its resin, or any extract containing one or more cannabinoids. "Marijuana" does not include (i) the mature stalks of such plant, fiber produced from such stalk, or oil or cake made from the seed of such plant, unless such stalks, fiber, oil, or cake is combined with other parts of plants of the genus Cannabis; (ii) industrial hemp~~, as defined in § 3.2-4112,~~ that is possessed by a person registered pursuant to subsection A of § 3.2-4115 or his agent; (iii) industrial hemp~~, as defined in § 3.2-4112,~~ that is possessed by a person who holds a hemp producer license issued by the U.S. Department of Agriculture pursuant to 7 C.F.R. Part 990; (iv) a hemp product~~, as defined in § 3.2-4112~~; (v) an industrial hemp extract~~, as defined in § 3.2-5145.1~~; or (vi) any substance containing a tetrahydrocannabinol isomer, ester, ether, salt, or salts of such isomer, ester, or ether that has been placed by the Board of Pharmacy into one of the schedules set forth in the Drug Control Act (§ 54.1-3400 et seq.) pursuant to § 54.1-3443.

"Marijuana concentrate" means marijuana that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a marijuana plant is a concentrate for purposes of this subtitle.

"Marijuana cultivation facility" means a facility licensed ~~under this subtitle to cultivate, label, and package retail marijuana; to purchase or take possession of marijuana plants and seeds from other marijuana cultivation facilities; to transfer possession of and sell retail marijuana, immature marijuana plants, and marijuana seeds to marijuana wholesalers and retail marijuana stores; to transfer possession of and sell retail marijuana, marijuana plants, and marijuana seeds to other marijuana cultivation facilities; to transfer possession of and sell retail marijuana to marijuana manufacturing facilities; and to sell immature marijuana plants and marijuana seeds to consumers for the purpose of cultivating marijuana at home for personal use~~*by the Board to cultivate, label, and package marijuana; to purchase or take possession of marijuana plants and seeds from other marijuana cultivation facilities; to transfer possession of and sell marijuana, immature marijuana plants, and marijuana seeds to retail marijuana stores; to transfer possession of marijuana, immature marijuana plants, and marijuana seeds to marijuana transporters; to transfer possession of and sell marijuana, marijuana plants, and marijuana seeds to other marijuana cultivation facilities; to transfer possession of and sell marijuana to marijuana processing facilities; and to transport marijuana, immature marijuana plants, and marijuana seeds from the marijuana cultivation facility's licensed premises to another licensed marijuana establishment.*

"Marijuana delivery operator" means an entity licensed by the Board to take possession of marijuana or marijuana products from a retail marijuana store, microbusiness, pharmaceutical processor, or cannabis dispensing facility and deliver such marijuana or marijuana products only in person to patients or consumers at their residence or business.

"Marijuana establishment" means a marijuana cultivation facility, ~~a~~ *marijuana microbusiness, marijuana delivery operator,* marijuana testing facility, ~~a~~ marijuana ~~manufacturing~~ *processing* facility, ~~a~~ marijuana ~~wholesaler~~ *transporter,* ~~or a~~ retail marijuana store*, or pharmaceutical processor or cannabis dispensing facility authorized to exercise dual-use privileges*.

~~"Marijuana manufacturing facility" means a facility licensed under § 4.1-801this subtitle to manufacture, label, and package retail marijuana and retail marijuana products; to purchase or take possession of retail marijuana from a marijuana cultivation facility or another marijuana manufacturing facility; and to transfer possession of and sell retail marijuana and retail marijuana products to marijuana wholesalers, retail marijuana stores, or other marijuana manufacturing facilities.~~

"Marijuana paraphernalia" means all equipment, products, and materials of any kind that are either designed for use or are intended for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, strength testing, analyzing, packaging, repackaging, storing, containing, concealing, ingesting, inhaling, or otherwise introducing into the human body marijuana.

"Marijuana processing facility" means a facility licensed by the Board to process, label, and package marijuana and marijuana products; to purchase or take possession of marijuana from a marijuana cultivation facility or another marijuana processing facility; to transfer possession of and sell marijuana and marijuana products to retail marijuana stores or other marijuana processing facilities; to transfer possession of marijuana and marijuana products to marijuana transporters; and to transport marijuana and marijuana products from the marijuana processing facility's licensed premises to another licensed marijuana establishment.

"Marijuana products" means (i) products that are composed of marijuana and other ingredients and are intended for use or consumption, ointments, and tinctures or (ii) marijuana concentrate.

"Marijuana testing facility" means a facility licensed ~~under this subtitle to develop, research, or test marijuana, marijuana products, and other substances~~*by the Board to develop, research, transport, or test marijuana, marijuana products, and other substances*.

