



JANUARY 5, 2023

A SUMMARY OF VIRGINIA'S BIENNIAL BUDGET FY 2022 - 24

HB 1400, AS INTRODUCED

PREPARED BY
HOUSE APPROPRIATIONS COMMITTEE STAFF

INTRODUCTION

A Summary of Virginia's Biennial Budget for FY 2022 - FY 2024 provides a summary of the Governor's proposed investments and budgetary adjustments in House Bill 1400, as introduced. It contains an **Executive Summary** that highlights Virginia's revised revenue picture for the current biennium, and a summary of major spending and savings initiatives. The Executive Summary is followed by a **series of detailed narratives** that describe major general fund spending proposals under each branch of government and secretariat. Appendices A and B provide a detailed summary of the revised K-12 allocations for FY 2023 and FY 2024, respectively. Appendix C summarizes all capital outlay related actions contained in Part 2 of House Bill 1400.

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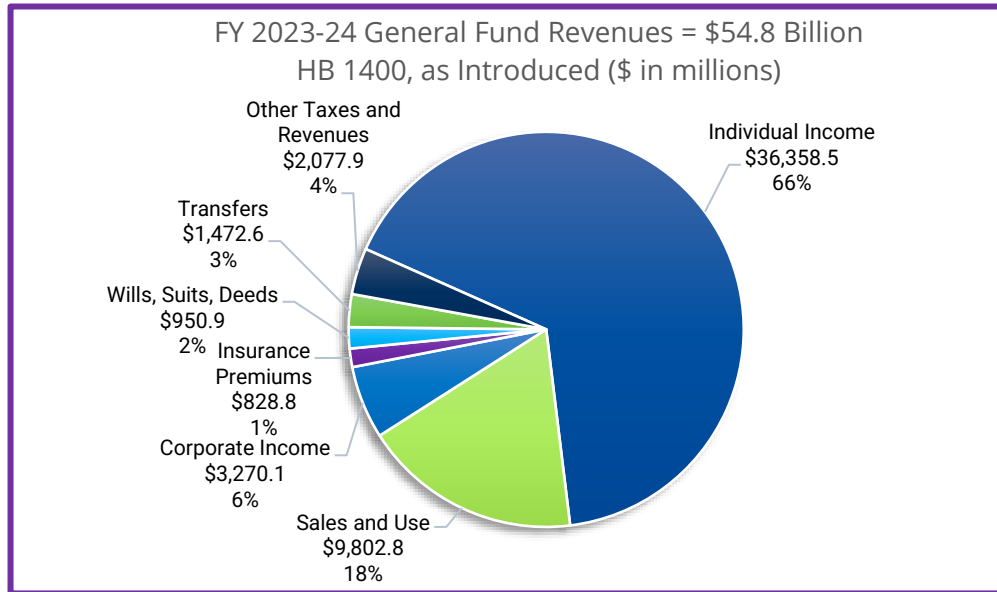
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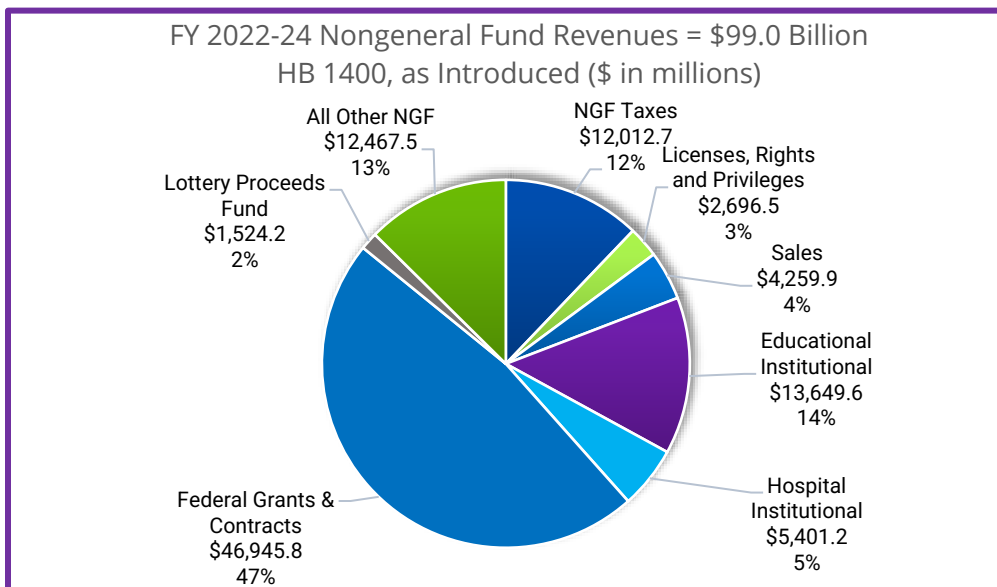
EXECUTIVE SUMMARY

Revenue Overview

- The proposed amendments to the 2022-24 budget include \$63.2 billion in general fund resources available for appropriation. \$54.8 billion is anticipated in collections in FY 2023 and FY 2024, the remainder represents carryforwards from FY 2022. See chart below for more details on general fund revenue sources.



- This represents an increase of \$3.5 billion compared to Chapter 2.
- Total biennial revenues, including nongeneral funds, are \$153.8 billion. See chart below for a breakdown of nongeneral fund revenue sources.



- Recent trends continue, and nongeneral funds make up the majority of the Commonwealth's revenues. Only 36% of revenues are from the general fund.
- The 2022-24 general fund revenue forecast assumes growth rates of -8.6% in FY 2023 and 5.2% in FY 2024 before tax policy adjustments. The contraction in the growth rate reflects the belief that nonwithholding growth seen the past two years is unsustainable and reflects the impact of both one-time and ongoing tax relief adopted by the 2022 General Assembly, including a revenue loss of more than \$1.0 billion in FY 2023 based on the tax rebate checks.
- In addition to the economic adjustments to the forecast, HB 1400 includes net reductions of \$1.0 billion associated with the proposed tax policy adjustments outlined on the following pages.
- Net of policy adjustments, general fund revenues are projected to decline 8.8% in FY 2023 and anticipated to grow 2.0% in FY 2024.
- Through the first five months of the fiscal year (July – November) total revenues were down 1.2% driven primarily by the issuance of the tax rebate checks and the elimination of AST (accelerated sales tax). Adjusted for these tax policy changes, revenues are up 7.5% compared to the first five months of FY 2022.
- Although revenue growth has been relatively strong through the first five months of the year, it is assumed that growth will slow, especially compared to the high growth spring months of 2022.
- The unappropriated balance at close of FY 2024 is \$15.4 million.

Tax Policy Proposals

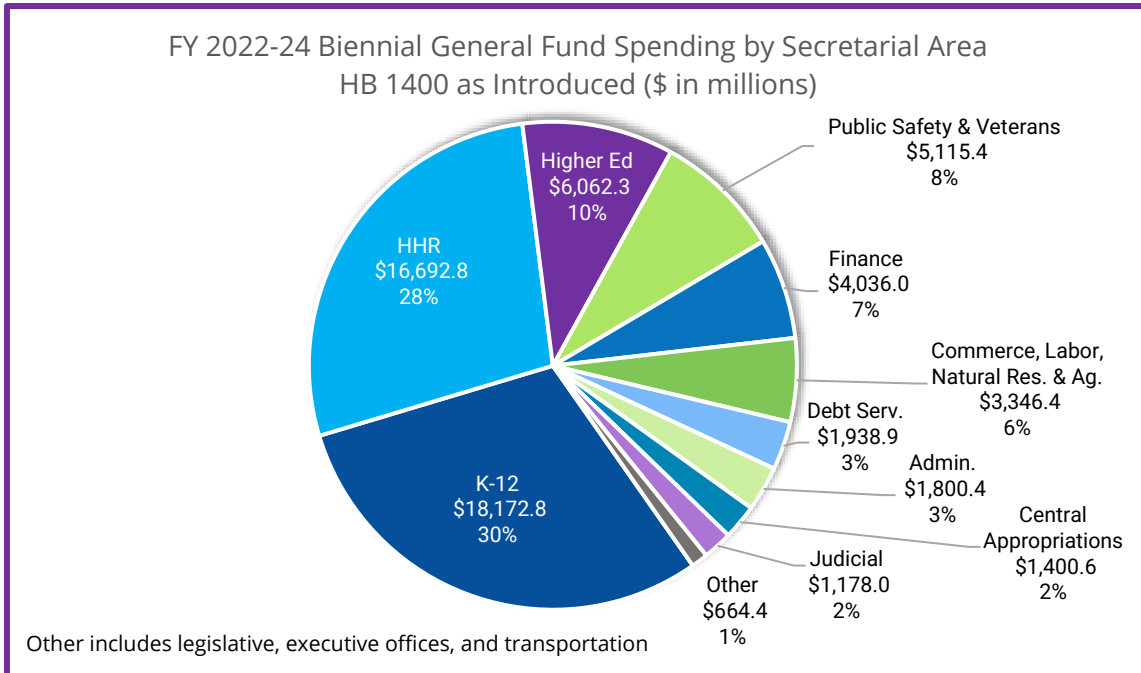
In total, revenue policy adjustments reduce revenues by \$1.0 billion over the biennium.

