2026 Special Session I

Budget Bill - HB30 (Chapter 1)

Central Appropriations

Item 471	First Year - FY2027	Second Year - FY2028
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 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. 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 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 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.