"Marijuana ~~wholesaler~~ *transporter*" means a facility ~~licensed under this subtitle to purchase or take possession of retail marijuana, retail marijuana products, immature marijuana plants, and marijuana seeds from a marijuana cultivation facility, a marijuana manufacturing facility, or another marijuana wholesaler and to transfer possession and sell or resell retail marijuana, retail marijuana products, immature marijuana plants, and marijuana seeds to a marijuana cultivation facility, marijuana manufacturing facility, retail marijuana store, or another marijuana wholesaler~~*by the Board to take possession of marijuana, marijuana products, immature marijuana plants, and marijuana seeds from a marijuana cultivation facility, a marijuana processing facility, a retail marijuana store, a microbusiness, or another marijuana transporter; to transfer possession of marijuana, marijuana products, immature marijuana plants, and marijuana seeds to a marijuana cultivation facility, marijuana processing facility, retail marijuana store, microbusiness, or another marijuana transporter; and to transport marijuana, marijuana products, immature marijuana plants, and marijuana seeds from one licensed establishment to another*.

~~"Non-retail marijuana" means marijuana that is not cultivated, manufactured, or sold by a licensed marijuana establishment.~~

~~"Non-retail marijuana products" means marijuana products that are not manufactured and sold by a licensed marijuana establishment.~~

"Microbusiness" means a facility licensed by the Board to conduct any activities authorized for marijuana cultivation facilities, marijuana processing facilities, and retail marijuana stores, as determined by the Board.

"Outdoor cultivation" means cultivation in an area exposed to natural sunlight and open to environmental conditions, including variable temperature, precipitation, and wind.

"Place or premises" means the real estate, together with any buildings or other improvements thereon, designated in the application for a license as the place at which the cultivation, *manufacture processing,* sale, or testing of ~~retail~~ marijuana or ~~retail~~ marijuana products shall be performed~~, except that portion of any such building or other improvement actually and exclusively used as a private residence~~.

"Principal" means (i) any individual who solely or together with his immediate family members (a) owns or controls, directly or indirectly, five percent or more of the pecuniary interest in any entity that is a licensee or permittee or (b) has the power to vote or cause the vote of five percent or more of the voting securities or other ownership interests of such entity and (ii) any person who manages marijuana establishment operations on behalf of a licensee or permittee.

"Processing" or "process" means the production of marijuana products or the blending, infusing, compounding, or other preparation of marijuana or marijuana products, including marijuana extraction or preparation by means of chemical synthesis. "Processing" or "process" does not include cultivation or testing.

"Public place" means any place, building, or conveyance to which the public has, or is permitted to have, access, including restaurants, soda fountains, hotel dining areas, lobbies and corridors of hotels, and any park, place of public resort or amusement, highway, street, lane, or sidewalk adjoining any highway, street, or lane.

"Regulated hemp product" means a hemp product intended for smoking or an edible hemp product.

"Residence" means any building or part of a building or structure where a person resides, but does not include any part of a building that is not actually and exclusively used as a private residence, nor any part of a hotel or club other than a private guest room thereof.

~~"Retail marijuana" means marijuana that is cultivated, manufactured, or sold by a licensed marijuana establishment.~~

~~"Retail marijuana products" means marijuana products that are manufactured and sold by a licensed marijuana establishment.~~

"Retail marijuana store" means a facility licensed ~~under this subtitle to purchase or take possession of retail marijuana, retail marijuana products, immature marijuana plants, or marijuana seeds from a marijuana cultivation facility, marijuana manufacturing facility, or marijuana wholesaler and to sell retail marijuana, retail marijuana products, immature marijuana plants, or marijuana seeds to consumers~~*by the Board to purchase or take possession of marijuana, marijuana products, immature marijuana plants, or marijuana seeds from a marijuana cultivation facility or marijuana processing facility; to take possession of marijuana, marijuana products, immature marijuana plants, or marijuana seeds from a marijuana transporter; to sell marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds to consumers on premises approved by the Board; to deliver marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds only in person to consumers; to transfer possession of marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, or marijuana seeds to marijuana delivery operators; and to transport marijuana, marijuana products, marijuana paraphernalia, immature marijuana plants, and marijuana seeds from the retail marijuana store's licensed premises to another retail marijuana store.*

"Security" means the same as that term is defined in § 13.1-501. If the Board finds that any obligation, stock, or other equity interest creates control of or voice in the management operations of an entity in the manner of a security, then such interest shall be considered a security.

"Sale" and "sell" includes soliciting or receiving an order ~~for~~; keeping, offering, or exposing for sale; peddling, exchanging, or bartering; or delivering ~~otherwise~~ *other* than gratuitously, by any means~~; retail marijuana or retail marijuana products~~.

"Secure agricultural greenhouse" means an enclosed structure that has transparent walls and roofing and is used for controlled-environment agriculture.

"Special agent" means an employee*, agent, or contractor* of the Virginia Cannabis Control Authority whom the Board has designated as a law-enforcement officer pursuant to this subtitle.

"Testing" or "test" means the research and analysis of marijuana, marijuana products, or other substances for contaminants, safety, or potency. "Testing" or "test" does not include cultivation or ~~manufacturing~~ *processing*.