- **Reducing the Corporate Income Tax Rate**
 - Proposes decreasing the rate from 6% to 5% beginning in tax year 2023
 - Would reduce revenues by \$71.9 million in FY 2023 and \$290.2 million in FY 2024
- **Institute Qualified Business Income Deduction of 10%**
 - Proposes a tax deduction for qualifying sole proprietorships, partnerships and S corporations beginning in tax year 2023. The deduction would be equivalent to 50% of the deduction allowed at the federal level. This would allow these business owners to deduction 10% of qualified business income and would reduce general fund revenues by \$162.1 million in FY 2024.

- **Decrease the Top Individual Tax Rate**
 - Would reduce the individual income tax rate from 5.75% to 5% for income between \$5,000 and \$17,000 and from 5.75% to 5.5% for income above \$17,000 in tax year 2024.
 - This would reduce revenues by \$333.3 million in FY 2024.
- **Increase the Standard Deduction**
 - Proposes increasing the standard deduction from \$8,000 to \$9,000 for individual filers and from \$16,000 to \$18,000 for married filers effective tax year 2024. This would reduce revenues by \$94.9 million in FY 2024.
- **Military Tax Exemption – Remove Age Requirement**
 - Removes the age limit of 55 or older from the military retirement exemption adopted by the 2022 General Assembly, effective tax year 2023. This would reduce income by \$37.8 million in FY 2024.
- **Increase the §163.j Business Interest Expense Deduction**
 - Proposes increasing from 30% to 50% the business interest expense deduction disallowed under federal law effective tax year 2024 which would reduce revenues by \$10.3 million in FY 2024.

Spending Overview

- HB 1400 includes net general fund spending increases of \$3.5 billion compared to Chapter 2. See chart on page 7 for a breakdown of proposed spending by secretarial area.
- This includes \$3.7 billion in spending offset by \$279.8 million in savings. The savings actions are all technical in nature, with the vast majority linked to GF savings resulting from the extension of the federal enhanced payments for Medicaid.
- Spending includes \$3.1 billion in operating changes and \$604.5 million in additional capital outlay spending. Included in the \$3.1 billion is \$585.0 million in contingent funding that had been appropriated in Chapter 2 but linked to a revenue surplus. Also included is an additional \$406 million for the mandatory Rainy Day Fund deposit based on the FY 2022 revenues.
- The top 15 spending amendments make up 80% of the total requested.
- HB 1400 also includes triggers intended to limit spending in the event a recession is deeper than forecasted. In total, it outlines \$1.1 billion of contingent spending and tax policy changes that will be unallotted if FY 2023 revenues do not meet the forecast.



Top Spending Items

Compensation and Retirement

- Employee Compensation.** Proposes \$199.8 million GF the second year for one-time bonuses for state employees. This includes \$99.8 million GF for a \$1,500 bonus for all state employees in FY 2024 and \$100.0 million GF to provide one-time, merit-based bonuses of up to 10.0% of base salary to qualifying state employees.

Companion action in public education provides for bonuses for school personnel.
- VRS Payment.** Appropriates \$250.0 million to the VRS pursuant to a contingent appropriation adopted by the 2022 General Assembly, bringing the total supplemental payment in FY 2023 to \$1.0 billion.

Public Education

- Technical Adjustments.** Includes \$241.6 million across the biennium for routine technical updates, primarily driven by additional sales tax revenue and updated enrollment data.
- Compensation.** Includes \$105.2 million GF for three one-time pay incentives for K-12 staff, including \$50.0 million to provide performance bonuses for top performing teachers, \$45.2 million for a 1% retention bonus, and \$10.0 million as a recruitment bonus for new hires.

- **Laboratory Schools.** Proposes \$50.0 million GF for College Partnership Laboratory Schools, in addition to the \$100.0 million allocated during the 2022 Session.
- **Reading and Math Specialists.** Provides \$24.1 million GF to provide reading specialists in the 4th and 5th grades and math specialists in challenged schools.

Health and Human Resources

- **Medicaid and Children’s Health Insurance Forecasts.** Fully funds the updates to the Medicaid and children’s health insurance utilization and enrollment forecasts at a cost of \$133.4 million GF in FY 2024.
- **Health Care Workforce.** Proposes \$48.5 million for health care workforce programs in FY 2024.
- **Medicaid Provider Rate Increases.** Provides \$41.6 million GF for a 5% rate increase for personal care services and \$1.1 million GF for a 12.5% rate increase for early intervention services in FY 2024.
- **Developmental Disability Waiver Slots.** Recommends an additional 500 slots in each year of the biennium for a cost of \$15.2 million GF in FY 2024.
- **Increase Funding for Comprehensive Crisis Services System.** Recommends \$58.3 million GF in FY 2024 to continue the expansion and modernization of the state’s crisis services system by updating and developing Crisis Receiving Centers and Crisis Stabilization Units.
- **Pursue Hospital-Based Psychiatric Emergency Alternatives.** Proposes \$20.0 million GF in FY 2024 for comprehensive psychiatric emergency programs in emergency departments to quickly redirect an individual needing emergency psychiatric services to the most appropriate setting.
- **Provide One-Time Funds for Mobile Crisis Units.** Includes \$20.0 million GF in FY 2024 to contract for additional mobile crisis units in underserved communities to have teams available to go to an individual in crisis to assess, de-escalate, and connect the individual with additional services.
- **Expand School-Based Mental Health Pilot.** Adds \$15.0 million GF in FY 2024 for school mental health pilot programs to continue providing grants to school divisions and public and private providers to contract for behavioral health services in schools.

Economic Development

- **Site Development.** \$500.0 million GF over the biennium in new money to expand Virginia's portfolio of sites ready for business investment either through the Virginia Business Ready Sites Program or a New Site Acquisition Pilot Program. The new Site

Acquisition Pilot Program creates a process for the state to buy, develop, and sell or lease land for economic development purposes.

- **Unemployment Trust Fund.** \$100.0 million GF in FY 2023 for deposit to the Unemployment Insurance Trust Fund to offset any future claims against the trust fund during an economic downturn.
- **Workforce Development.** \$38.5 million GF in FY 2024 to support workforce development through the GO Virginia program through investments in a new Talent Pathways Initiative and four regional education and workforce projects that support industries and occupations like ship repair, offshore wind, road construction, nursing, logistics, technology, and engineering
- **Energy Research.** \$10.0 million GF in FY 2024 to create and capitalize the Virginia Power Innovation Fund that will support the research and development of innovative energy technologies. \$5.0 million of these funds are dedicated to establishing the Virginia Nuclear Innovation Hub.

Agriculture and Forestry

- **Agricultural Technology.** Proposes \$1.25 million GF each year to increase the appropriation for the Agriculture and Forestry Industries Development Fund (AFID) and \$1.0 million GF to support agricultural technology research grants. The intent of the funds is to support development and commercialization of agricultural technology in the Commonwealth.
- **Hemp Registration and Inspection.** Includes \$2.2 million GF in FY 2024 and 15 positions for the registration and inspection of facilities selling certain hemp-derived products intended for human consumption.

Natural and Historic Resources

- **Water Quality Improvement Fund.** Proposes a total of \$137.1 million GF be deposited into the Water Quality Improvement Fund in FY 2024. This includes an \$87.1 million GF mandatory deposit based upon FY 2022 revenue surpluses and agency balances, and a \$50.0 million GF supplemental deposit into the Natural Resource Commitment Fund.
- **Resilient Virginia Revolving Loan Fund.** Includes \$100.0 million GF each year to be deposited into the Resilient Virginia Revolving Loan Fund.
- **Enhanced Nutrient Removal Certainty Program.** Proposes a total of \$237.0 million in FY 2024 for the state share of wastewater treatment plant improvement projects identified in the Enhanced Nutrient Removal Certainty Program. This amount reflects a deposit totaling \$43.9 million GF from the mandatory WQIF deposit from FY 2022

revenue surpluses and agency balances, a \$107.1 million GF supplemental deposit, and \$86.1 million NGF from remaining American Recovery Plan Act (ARPA) resources.

- **Richmond Combined Sewer Overflow.** Includes an additional \$100.0 million GF in FY 2023 for the City of Richmond's Combined Sewer Overflow project. Chapter 2 (2022 Spec. Sess. I) included \$100.0 million NGF from ARPA resources for this purpose.

Public Safety and Homeland Security

- **Operation Bold Blue Line Initiative.** Proposes \$30.0 million GF in FY 2024 to establish the Operation Bold Blue Line Initiative to be administered by the Department of Criminal Justice Services. The funds would be used to support efforts by state and local law enforcement agencies to recruit and develop qualified law enforcement officers.
- **Operation Ceasefire Grant Fund.** Includes an additional \$20.0 million in FY 2024 for the Operation Ceasefire Grant Fund, increasing support in the second year to a total of \$22.5 million GF.
- **Virginia Mass Violence Care Fund.** Proposes \$10.0 million GF in FY 2024 to establish the Virginia Mass Violence Care Fund. The Fund would be used to aid the victims of mass violence in Virginia.
- **Salary Increase for Vacant DOC Positions.** Proposes \$8.6 million GF in FY 2024 to provide a \$3,000 salary increase for 811 vacant correctional officer and 57 vacant probation and parole officer positions that did not receive the targeted salary increase for DOC staff approved during the 2022 Session of the General Assembly.
- **Additional State Trooper Positions.** Includes \$3.3 million GF in FY 2024 to establish 24 new general fund supported sworn law enforcement positions within the Department of State Police.

General Government

- **Revenue Stabilization Fund Deposit.** Includes an additional \$406.0 million in FY 2024 to complete the \$907.0 million mandatory deposit based on FY 2022 revenue growth.
- **Transformation Office.** Proposes an additional \$15.0 million GF in FY 2024 for the Transformation Office for new and ongoing initiatives.
- **Attorney General.** Proposes \$4.2 million GF and 13.0 positions for the Office of the Attorney General to support several new initiatives, including enhanced consumer protection for cannabis, and hemp, as well as the establishment of a witness protection fund and organized retail crime taskforce.
- **Lieutenant Governor.** Proposes \$729,570 for the Office of the Lieutenant Governor to increase operational support and provide contract security.

- **Judicial Branch.** Includes \$13.4 million GF for Judicial branch initiatives, including \$7.4 million to increase public defender salaries, \$3.5 million to support specialty dockets, \$1.7 million to increase retired recalled judge per diems from \$250 to \$400 per day, and \$0.7 million to right-size court support staffing levels.
- **Data Office.** Establishes the existing Office of Data Governance and Analytics as a stand-alone agency and proposes an increase in its staffing from 7 to 14 positions with a total appropriation of \$8.7 million (supported by fees paid by state agencies).
- **Compensation Board.** Includes \$18.3 million GF for the Compensation Board to provide funding for local constitutional officers, including \$13.9 million for a compression adjustment for sworn deputy sheriffs and regional jail officers, \$4.1 million for a new initiative to support local custody and transport of individuals subject to TDO and ECO orders.

Higher Education

- The Governor's proposed amendments to the 2022-24 budget includes a biennial increase of \$45.8 million in new GF spending. Of note among this amount is \$10.0 million in support for the merger of ODU and EVMS, as well as \$21.0 million GF in the second year for three workforce related initiatives through the Community College system.
- No additional operating support is provided to the state institutions of higher education, reflecting the substantial contributions made to universities for the FY 2022-24 biennium by the 2022 General Assembly.

Capital Outlay

- **Capital Outlay.** Proposes a total of \$604.5 million GF cash to support capital outlay projects. This includes \$420.2 million GF to supplement existing projects, \$61.5 million for facilities repair and life/safety projects, \$60.3 million for economic development projects, \$6.5 million for planning, and \$34.1 million to fund equipment for nine previously authorized projects.

RESOURCES

The proposed amended FY 2022-24 budget includes \$63.2 billion in general fund resources available for appropriation.

General Fund Resources Available for Appropriation (2022-24 biennium, \$ in millions)	
Beginning Balance	\$11,733.1
Additions to the Balance	(3,284.0)
Official GF Revenue Estimate	53,289.0
Transfers	<u>1,472.6</u>
GF Resources Available for Appropriation	\$63,210.7

Available Balance

The amended budget, as introduced, reflects the beginning balance of \$11.7 billion at the close of the 2020-22 biennium, with \$3.3 billion of the balances being removed to reflect outstanding obligations and \$8.4 billion remaining available for appropriation during the biennium.

Forecast of General Fund Revenues

The updated 2022-24 general fund revenue forecast assumes an 8.6% reduction in revenue in FY 2023 and a 5.2% increase in FY 2024 before proposed tax policy adjustments. The -8.6% growth rate for FY 2023 is related to a combination of tax policy initiatives adopted in Chapter 2 which reduce projected revenues beginning in FY 2023 and the \$3.1 billion FY 2022 surplus, which increases the base against which growth is measured, and exceeds the assumed FY 2023 revenues assumed in Chapter 2. Much of the FY 2022 surplus was driven by 4th quarter non-withholding revenues that grew at an unsustainable level.

The base forecast assumes \$2.4 billion in lower FY 2023 revenues based on policy actions adopted in Chapter 2 including \$1.0 billion in a one-time revenue reduction for the tax rebate checks provided in the Fall of 2022 and \$1.4 billion in ongoing tax policy changes that were adopted in the 2022 Appropriation Act. The estimated impact in FY 2024 of these ongoing policy changes is \$1.25 billion.

In addition, new proposed policy changes that impact general fund revenues are expected to decrease revenues \$1.0 billion over the biennium. After accounting for proposed policy changes, and technical and forecast adjustments, projected general fund revenue collections total \$26,387.8 million in FY 2023 and \$26,901.2 million in FY 2024. Net of policy adjustments, general fund revenues are projected to decline 8.8% in FY 2023 and anticipated to grow 1.9% in FY 2024.

Forecast of General Fund Revenues, Projected Growth (\$ in millions)				
	FY 2023	% Growth	FY 2024	% Growth
Withholding	\$16,078.3	4.8%	\$16,026.9	(0.3%)
Nonwithholding	5,088.6	(25.3%)	4,582.7	(9.9%)
Refunds	<u>(3,535.2)</u>	<u>103.1%</u>	<u>(1,882.8)</u>	<u>(46.7%)</u>
Net Individual	\$17,631.7	(13.6%)	\$18,726.8	6.2%
Corporate	1,809.1	(8.6%)	1,461.0	(19.2%)
Sales	4,926.3	8.1%	4,876.5	(1.0%)
Insurance	425.0	(0.4%)	403.83	(5.0%)
Wills (Recordation)	514.0	(21.4%)	436.9	(15.0%)
All Other	<u>1,081.6</u>	<u>19.2%</u>	<u>996.3</u>	<u>(7.9%)</u>
Total GF Revenues	\$26,387.8	(8.8%)	\$26,901.2	1.9%

Proposed Policy Changes Assumed in Revenue Forecast

The HB 1400 revenue forecast contains several negative adjustments related to additional tax-related initiatives totaling \$1.0 billion over the biennium.

- Decreasing the Corporate Tax Rate.** Proposes decreasing the corporate tax rate from 6% to 5% beginning in tax year 2023, reducing revenues \$71.9 million in FY 2023 and \$290.2 million in FY 2024.
- Allow 10% Deduction for Qualified Business Income.** Would allow an individual income tax deduction up to 50% of the qualified business income deductions allowed under IRS Code 199A(a) and 199A(g) which is provided to certain qualifying sole proprietorships, partnerships and S corporations beginning in tax year 2023. Federal regulations allow for the deduction of up to 20% of their qualified business income; therefore, this proposal allows for a deduction of up to 10% of the qualified income. This reduces revenues by \$162.1 million in FY 2024.
- Decreasing the Individual Income Tax Rate.** Proposes reducing the highest individual income tax rate from 5.75% to 5.0% for income between \$5,000 and \$17,000 and to 5.5% for taxable income above \$17,000 effective in tax year 2024, contingent on FY 2023 revenues meeting the official forecast. This reduces revenues by \$333.3 million in FY 2024.
- Increasing the Standard Deduction.** Proposes increasing the standard deduction from \$8,000 to \$9,000 for individual filers and from \$16,000 to \$18,000 for married filers effective tax year 2024. In addition, proposes to remove the revenue growth thresholds

required in Chapter 2, 2022 Special Session I, for the standard deduction increase from \$4,500 to \$8,000 for individual filers and from \$9,000 to \$16,000 for married filers. Proposal reduces revenues by \$94.9 million in FY 2024.

- Chapter 2, 2022 Special Session I, requires 5% GF revenue growth, adjusted for tax policy actions, during the first six months of FY 2023 to effectuate the increase in tax year 2022 and 5% revenue growth, adjusted for tax policy actions, in FY 2023 to effectuate the increase in tax year 2023. If these thresholds are not met, the standard deduction increases to \$7,500 for individual filers and \$15,000 for married filers.
- **Remove the Age Limit Military Income Tax Exemption.** Removes the age limit to claim the individual income tax subtraction on military benefits for military retirees or surviving spouse military retirees beginning in tax year 2023. Chapter 2, which adopted this exemption, limited it to those aged 55 or older. This would reduce revenues by \$37.8 million in FY 2024.
- **Increase the Business Interest Expense Deduction.** Proposes increasing the deduction for business interest expenses from 30% to 50% of the business interest disallowed as a deduction under the business interest limitation effective tax year 2024, reducing revenues by \$10.3 million in FY 2024.