"Tetrahydrocannabinol" means ~~the same as that term is defined in § 3.2-4112~~*any naturally occurring or synthetic tetrahydrocannabinol, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation and any preparation, mixture, or substance containing, or mixed or infused with, any detectable amount of tetrahydrocannabinol. For the purposes of this definition, "isomer" means the optical, position, and geometric isomers.*

"Topical hemp product" means a hemp product that (i) is intended to be rubbed, poured, sprinkled, or sprayed on or otherwise applied to the human body or any part thereof and (ii) is not intended to be consumed orally or by inhalation.

"Topical marijuana product" means a marijuana product that is intended to be applied topically to the skin.

"Total tetrahydrocannabinol" means the ~~same as that term is defined in § 3.2-4112~~*sum, after the application of any necessary conversion factor, of the percentage by weight of tetrahydrocannabinol and the percentage by weight of tetrahydrocannabinolic acid.*

8. That Article 4 (§§ 3.2-4122 through 3.2-4126) of Chapter 41.1 of Title 3.2 and §§ 3.2-5145.4:1, 4.1-1101.1, 4.1-1105.1, 18.2-248.1, and 18.2-251.1 of the Code of Virginia are repealed.

9. That the provisions of §§ 3.2-4112, 3.2-4116, 3.2-4126, 3.2-5145.1, 3.2-5145.2:1, and 3.2-5145.4 of the Code of Virginia, as amended by the fifth enactment of this act, and the provisions of the seventh enactment of this act shall become effective on August 15, 2026.

10. That the following provisions of the fifth enactment of this act shall become effective on July 1, 2027: (i) §§ 2.2-2499.8, 3.2-4113, 4.1-1108, 4.1-1121, 4.1-1601, 4.1-1604, 16.1-260, 16.1-273, 16.1-278.9, 18.2-46.1, 18.2-247, 18.2-248, 18.2-248.01, 18.2-251, 18.2-251.03, 18.2-251.1:1, 18.2-251.1:2, 18.2-251.1:3, 18.2-252, 18.2-254, 18.2-255, 18.2-255.1, 18.2-255.2, 18.2-258, 18.2-258.02, 18.2-258.1, 18.2-265.1, 18.2-265.2, 18.2-265.3, 18.2-287.2, 18.2-308.4, 18.2-460, 18.2-474.1, 19.2-66, 19.2-81.1, 19.2-83.1, 19.2-188.1, 19.2-303.01, 19.2-386.22, 19.2-389.3, 19.2-392.02, 19.2-392.6, 19.2-392.12:1, 22.1-277.08, 46.2-105.2, 46.2-347, 53.1-231.2,

54.1-2903, 54.1-3443, and 59.1-200 of the Code of Virginia, as amended by this act; (ii) §§ 4.1-1102 through 4.1-1105, 4.1-1106, 4.1-1113, 4.1-1114, 4.1-1115, 4.1-1117, 4.1-1118, 4.1-1119, 4.1-1300, 4.1-1301, 4.1-1303 through 4.1-1309, and Chapter 17 (§§ 4.1-1700 through 4.1-1704) of Title 4.1 of the Code of Virginia, as created by this act; and (iii) Article 4 (§§ 3.2-4122 through 3.2-4126) of Chapter 41.1 of Title 3.2 and §§ 3.2-5145.4:1, 4.1-1101.1, 4.1-1105.1, 18.2-248.1, and 18.2-251.1 of the Code of Virginia, as repealed by this act.

11. That the provisions of the sixth enactment of this act shall become effective on July 1, 2027.

12. That on or before May 1, 2027, the Virginia Cannabis Control Authority (the Authority) may issue up to 100 microbusiness licenses pursuant to § 4.1-803 of the Code of Virginia, as created by this act, to applicants that (i) (a) are industrial hemp processors or growers that (1) are registered with the Commissioner of Agriculture and Consumer Services pursuant to Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2 of the Code of Virginia, completed such registration prior to January 1, 2021, and are in good standing as of September 1, 2026, or (2) were previously registered with the Commissioner of Agriculture and Consumer Services pursuant to Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2 of the Code of Virginia, completed such registration prior to January 1, 2021, were in good standing prior to forfeiting such registration or allowing such registration to expire, and have established the reason for the previous forfeiture or lapse of such registration and disclosed any violations, enforcement actions, or compliance issues related to the previous registration; (b) qualify as an impact license applicant pursuant to subdivision B 13 of § 4.1-606 of the Code of Virginia, as amended by this act; or (c) qualify as a farmer under the U.S. Department of Agriculture qualifications and (ii) meet any applicable licensing requirements and financial, security, and operational readiness criteria as established by the Authority. The Authority shall begin accepting applications for such microbusiness licenses on or before February 1, 2027.