General Fund Transfers

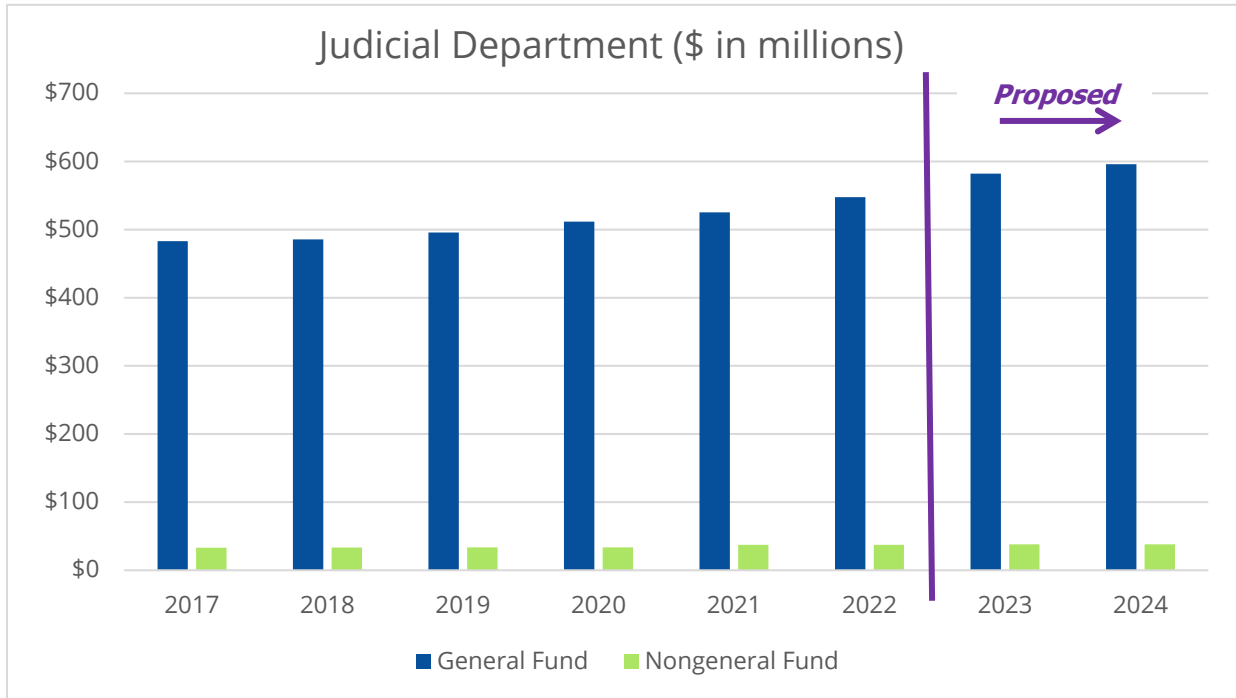
Proposes transfers to the general fund totaling \$1.47 billion over the biennium. Of this amount, \$1.0 billion represents the standard 0.375% sales tax transferred from the Local Real Estate/SOQ Fund for public education.

Reducing transfers is a transfer from the General Fund to the Taxpayer Relief Fund of \$128 million which is placed there in reserve of future tax policy changes and/or the ongoing costs of tax policy changes contained in HB 1400.

Proposed GF Transfers, as Introduced (2022-24 biennium, \$ in millions)	
0.375% Sales Tax – Public Education	\$1,157.8
ABC Profits	247.3
ABC/Wine to DBHDS for Substance Abuse Treatment	149.0
\$4 for Life	25.0
NGF Indirect Costs (SICAP)	18.6
Local and Transportation Sales Tax Compliance	17.9
Unrefunded Marine Fuels	14.8

Proposed GF Transfers, as Introduced (2022-24 biennium, \$ in millions)	
Uninsured Motorist Fees	14.8
IDEA Fund Transfer	10.0
ABC Operational Efficiencies	7.7
Court Debt Collections	4.8
Reversion of Higher Education Escrow Account	4.9
Miscellaneous Other	3.5
Sales Tax Transfer to Waterway Maintenance Fund	(3.0)
DMV Replace Reinstatement Fee Revenue	(5.6)
Watercraft Sales Tax to Game Protection Fund	(14.6)
Sales Tax to Game Protection Fund	(24.2)
Children's Health Insurance Program	(28.1)
Transfer to Taxpayer Relief Fund	(128.0)
Total	\$1,472.6

JUDICIAL



General Fund spending in the Judicial Department has averaged 2.9% annual growth from FY 2017 to FY 2024 (proposed). Major funding proposals included in HB 1400 for Judicial agencies include \$6.2 million GF to raise the starting salary of court-appointed attorneys to be on par with recent pay raises provided to comparable statewide attorney positions, \$3.5 million GF to the Supreme Court to grow support for behavioral health, veteran, and drug specialty dockets, and \$1.7 million GF to raise the per diem payments for recalled judges from \$250 to \$400 per day.

Supreme Court

- **Specialty Dockets.** Proposes \$3.5 million GF the second year to support current and planned specialty dockets in Virginia, including veterans, behavioral health, and drug dockets. This amendment is sufficient to cover 42 existing dockets that do not currently receive state funding as well as 12 planning dockets.
- **Criminal Fund.** Proposes reversion of \$32.9 million NGF the first year to the general fund from surplus balances of the Criminal Fund.

Court of Appeals of Virginia

- **Court of Appeals Positions.** Adds \$362,917 GF the second year for 3.0 FTE positions to address increased caseloads resulting from legislation adopted during the 2021 Session that expanded jurisdiction and organization of the Court of Appeals. Proposed funding

is intended to cover 10 months of costs with deployment anticipated for September 1, 2023.

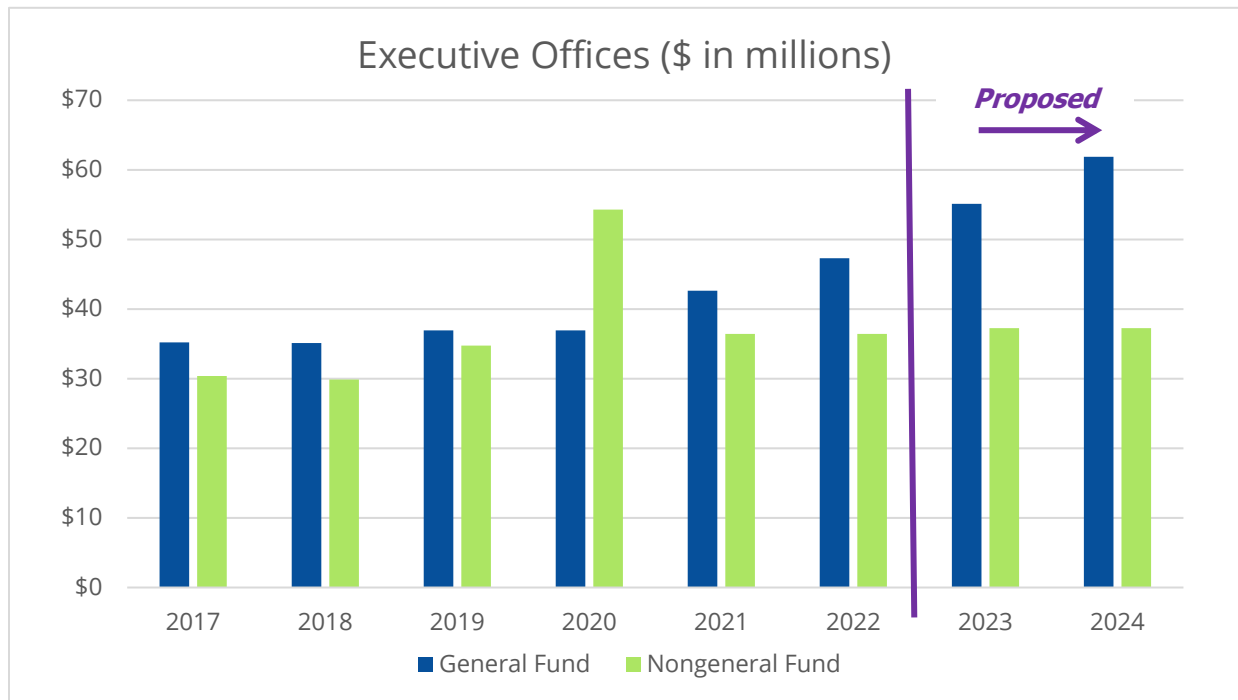
Circuit, General District, Juvenile and Domestic Relations, and Combined District Courts

- **Retired Recalled Judge Per Diem.** Proposes \$1.7 million GF the second year to increase the retired recalled judge per diem payment from \$250 to \$400 per day.

Indigent Defense Commission

- **Indigent Defense Commission Compensation.** Recommends \$7.4 million GF the second year to increase compensation for employees of the Indigent Defense Commission. This amendment includes \$6.2 million to increase the statewide entry level attorney salary from \$58,492 to \$70,000 and realign senior attorneys accordingly. These pay increases were proposed to match recent pay supplements provided to other comparable state-supported attorney positions. This proposed amendment also includes \$1.2 million to provide compression adjustments for non-attorney staff.

EXECUTIVE OFFICES



General Fund spending in the Executive Department has averaged 9.5% annual growth from FY 2017 to FY 2024 (proposed). Highlights of additional spending proposed in House Bill 1400 include funding to support 13 new positions in the Office of the Attorney General (OAG), costing \$1.5 million to support cannabis enforcement, establish an organized retail crime taskforce, implement potential hemp legislation, and enhance advocacy for utility ratepayers. Additionally, House Bill 1400 proposes \$2.5 million within the OAG to establish a new witness protection fund to provide grants of up to \$2,500 per month to key witnesses and their families.

Office of the Lieutenant Governor

- **Security Services.** Includes \$500,000 GF the second year to contract for security services for the Lieutenant Governor. These services would operate independently of the Division of Capitol Police and the Executive Protective Unit of the State Police.
- **Operational Support.** Proposes \$229,570 GF and 2.0 positions the second year to increase staffing to a total of 5.0 positions.

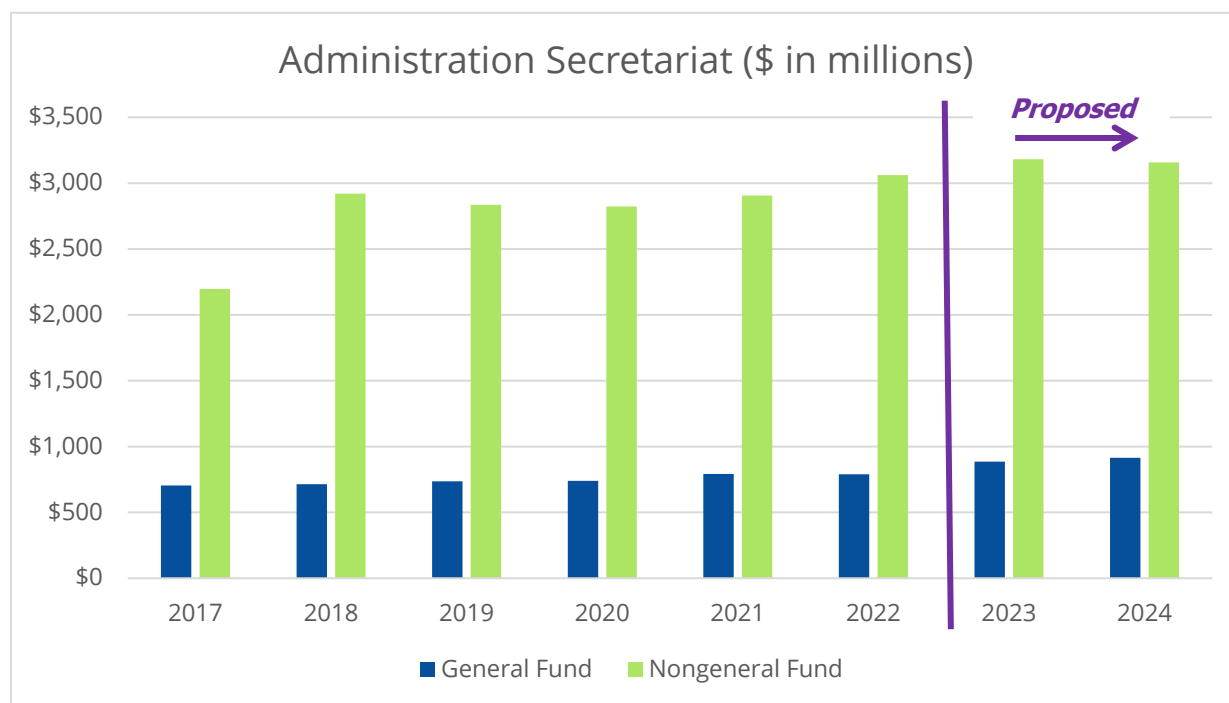
Attorney General and the Department of Law

- **Witness Protection Program.** Includes \$2.5 million GF the second year to establish a fund for expenses related to the protection of witnesses cooperating with the investigation and prosecution of crimes. The proposed program would offer temporary

assistance of up to \$2,500 per month to protectees or their families. Both state and local law enforcement agencies would be eligible to apply for grants under the proposed program.

- **Salary Increases for Non-Attorney Staff.** Includes \$575,561 GF the second year to provide salary increases for non-attorney department staff. Eligible positions include paralegals, investigators, legal secretaries, intake specialists, dispute resolution specialists, and other non-attorney personnel.
- **Cannabis Consumer Protection Enforcement Investigators.** Includes \$513,374 GF and 5.0 positions the second year to support cannabis enforcement activities pursuant to the Consumer Protection Act. Specifically, these positions would enforce *Code* provisions prohibiting certain practices related to the sale of substances containing tetrahydrocannabinol or industrial hemp extracts.
- **Establish an Organized Retail Crime Taskforce.** Proposes \$414,105 GF and 3.0 positions the second year to establish an organized retail crime taskforce. Includes support for the procurement of a database network to facilitate statewide coordination of law enforcement efforts.
- **Fund Implementation of Proposed Hemp Legislation.** Includes \$371,780 GF and 3.0 positions the second year to support the implementation of legislation to be considered during the 2023 General Assembly Session.
- **Ratepayer Advocacy.** Includes \$253,902 GF and 2.0 positions the second year to provide enhanced consumer support services tied to utility rate-setting.
- **Establish a Fund for the Commonwealth's Share of Opioid Settlement Funds.** Includes language to establish a new fund for the state's share of revenues resulting from settlements, judgements, verdicts, or other court orders related to opioid consumer protection claims. Separate amendments propose the establishment of the Opioid Abatement Authority and the distribution of funds received in accordance with settlement criteria.

ADMINISTRATION



General Fund spending in the Administration secretariat has averaged 3.7% annual growth from FY 2017 to FY 2024 (proposed). House Bill 1400, as introduced, includes a proposal to establish the Office of Data Governance and Analytics as a standalone office under the Secretary of Administration. House Bill 1400 proposes to invest \$8.7 million NGF and \$0.3 GF in this office, which is currently set in the *Code* to sunset on July 1, 2023. Additionally, the proposed budget includes \$13.9 million to address salary compression for sworn sheriff's deputies and regional jail staff, \$31.9 million NGF savings at the Virginia Information Technologies Agency to reflect agency utilization of IT services, and \$12.2 million NGF in new IT spending to reflect additional offerings to state agencies.

Office of Data Governance and Analytics

- Establish and Expand the Office of Data Governance and Analytics.** Proposes establishment of a new standalone Office of Data Governance and Analytics (ODGA) by transferring the office's existing allocation of \$251,279 GF, \$5.3 million NGF, and 7.0 FTE positions from under the Secretary of Administration, to a new and separate agency code. Also proposes the addition of \$3.4 million NGF and 7.0 FTE positions the second year to expand services offered by ODGA. The expanded allocation, funded by an increase in fees paid by client agencies to the Virginia Information Technologies Agency (VITA), would also support data storage and licensing costs.

Compensation Board

- **Fund Pilot Program for Court-Ordered Transportation.** Includes \$4.1 million GF and 1.0 FTE position the second year to assist sheriffs' offices, local jails, and regional jails with the custody and transport of individuals subject to temporary detention orders (TDOs) and emergency custody orders (ECOs). Authorizes the use of the funds for up to 71.0 deputy sheriff positions, with the remaining balance available for wage costs for these services for offices without specific position allocations. Eligibility for pilot funding would not extend to offices already engaged in memoranda of understanding with the Department of Behavioral Health and Developmental Services for TDO or ECO transfer services as part of the off-duty officer program.
- **Address Salary Compression for Sworn Sheriffs' Deputies and Regional Jail Staff.** Proposes \$13.9 million GF the second year to address salary compression among sworn sheriffs' deputies and regional jail officers. This amendment would increase supervisory salaries to align with the prior increase in the entry-level salary provided by the 2022 General Assembly. The language does not include parameters for the distribution of funding but vests that decision in the Compensation Board.
- **Transfer Funding for Behavioral Health Positions Between Fiscal Years.** Proposes a net zero transfer of \$557,863 GF from the first year to the second year to accommodate the anticipated timeline by which localities expect to fill behavioral health positions authorized by the 2022 General Assembly. These positions were allocated in accordance with recommendations of a July 2021 report by the Department of Criminal Justice Services.
- **Fund Salary Increases for Qualified Career Development Program Participants.** Includes \$76,275 GF the second year for local constitutional officers and staff eligible to receive salary increases through career development program completion.