13. That a pharmaceutical processor issued a permit by the Board of Directors (the Board) of the Virginia Cannabis Control Authority (the Authority) pursuant to Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1 of the Code of Virginia shall apply to the Board for dual-use privileges pursuant to § 4.1-1602.1 of the Code of Virginia, as created by this act, in a manner and by date prescribed by the Board. On or before February 1, 2027, the Authority shall create a streamlined application process for pharmaceutical processors to apply for such dual-use privileges which shall include a requirement that a pharmaceutical processor submit to and obtain approval from the Authority for a detailed medical cannabis program preservation plan describing how such processor will prioritize sales and access to medical cannabis products for qualifying patients, including a plan for managing customer traffic flow, preventing supply shortages, and ensuring appropriate staffing. Provided the applicable licensing requirements are met and upon (i) the payment in full of a one-time $10 million fee to the Authority by the pharmaceutical processor on or before May 1, 2027, or (ii) the pharmaceutical processor's entry, on or before May 1, 2027, into an installment payment plan approved by the Board for payment of such fee, the Board shall verify that such pharmaceutical processor and its cannabis dispensing facilities may exercise dual-use privileges pursuant to § 4.1-1602.1 of the Code of Virginia, as created by this act. The Board shall allow a pharmaceutical processor to pay such fee in installments over a period not to exceed three years pursuant to terms and conditions established by the Board. In addition, in order to exercise such dual-use privileges, a pharmaceutical processor shall enter into an agreement to participate in an impact licensee business accelerator plan, as defined by the Cannabis Impact Business Support Team pursuant to § 4.1-604 of the Code of Virginia, as amended by this act, for at least three years after dual-use privilege verification. On and after May 1, 2027, a pharmaceutical processor issued a permit pursuant to Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1 of the Code of Virginia that has not applied for verification to exercise dual-use privileges and paid the conversion fee in full or entered into an approved installment payment plan shall not exercise such dual-use privileges or renew its permit.

14. That on or before May 1, 2027, the Virginia Cannabis Control Authority (the Authority) shall issue up to 20 licenses, consisting of no more than 10 marijuana cultivation facility licenses and no more than 10 marijuana processing facility licenses, to applicants that are industrial processors or growers that (i) (a) are registered with the Commissioner of Agriculture and Consumer Services pursuant to Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2 of the Code of Virginia and completed such registration prior to January 1, 2021, or (b) (1) were previously registered with the Commissioner of Agriculture and Consumer Services pursuant to Chapter 41.1 (§ 3.2-4112 et seq.) of Title 3.2 of the Code of Virginia; (2) completed such registration prior to January 1, 2021; (3) were in good standing prior to forfeiting such registration or allowing such registration to expire; and (4) have established the reason for the previous forfeiture or lapse of such registration and disclosed any violations, enforcement actions, or compliance issues related to the previous registration; (ii) meet any applicable licensing requirements; and (iii) pay a one-time $500,000 fee to the Authority. The Board shall allow such applicants to pay such $500,000 fee in installments over a period not to exceed three years pursuant to terms and conditions established by the Board. No later than February 1, 2027, the Authority shall create a streamlined application process for such industrial hemp processors or growers to apply for such licenses.

15. That the Virginia Cannabis Control Authority (the Authority) may, on and after February 1, 2027, begin accepting license applications and may, on and after May 1, 2027, begin issuing licenses pursuant to the provisions of § 4.1-1000 of the Code of Virginia, as created by this act.

16. That on or before May 1, 2027, the Virginia Cannabis Control Authority (the Authority) (i) may issue up to 100 microbusiness licenses pursuant to the twelfth enactment of this act; (ii) shall verify the pharmaceutical processors' dual-use privileges as required by the thirteenth enactment of this act; and (iii) shall issue no more than 10 marijuana

cultivation facility licenses and shall issue no more than 10 marijuana processing facility licenses to industrial hemp growers or processors as required by the fourteenth enactment of this act. Additionally, the Authority shall issue at least 55 additional licenses distributed among impact licensees and other license types determined by the Board of Directors of the Authority on or before July 1, 2027.

17. That, notwithstanding the fourteenth enactment of this act, any applicant issued a license by the Virginia Cannabis Control Authority (the Authority) or pharmaceutical processor that the Board of Directors (the Board) of the Authority has verified may exercise dual-use privileges may operate in accordance with the provisions of this act prior to July 1, 2027; however, prior to July 1, 2027, no licensee may engage in the retail sale of marijuana, marijuana products, immature marijuana plants, or marijuana seeds unless such licensee is (i) a pharmaceutical processor or cannabis dispensing facility dispensing cannabis products to a patient, his registered agent, or if such patient is a minor or vulnerable adult as defined in § 18.2-369 of the Code of Virginia, such patient's parent or legal guardian and (ii) acting in accordance with the provisions of Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1 of the Code of Virginia. Notwithstanding any other provision of law, on or after February 1, 2027, and prior to July 1, 2027, no marijuana cultivation facility licensee, marijuana processing facility licensee, marijuana transporter licensee, marijuana delivery operator, retail marijuana store licensee, microbusiness licensee, marijuana testing facility licensee, or agent or employee thereof shall be subject to arrest or prosecution for a violation of Chapter 11 (§ 4.1-1100 et seq.) of Title 4.1 of the Code of Virginia or § 18.2-248, 18.2-248.01, 18.2-255, 18.2-255.1, 18.2-255.2, 18.2-258, 18.2-258.02, 18.2-265.3, or 18.2-308.4 of the Code of Virginia, as amended by this act, or § 18.2-248.1 of the Code of Virginia, as repealed by this act, involving marijuana if such violation is related to acts committed within the scope of the permit, licensure, or employment and in accordance with the provisions of the Cannabis Control Act (§ 4.1-600 et seq. of the Code of Virginia) and this enactment. By no later than February 1, 2027, the Board shall promulgate regulations governing outdoor growth pursuant to § 4.1-606 of the Code of Virginia, as amended by this act.

18. That the Board of Directors of the Virginia Cannabis Control Authority shall establish a seed-to-sale tracking system pursuant to § 4.1-611 of the Code of Virginia, as amended by this act, by February 1, 2027.

19. That the Virginia Cannabis Control Authority (the Authority) shall (i) analyze whether any limits should be placed on the number of licenses issued to operate a marijuana establishment, (ii) analyze and identify any necessary adjustments regarding canopy limits for marijuana cultivation facility licensees, and (iii) report its findings to the General Assembly by November 1, 2026. The Authority shall continue such analysis and submit updated findings to the General Assembly for two years after such initial report and shall submit such updated findings by November 1 during the two subsequent years.

20. That the Board of Directors (the Board) of the Virginia Cannabis Control Authority shall promulgate regulations to implement the provisions of this act by February 1, 2027. With the exception of § 2.2-4031 of the Code of Virginia, neither the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia) nor public participation guidelines adopted pursuant thereto shall apply to the Board's initial adoption of such regulations.

21. That, from May 1, 2027, to May 1, 2028, the Virginia Cannabis Control Authority (the Authority) shall deposit 75 percent of all funds collected through marijuana establishment annual license fees into the Cannabis Equity Business Loan Fund established pursuant to § 4.1-1501 of the Code of Virginia, as amended by this act. Such deposits shall occur within 60 days of the Authority's receipt of such license fees.

22. That the Joint Commission to Oversee the Transition of the Commonwealth into a Cannabis Retail Market (the Joint Commission) shall consider and make recommendations on (i) the establishment and implementation of (a) on-site consumption licenses allowing adults to use cannabis on the premises of a licensed marijuana establishment and (b) microbusiness cannabis event permits allowing microbusiness licensees to hold temporary age-restricted sales events at approved venues such as farmers markets or pop-up locations where such licensees may sell marijuana or marijuana products directly to consumers outside of their licensed premises and (ii) the benefits, limitations, and feasibility of the Virginia Alcoholic Beverage Control Authority's involvement in the enforcement of laws and regulations related to the cannabis retail market in the Commonwealth. The Joint Commission shall report its findings and recommendations to the Chairs of the House Committee on General Laws and the Senate Committee on Rehabilitation and Social Services by November 1, 2027.

23. That the Virginia Alcoholic Beverage Control Authority (the ABC) and the Virginia Cannabis Control Authority (the Authority), in coordination with the Secretary of Public Safety and Homeland Security, shall jointly submit to the Governor and the Chairs of the House Committees on General Laws and Appropriations and the Senate Committees on Rehabilitation and Social Services and Finance and Appropriations, no later than July 1, 2027, a plan describing the respective organizational structures and enforcement roles of the ABC and the Authority with respect to the retail marijuana market in the Commonwealth. The Secretary of Public Safety and Homeland Security may hire an outside consultant to assist with the plan and such plan shall include (i) the current organizational structures of the ABC and the Authority as they relate to marijuana regulation and enforcement; (ii) the delineation of enforcement and regulatory responsibilities between the ABC and the Authority; (iii) identification of any areas of overlapping or shared authority; (iv) an analysis of the fiscal and operational implications of any such overlap; (v) opportunities for coordination, efficiencies, or cost savings; (vi) estimated staffing levels, personnel classifications, and other resource needs associated with carrying out such regulatory and enforcement responsibilities; and (vii) and any recommendations for statutory, regulatory, or organizational changes to improve enforcement and coordination between the ABC and the Authority. The ABC and the Authority shall also enter into a

temporary memorandum of understanding to be prepared by the Secretary of Public Safety and Homeland Security in consultation with the ABC and the Authority. The temporary memorandum of understanding shall be entered into no later than March 1, 2027, and shall include an expiration date no later than March 1, 2029. The temporary memorandum of understanding shall provide that ABC shall, as requested by the Authority, support and assist the Authority in developing enforcement capabilities pursuant to this provisions of this act, including through the temporary assignment or use of ABC special agents as requested by the Authority, until the Authority is fully operational for enforcement purposes. The temporary memorandum of understanding shall specify that such special agents operating under such agreement shall (a) support and assist only to the extent and for such purposes as requested by the Authority and (b) remain subject to the oversight of the Secretary of Public Safety and Homeland Security pursuant to § 2.2-221 of the Code of Virginia.