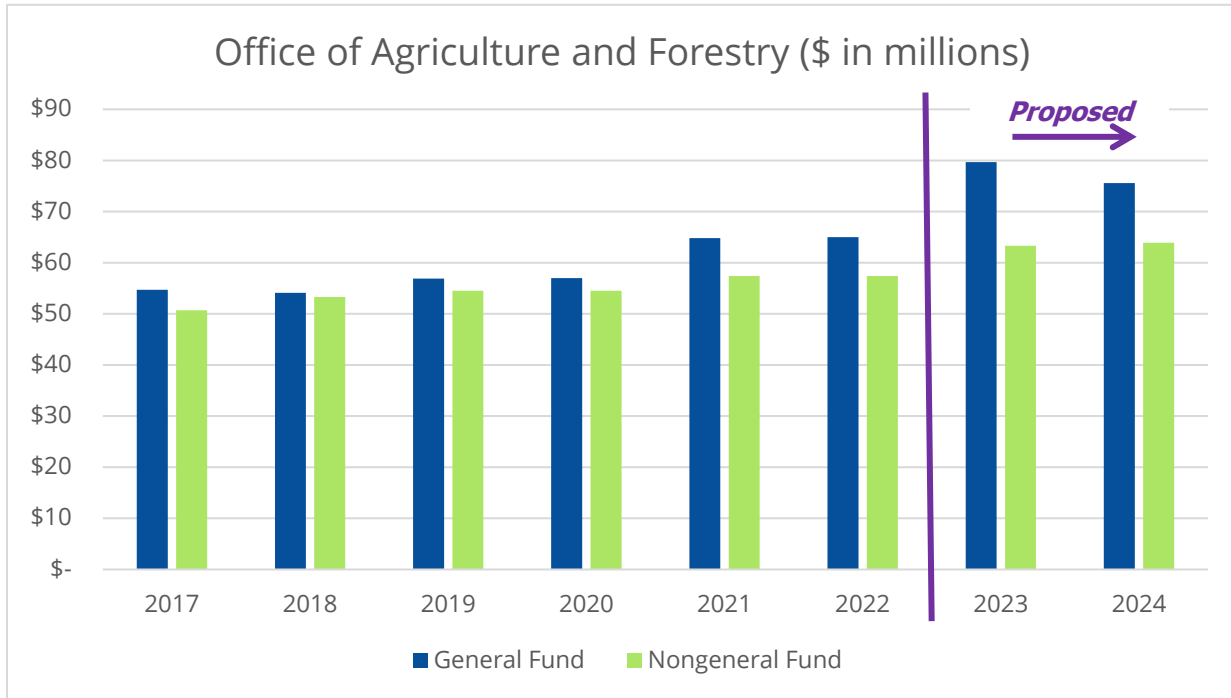
Department of General Services

- **Update the Capitol Square Master Site Plan.** Includes \$500,000 GF the second year to procure consulting services to update the Capitol Square Master Plan, last updated in 2011. Language within the amendment directs the scope of work to include how the facilities and grounds of Capitol Square can contribute to the interests of adjacent residences and businesses, and to assess the feasibility of co-location between public and private entities through public-private partnerships.

Virginia Information Technologies Agency

- **Adjust Appropriation to Reflect Internal Service Fund Charges.** Reduces \$31.9 million NGF the second year to reflect updated estimates of agency needs and utilization.
- **Adjust NGF Appropriation to Reflect Expanded Agency Capabilities and Technology Offerings.** Proposes \$12.2 million NGF the second year to reflect new or additional service offerings to customer agencies. Covered services include Low Code Application Platform Salesforce service, Power BI Enterprise, LCAP Microsoft Power Platform, Box Enterprise Content Management services, DocuSign, and robotic process automation.
- **Adjust NGF Appropriation to Reflect Actual Costs for Governor's Office IT Support.** Includes \$3.0 million NGF and 2.0 positions in the second year to adjust for current spending for information technology staff and services to support Governor's office activities.
- **Increase Funding for Extended Mainframe Support.** Includes \$3.1 million NGF the second year to reflect higher contract costs for continued mainframe support as the Departments of Social Services and Motor Vehicles work to transition to cloud-based services.
- **Evaluate Options for Central Portal for State Government Services.** Proposes \$500,000 GF the second year to review options for the creation of a new centralized government services portal.
- **Fund Creation of a Statewide Permit Evaluation Application.** Includes \$896,365 GF the second year to plan for, and implement, a single permit evaluation application for all state agencies.

AGRICULTURE AND FORESTRY



General Fund spending in the Agriculture and Forestry secretariat has averaged 4.1% annual growth since FY 2017.

Department of Agriculture and Consumer Services

- **Increase Support for Agriculture and Forestry Industries Development Fund.** Proposes \$1.25 million GF each year to increase support for the Agriculture and Forestry Industries Development Fund (AFID). These funds are provided to give grants or loans to support technologies that assist the development of agricultural products, and improve infrastructure growth, productivity, or efficiency.
- **Establish Hemp Registration and Inspection Program.** Provides \$2.2 million GF in FY 2024 and 15.0 positions for the registration and inspection of facilities selling certain hemp products. The funding and positions are related to legislation to be considered during the 2023 Session of the General Assembly.
- **Agriculture Technology Research Grants.** Includes \$1.0 million GF in FY 2024 to establish a competitive grant in support of agricultural research projects. Proposed language included in HB 1400 as introduced defines agricultural technology as the application of technology to various stages in the food production process which improve the efficiency or total production of food products. The proposal authorizes

VDACS to develop specific guidelines for rewarding grants, subject to approval by the Secretary of Agriculture and Forestry.

- **Specify Deposit in Spirits Promotion Fund.** Provides \$1.1 million GF in FY 2024 as a deposit in the Spirits Promotion Fund based upon the sale of spirits produced by Virginia distillers.

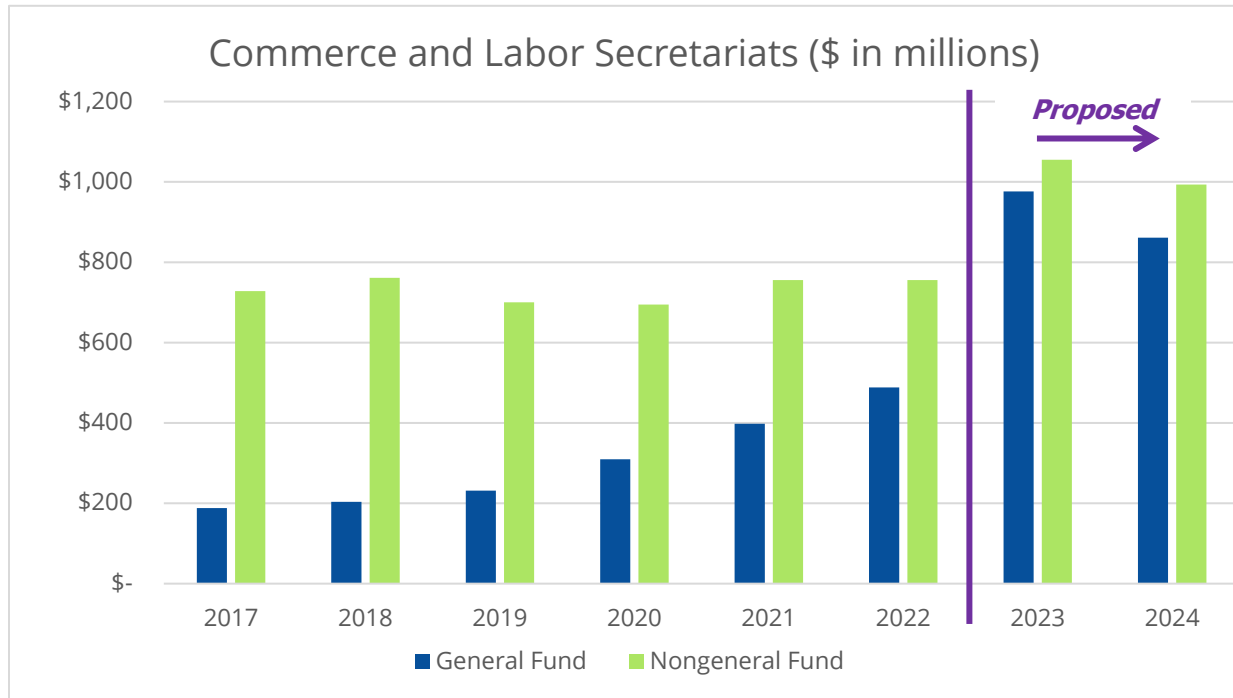
Department of Forestry

- **Expand Charlotte State Forest.** Includes \$640,000 NGF in FY 2024 to use a combination of federal grants and existing nongeneral fund resources to acquire a tract of land adjacent to the Charlotte State Forest.

Virginia Racing Commission

- **Increase Virginia Breeders Fund Appropriation.** Includes an increase of \$1.5 million NGF each year in the nongeneral fund amounts appropriated to the Virginia Breeders Fund. The amounts represent .025% of the amounts wagered on historical horse racing.

COMMERCE AND LABOR



Budgets for many of the agencies in the Commerce and Trade and Labor secretariats have grown over time, leading to a 21% compound annual growth rate for these secretariats from FY 2017 to FY 2024 (proposed spending).

In HB 1400, as introduced, the Governor proposes investing a total of \$500.0 million for site development, which accounts for the significant increase in general fund spending in this area compared to FY 2022. In addition, the introduced budget includes \$100.0 million in FY 2023 for the Unemployment Insurance Trust Fund.

Below is a summary of the major funding initiatives in each agency.

Economic Development Incentive Payments

- **Site Development.** Proposes significant resources to develop Virginia’s portfolio of sites ready for business investment. Actions in the introduced budget include:
 - Appropriating \$50.0 million GF in FY 2023 to the Virginia Business Ready Sites Fund included in Chapter 2 of the 2022 General Assembly, Special Session I as contingent spending.
 - Adding \$200.0 million GF in FY 2023 for investment in the Virginia Business Ready Sites Fund or for the state to acquire and/or develop land well suited for economic development purposes, through a new Site Acquisition Pilot Program.