24. That the Virginia Department of Education (the Department), with assistance from the Virginia Cannabis Control Authority (the Authority) and other appropriate agencies, local school divisions, and appropriate experts, shall implement a plan to ensure that teachers have access to sufficient information, resources, and lesson ideas to assist them in teaching about the harms of marijuana use among the youth and about substance abuse, as provided in the 2025 Health Standards of Learning. The Department shall (i) review resources currently provided to teachers to determine if additional or updated material or lesson ideas are needed and (ii) provide or develop any additional materials and resources deemed necessary and make the same available to teachers by July 1, 2027.

25. That the Secretary of Education, in conjunction with the Virginia Department of Education, shall develop a plan for introducing teachers, particularly those teaching health, to the information and resources available to them to assist them in teaching the 2025 Health Standards of Learning as it relates to marijuana use. Such plan shall include providing professional development webinars as soon as practicable, as well as ongoing periodic professional development relating to marijuana, as well as alcohol, tobacco, and other drugs as appropriate. The plan shall include the estimated cost of implementation and any potential source of funds to cover such cost and shall be submitted to the Governor and the General Assembly by November 1, 2026.

26. That the Secretary of Education, the State Council of Higher Education for Virginia, the Virginia Higher Education Substance Use Advisory Committee, and the Department of Behavioral Health and Developmental Services shall work with existing collegiate recovery programs to determine what, if any, additional evidence-based efforts should be undertaken for college-age individuals to promote education and prevention strategies relating to marijuana. The plan shall include the estimated cost of implementation and any potential source of funds to cover such cost and shall be submitted to the Governor and the General Assembly by November 1, 2026.

27. That the Virginia Cannabis Control Authority shall be vested with all the powers and duties held by the Department of Agriculture and Consumer Services prior to July 1, 2027, in its administration of the provisions set forth in Article 4 (§ 3.2-4122 et seq.) of Chapter 41.1 of Title 3.2 of the Code of Virginia, as repealed by this act.

28. That any valid, active registration issued by the Commissioner of Agriculture and Consumer Services pursuant to § 3.2-4122 of the Code of Virginia, as repealed by this act, prior to July 1, 2027, shall remain valid until its expiration date and be considered to have been issued by the Board of Directors of the Virginia Cannabis Control Authority.

29. That the regulations governing the manufacturing and sale of products that contain industrial hemp extracts intended for human consumption in 2VAC5-595 of the Virginia Administrative Code as promulgated or amended by the Board of Agriculture and Consumer Services pursuant to Article 5 (§ 3.2-5145.1 et seq.) of Chapter 51 of Title 3.2 of the Code of Virginia shall remain in full force and effect and shall be administered by the Virginia Cannabis Control Authority (the Authority) until the Board of Directors of the Authority promulgates regulations governing the sale of regulated hemp products pursuant to § 4.1-606 of the Code of Virginia, as amended by this act. The Board of Agriculture and Consumer Services shall repeal the regulations governing the manufacturing and sale of products that contain industrial hemp extracts intended for human consumption in 2VAC5-595 of the Virginia Administrative Code upon the effective date of the regulations promulgated by the Board of Directors of the Authority governing the sale of regulated hemp products pursuant to § 4.1-606 of the Code of Virginia, as amended by this act. With the exception of § 2.2-4031 of the Code of Virginia, neither the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia) nor public participation guidelines adopted pursuant thereto shall apply to the Board of Agriculture and Consumer Services' repeal of regulations governing the manufacturing and sale of products that contain industrial hemp extracts intended for human consumption in 2VAC5-595 of the Virginia Administrative Code.

30. That notwithstanding any other provision of law, the Virginia Cannabis Control Authority (the Authority) shall give preference in hiring to employees of the Department of Agriculture and Consumer Services (the Department). The Authority shall issue a written notice to all persons whose employment at the Department will be transferred to the Authority. The date upon which such written notice is issued shall be referred to herein as the "Option Date." In order to facilitate an orderly and efficient transition and ensure the continuation of operations during the transition from the Department to the Authority, the Authority shall have discretion, subject to the time limitations contained herein, to determine the date upon which any employee's employment with the Department will end or be transferred to the Authority. This date shall be stated in the written notice and shall be referred to herein as the "Transition Date." No Transition Date shall occur prior to January 1, 2027, without the mutual agreement of the employee and the Authority. No

Transition Date shall be set beyond July 1, 2027. Each person whose employment will be transferred to the Authority may, by written request made within 120 days of the Option Date, elect not to become employed by the Authority. Any employee of the Department who (i) is not offered the opportunity to transfer to employment by the Authority or (ii) is not offered a position with the Authority for which the employee is qualified or is offered a position that requires relocation or a reduction in salary shall be eligible for the severance benefits conferred by the provisions of the Workforce Transition Act (§ 2.2-3200 et seq. of the Code of Virginia). Any employee who accepts employment with the Authority shall not be considered to be involuntarily separated from state employment and shall not be eligible for the severance benefits conferred by the provisions of the Workforce Transition Act. Any eligibility for such severance benefits shall be contingent on the continued employment through an employee's Transition Date.