- Proposing \$250.0 million GF in FY 2024 in additional funding for the Virginia Business Ready Sites Program or the acquisition and development of land for economic development by the state if the Commonwealth meets or exceeds its FY 2023 revenue forecast.
- Directs the Governor, Secretary of Commerce and Trade, Secretary of Finance, and CEO of the Virginia Economic Development Partnership Authority (VEDP) to allocate \$450.0 million between the Virginia Business Ready Sites Fund and the new Site Acquisition Pilot Program.
- Creates a process for the state to acquire public or privately held land for economic development purposes, through the Site Acquisition Pilot Program. This process allows the state to purchase or option up to three sites from a list of five options. This short list will be based on the results of a current Site Identification Assessment initiated in November of 2022 by VEDP to determine potential sites that will improve the state’s chances of recruiting a large-scale economic development project.
 - Under this proposal, the Department of General Services will acquire, hold, and develop the land until such time a business has been identified to occupy the site. When VEDP identifies a business to use the site, the land will transfer from DGS to VEDP. Under this model, VEDP has the authority to sell or lease the land to the business.

Department of Housing and Community Development

- **Workforce and Talent Development Through GO Virginia.** Adds \$35.8 million GF in FY 2024 to support several workforce initiatives through the agency’s GO Virginia program.
 - Provides \$24.5 million GF in FY 2024 to launch a new talent pathways program that will fund grants to GO Virginia Regional Councils to foster collaboration between education and business in specific industries on workforce development solutions. This investment corresponds to action taken by the General Assembly last year to provide \$2.5 million for talent pathways planning grants.
 - Invests \$2.5 million GF in FY 2024 (\$10.0 million total) in four regional workforce development projects: expanding nursing and commercial driver’s license programs in Southwest Virginia, programming in the ship repair, offshore wind, and road construction industries in Hampton Roads, supporting the Middle College program in Central Virginia, and expanding the GO TEC program for engineering and technology training in Southern Virginia.

- Adds \$1.3 million GF in FY 2024 for the GO Virginia Board to invest in regional workforce initiatives to grow the agriculture technology industry in Virginia. This investment corresponds to a package of amendments in the Virginia Department of Agriculture and Consumer Services and VEDP to support this industry.
- **Flood Relief for Residents of Buchanan and Tazewell Counties.** Mirrors action taken by the General Assembly last year to aid the victims of major flooding in Hurley, Virginia from the proceeds of Virginia’s participation in the Regional Greenhouse Gas Initiative (RGGI). HB 1400, as introduced provides \$11.4 million from RGGI resources to support the victims of a major flood occurring in Buchanan and Tazewell Counties in July of 2022.
- **Local Building Permitting.** Provides \$10.0 million GF in FY 2024 for a pilot program for the state to provide direct assistance to localities or planning district commissions to expedite the local building permitting process.
- **Virginia Main Street Program.** Adds \$2.0 million GF in FY 2024 for the Virginia Main Street Program with \$1.5 million directed to the City of Petersburg, and \$500,000 to increase the program’s base budget to \$1.0 million. Resources for the City of Petersburg will support:
 - Hiring an executive director for the Main Street Program in Petersburg
 - Designating Peterburg as a Virginia Main Street location
 - Completing a building inventory and assessment of the city’s Main Street District
 - Establishing a \$1.0 million grant program for structural improvements for Petersburg’s Main Street District
 - 10 new or expanded businesses along the city’s main street
 - Implementing 2-3 place-making projects to beautify and preserve the main street area in Petersburg

Department of Energy

- **Virginia Power Innovation Fund.** Proposes creating a new fund to support the research and development of innovative energy technologies with a \$10.0 million investment in FY 2024. Directs \$5.0 million to establish the Virginia Nuclear Innovation Hub that will be used to fund research on Small Modular Reactor (SMR) technologies, workforce development initiatives, and site selection activities for SMRs. The remaining funds are directed towards general energy innovation projects.

- **Virginia Energy Plan Implementation.** Provides close to \$650,000 GF in FY 2024 for the agency to increase staffing in its Renewable Energy and Energy Efficiency Divisions to implement the Virginia Energy Plan.

Virginia Economic Development Partnership Authority

- **Fund a Study on Airline Service Expansion.** Adds \$1.2 million GF in FY 2024 for VEDP to address airline capacity, and directs \$200,000 of these resources to specifically address airline service at Roanoke Regional Airport.
- **Market Virginia's Agricultural Technology Industry.** Provides \$200,000 GF for VEDP to market and host events to support Virginia's agriculture technology industry. This corresponds to investments at the Virginia Department of Agriculture and Consumer Services and the Department of Housing and Community Development to support this industry.

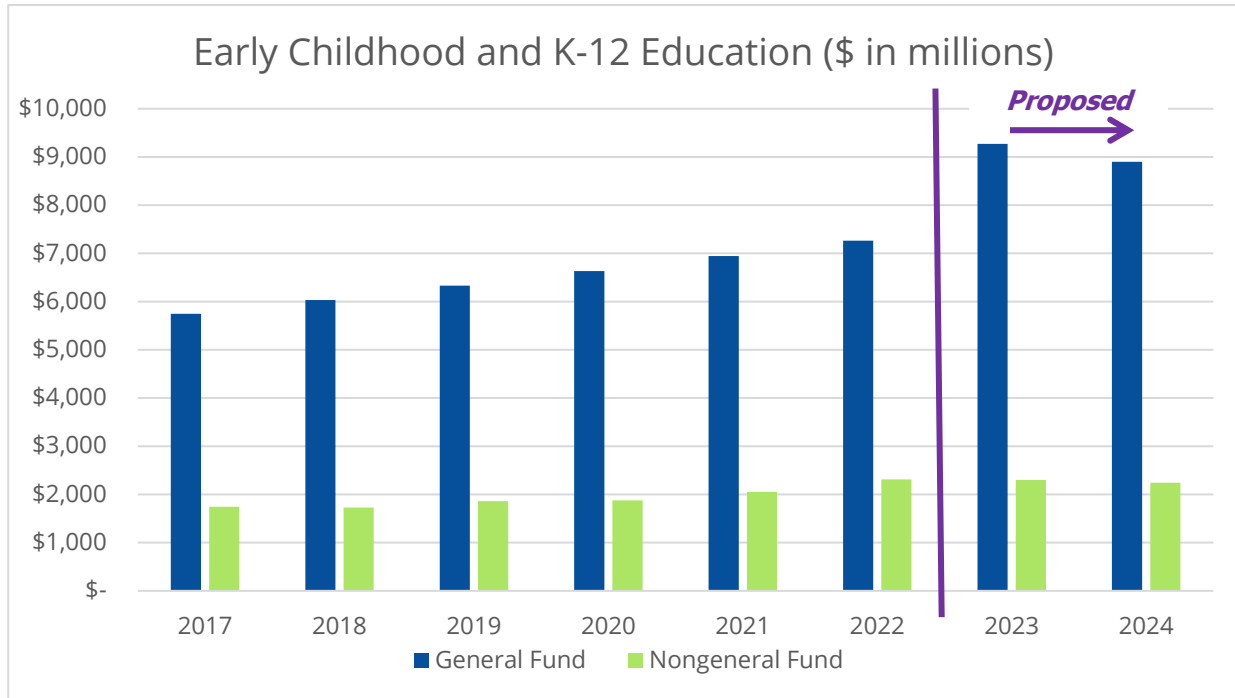
Secretary of Labor

- **Increase Capacity in the Secretary of Labor's Office.** Proposes adding 2 new staff positions to this office, bringing the staffing levels of this office to 6 and overall operational support to just under \$1.0 million.

Virginia Employment Commission

- **UI Trust Fund Deposit.** Provides a \$100.0 million GF deposit to the Unemployment Insurance Trust Fund in FY 2023 to offset any future claims against the trust fund during an economic downturn.
- **Authorize a Line of Credit for VEC.** Allows the Virginia Employment Commission (VEC) to access a line of credit of up to \$30.0 million during times of significant unemployment to meet customer demand for benefits.
- **Continue Support for Appeals and Customer Contact Center Staff.** Provides resources from remaining federal American Rescue Plan Act funds to continue service levels in the Commission's appeals and customer service divisions.
 - \$1.7 million to support current call center operations through the end of FY 2023
 - \$10.6 million to continue current appeals operations through the end of FY 2024

EARLY CHILDHOOD AND K-12 EDUCATION



The Governor’s proposed amendments to the 2022-24 budget for Early Childhood and K-12 Education result in a net increase of \$443.8 million GF, or 2.6% for the biennium when compared to the Chapter 2 appropriation, which reflected a 24.7% increase over the prior biennium. House Bill 1400, as introduced includes \$241.6 million GF in additional spending due to technical updates for enrollment projections, participation data, and revenue forecasts. The bill also includes \$105.9 million GF in proposed bonus payments for top performing teachers, staff retention, and certain new hires. Additionally, the proposed budget includes \$50.0 million GF in additional funding for college partnership laboratory schools and \$24.1 million GF to fund additional reading and mathematics specialists.

Secretary of Education

- **Provide Funding for Additional Staff.** Proposes a \$438,000 GF increase and 3.0 FTE positions the second year to support K-12, higher education, and workforce initiatives.

Virginia School for the Deaf and Blind

- **Adjust Salaries to Address Recruitment and Retention Challenges.** Proposes \$1.1 million GF in FY 2024 for salary adjustments to address competition in the local labor market and with local school divisions.

Department of Education

- **Maintain Teacher Licensure System.** Proposes \$389,000 GF in FY 2024 to support ongoing maintenance of the Department’s new automated teacher licensure system.