31. That notwithstanding any other provision of law to the contrary, any person whose employment is transferred to the Authority as a result of the thirtieth enactment of this act and who is a member of any plan for providing health insurance coverage pursuant to Chapter 28 (§ 2.2-2800 et seq.) of Title 2.2 of the Code of Virginia shall continue to be a member of such health insurance plan under the same terms and conditions as if no transfer had occurred.

32. That notwithstanding any other provision of law to the contrary, any person whose employment is transferred to the Authority as a result of the thirtieth enactment of this act and who is a member of the Virginia Retirement System or other retirement plan as authorized by Article 4 (§ 51.1-125 et seq.) of Chapter 1 of Title 51.1 of the Code of Virginia shall continue to be a member of the Virginia Retirement System or other such authorized retirement plan under the same terms and conditions as if no transfer had occurred.

33. That the Joint Commission to Oversee the Transition of the Commonwealth into a Cannabis Retail Market (the Joint Commission) shall consider and make recommendations on (i) the best distribution of net profits collected pursuant to § 4.1-614 of the Code of Virginia, as amended by this act, that shall only be used (a) to support early childhood care, early childhood education, and elementary and secondary education in the Commonwealth, (b) for the Cannabis Equity Reinvestment Fund established pursuant to § 2.2-2499.8 of the Code of Virginia, as amended by this act, (c) for the Department of Behavioral Health and Developmental Services, which shall distribute such appropriated funds to community services boards for the purpose of administering substance use disorder prevention and treatment programs, and (d) for public health programs, including public awareness campaigns that are designed to prevent drugged driving and discourage consumption by persons younger than 21 years of age, and (ii) ways to inform the public of other potential risks. The Joint Commission shall report its findings and recommendations for relevant changes to be included in subsequent appropriation acts to the Secretary of Finance and the Chairs of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations by November 1, 2026.

34. That the Joint Commission to Oversee the Transition of the Commonwealth into a Cannabis Retail Market (the Joint Commission) shall consider and make recommendations on the benefits, limitations, and feasibility of creating, operating, and maintaining a testing facility, operated by the Commonwealth, for marijuana and marijuana products. The Joint Commission shall report its findings and recommendations to the Chairs of the House Committee on General Laws and the Senate Committee on Rehabilitation and Social Services by November 1, 2027.

35. That §§ 40.1-33.6:1 and 40.1-33.6:3, as they shall become effective, of the Code of Virginia are amended and reenacted as follows:

§40.1-33.6:1. (Effective July 1, 2027) Definitions.

As used in this article, unless the context requires a different meaning:

"Domestic partner" means a person not younger than 18 years of age who (i) is dependent upon an employee for support as shown by either unilateral dependence or mutual interdependence that is evidenced by a nexus of factors, including (a) common ownership of real or personal property, (b) common householding, (c) children in common, (d) signs of intent to marry, (e) shared budgeting, and (f) the length of the personal relationship with the employee, or (ii) has registered as the domestic partner of the employee with any registry of domestic partnerships maintained by the employer of either party, or in any state, county, city, town, or village in the United States.

"Domestic violence" has the same meaning as provided in subdivision 7 of § 38.2-508.

"Employee" has the same meaning as provided in § 40.1-2, except that for the purposes of this article, "employee" does not include an employee as that term is defined in § 40.1-33.3. "Employer" has the same meaning as provided in § 40.1-2, except that for the purposes of this article, (i) beginning July 1, 2027, "employer" means an employer of at least 50 employees; (ii) beginning January 1, 2028, "employer" means an employer of at least 25 employees; and (iii) beginning January 1, 2029, "employer" means an employer of at least one employee. Notwithstanding the provisions of § 40.1-2.1, "employer" includes the Commonwealth and its agencies, institutions, and political subdivisions. However, to the extent that any conflict exists between this article and Chapter 11 (§ 51.1-1100 et seq.) of Title 51.1, the provisions of such chapter shall control.

"Family member" means~~:~~

~~1. Regardless of age, a biological child, adopted or foster child, stepchild, legal ward, child to whom the employee stands in loco~~

~~parentis, or individual to whom an employee stood in loco parentis when the individual was a minor;~~

~~2. A biological parent, foster parent, stepparent, adoptive parent, legal guardian of an employee or an employee's spouse, or individual who stood in loco parentis to an employee when the employee or employee's spouse was a minor child;~~

~~3. An individual to whom an employee is married or domestically partnered;~~

~~4. A grandparent, grandchild, or sibling, whether of a biological, foster, adoptive, or step relationship, of an employee or the employee's spouse or domestic partner;~~

~~5. An individual for whom an employee is responsible for providing or arranging health or safety-related care, including helping that individual obtain diagnostic, preventive, routine, or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking; or~~

~~6. Any other individual related by blood or affinity whose close association with an employee is the equivalent of a family relationship~~ *a child, grandchild, grandparent, parent, sibling, spouse, or domestic partner of an employee, including those with step, foster, or adopted relationships, and includes any individual (i) who regularly resides in the employee's home or where the relationship creates an expectation that the employee care for such individual and (ii) who depends on the employee for care.*

"Family member" does not include an individual who simply resides in the home with no expectation that the employee care for the individual.

"Paid sick leave" means leave that is compensated at the employer's regular rate as defined in subdivision B of § 40.1-29.3 and is provided by an employer to an employee for the purposes described in § 40.1-33.6:3; however, such hourly rate shall not be less than the minimum wage amount set forth in §40.1-28.10 without reduction for any tip credit that the employer would otherwise be permitted to claim.

"Retaliatory action" means a denial of any benefit provided pursuant to this article; any threat, discharge, suspension, demotion, or reduction of hours; or the taking of any other adverse action against an employee as a result of the employee's exercise of any paid sick leave benefits. "Retaliatory action" includes interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under this article.

"Sexual assault" means any act prohibited by the provisions of § 18.2-61, 18.2-67.1, 18.2-67.3, or 18.2-67.4.

"Stalking" means conduct prohibited by the provisions of § 18.2-60.3.

"Year" means a regular and consecutive 12-month period as determined by the employer.

§40.1-33.6:3. (Effective July 1, 2027) Use of paid sick leave.

A. Paid sick leave shall be provided to an employee by an employer for:

1. An employee's mental or physical illness, injury, or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or an employee's need for preventive medical care;

2. Care of a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or care of a family member who needs preventive medical care; or

3. Absence due to domestic violence, sexual assault, or stalking, provided that the leave is to allow the employee to seek or obtain medical care, mental health care, counseling, legal services, relocation or securing of an existing home, or other victim services for the employee or the employee's family member.

B. Paid sick leave shall be provided upon the request of an employee. Such request may be made orally, in writing, by electronic means, or by any other means acceptable to the employer.

When possible, the request shall include the expected duration of the absence.

C. When the use of paid sick leave is foreseeable, the employee shall make a good faith effort to provide notice of the need for such leave to the employer in advance of the use of the paid sick leave and shall make a reasonable effort to schedule the use of paid sick leave in a manner that does not unduly disrupt the operations of the employer.

D. An employer that requires notice of the need to use paid sick leave shall provide a written policy that contains procedures for its employees to provide notice. An employer that has not provided to an employee a copy of its written policy for providing such notice shall not deny paid sick leave to the employee based on noncompliance with such a policy.

E. An employer shall not require, as a condition of an employee's taking paid sick leave, that an employee search for or find a replacement worker to cover the hours during which the employee is using paid sick leave. An employer shall not require an

employee to work an alternate shift to make up for the use of sick leave.

F. ~~Paid sick leave shall be used in hourly increments unless the employer allows~~ *An employer may require* paid sick leave to be ~~taken~~ *used* in ~~smaller~~ increments*, provided that the minimum increment shall be no greater than four hours.*

G. An employer shall not require disclosure of details of health information about an employee or an employee's family member or details of domestic violence, sexual assault, or stalking as a condition of providing paid sick leave under this article. Unless otherwise required by law, an employer who possesses health, domestic violence, sexual assault, or stalking information about an employee or an employee's family member shall treat such information as confidential and shall not disclose such information except to the employee or with the consent of the employee.

H. For paid sick leave of three or more consecutive work days, an employer may require reasonable documentation that the paid sick leave has been used for a purpose for which such leave is required to be provided as set forth in subsection A. For the use of paid sick leave related to subdivision A 1 or 2, documentation signed by a health care professional indicating that paid sick leave is necessary shall be considered reasonable documentation for purposes of this subsection. For the use of paid sick leave related to subdivision A 3, (i) a police report indicating domestic violence, sexual assault, or stalking; (ii) a court document indicating the employee is involved in legal action related to domestic violence, sexual assault, or stalking; (iii) documentation from a victim services advocate, the employee's attorney, a member of the clergy, or a health care professional that the employee is or was receiving services related to domestic violence, sexual assault, or stalking; or (iv) the employee's written statement that the use of paid sick leave is for one of the purposes described in subdivision A 3 shall be considered reasonable documentation for purposes of this subsection.

36. That notwithstanding any other provision of law, Chapters 1025 and 1101 of the Acts of Assembly of 2026 shall become effective on July 1, 2027.

37. That the provisions of the first enactment of this act shall expire at midnight on June 30, 2028.

38. That the provisions of the second, third, fourth, fifth, sixth, seventh, eighth and thirty-fifth enactments of this act shall have no expiration date.

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