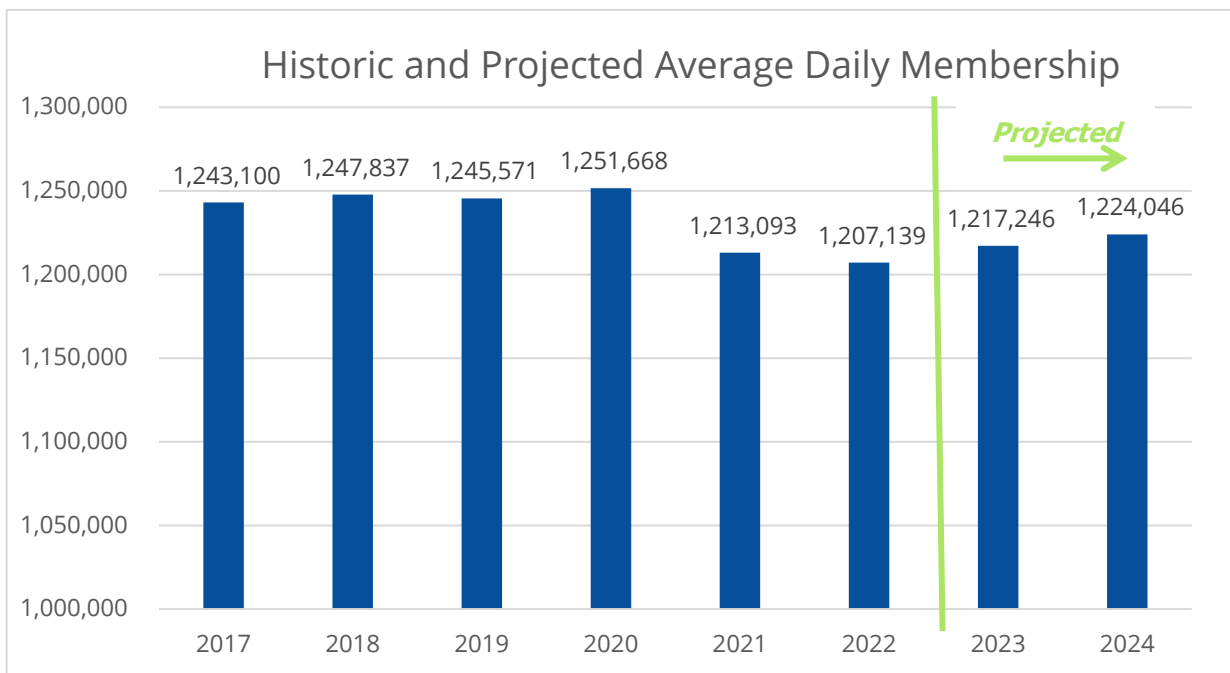
Direct Aid to Public Education

Overall, the proposed budget increases Direct Aid to Public Education by \$166.9 million GF in FY 2023 and \$275.0 million GF in FY 2024. Over the biennium, about \$241.6 million of the increase is due to routine technical updates, while proposed policy initiatives increase funding by \$200.3 million.

Technical Updates

Routine technical updates increase Direct Aid for Public Education costs by \$115.9 million GF in FY 2023 and \$125.7 million GF in FY 2024. Major factors contributing to these increases include:

- **Sales Tax Revenues.** Additional sales tax revenues reduce the state’s share of SOQ Basic Aid, resulting in a net increase of \$90.5 million GF in FY 2023 and \$77.4 million GF in FY 2024.
- **Enrollment Projections.** The Average Daily Member (ADM) forecast has been updated, taking into consideration Fall 2022 school enrollment counts. This reforecast anticipates 5,269 more students in FY 2023 and 7,364 more students in FY 2024 than projected in Chapter 2, resulting in additional costs of \$28.4 million GF in the first year and \$42.8 million GF in the second year.



- **Governor’s School Salary Increases.** During the 2022-24 rebenchmarking, salary increases provided during the 2020-22 biennium were inadvertently not included for Governor’s School programs. The proposed budget includes \$1.1 million GF each year to address these costs.
- **Other Program Data Updates.** Several data points used to develop K-12 funding in Chapter 2 have been updated using actual FY 2023 data. Most significantly, Remedial Summer School participation was 30.4% higher, and the number of students qualifying for Early Reading Intervention decreased by 12.5% when compared to Chapter 2.

Technical Updates to Direct Aid in Public Education Proposed in HB 1400 (\$ in millions GF)		
Technical Update	FY 2023	FY 2024
Update Sales Tax (Net Impact)	\$90.5	\$77.4
Update Enrollment Projection	28.4	42.8
Update Remedial Summer School Participation	9.1	9.1
Update Other Program Data Updates	(5.1)	7.9
Correct Governor’s School Salary Increases	1.1	1.1
Update Lottery Proceeds Projection	0	(4.3)
Update Early Reading Intervention (PALS) Data	<u>(8.2)</u>	<u>(8.2)</u>
Total for All Technical Updates	\$115.8	\$125.8

Recruitment, Retention, and Performance Incentives

A total of \$105.2 million GF is proposed for one-time compensation actions:

- **Performance Pay for Top Performing Teachers.** Proposes \$50.0 million GF the second year to provide teacher performance bonuses of \$5,000 for top performing teachers, with no required local match. Bonuses would be awarded to individuals identified by the Department of Education in conjunction with local school divisions. Criteria established by the Department for the award of these grants would be based on student growth on Standards of Learning assessments, through-year growth assessments, or other measures deemed appropriate by the Department. The criteria also would ensure representation in each of the state’s eight superintendent’s regions.
- **Retention Bonuses.** Proposes \$45.2 million GF the second year for a 1.0% retention bonus, on September 1, 2023 per funded SOQ instructional and support position and per Academic Year Governor’s School and Regional Alternative Education Program instruction and support position. To qualify for the bonus, the individual must have maintained employment in the same school division in the 2022-23 and 2023-24 school years. Flexibility is provided to permit school divisions to determine the bonus amount

per employee. School divisions are required to provide a match based on the composite index of local ability-to-pay.

- **Recruitment Incentives.** Proposes \$10.0 million GF the second year for a \$5,000 hiring incentive payment for individuals filling vacant instructional positions that are hard-to-fill or in hard-to-staff schools. One-half of the incentive would be paid no earlier than January 1, 2024 and the other half would be paid no earlier than May 1, 2024, provided the individual has received a satisfactory evaluation and commits to return to the same school in the 2024-2025 school year. To qualify for the incentive, the individual must not be employed by a Virginia school division as of July 1, 2023, however exceptions permit employees transferring from a non-hard-to-staff school to a hard-to-staff school to qualify for this incentive.

Other Proposed K-12 Initiatives

- **College Partnership Laboratory Schools.** Recommends providing an additional \$50.0 million GF in FY 2023 to the College Partnership Laboratory School Fund to support per-pupil costs for approved lab schools, bringing the total amount available in FY 2023 to \$150.0 million. Language is proposed to permit the Department of Education to use a portion of Fund amounts to support administration of the lab school program.
- **Expand Reading Specialist Staffing Standard.** Recommends \$16.9 million GF the second year to require one reading specialist for every 550 students in fourth and fifth grades. School divisions are provided flexibility to meet the staffing ratio by employing other instructional staff working toward obtaining the training and licensure requirements that will become effective in the 2024-2025 school year. The 2022 General Assembly took similar action establishing a staffing standard of one reading specialist per 550 students in kindergarten through third grades.
- **Fund Math Specialists.** Provides \$7.2 million GF in FY 2024 to fund the state share of a math specialist position in elementary and middle schools ranking in the lowest 10% statewide on Spring SOL math assessments. Localities opting to participate in this program will be required to certify that they have either hired a math specialist or are supporting tuition for other existing employees to become a credentialed math specialist.
- **Communities In Schools.** Recommends \$1.0 million GF the first year to provide one-time support for Communities In Schools to expand programming in Petersburg, Southside, and Southwest Virginia.
- **Increase Flexibility for Dual Enrollment Teacher Scholarships.** Proposes increasing the maximum lifetime award of these scholarships from \$7,500 to \$12,000 per individual. In addition, language is proposed to expand the scholarship program to allow coursework needed to qualify to teach a career and technical education

credential. Currently, the program is limited to coursework needed to teach dual enrollment courses.

Early Childhood Care and Education

- **Expand Mixed Delivery Preschool in Targeted Regions.** Proposes \$20.0 million GF the second year to expand grants for mixed delivery preschool in Lenowisco and Crater Planning Districts, bringing the total amount of such grants statewide to \$29.7 million in FY 2024. These funds would be administered by the Virginia Early Childhood Foundation as a formula grant based on unmet family demand to provide high quality, full-day, full-year services.
- **Authorize Flexibility for Childcare Staff-to-Children Ratios.** Proposes language authorizing the Department of Education to temporarily change child-to-staff ratios and group sizes for certain child day centers by increasing the number of children per staff by one child from birth to school age, and by two children for school age children through age 12. Centers using this flexibility would be required to notify families in writing of the temporary increases. This authorization would expire June 30, 2024.
- **Credentials Required for Virginia Preschool Initiative Classrooms in Community Settings.** Proposes language exempting community-based Virginia Preschool Initiative classrooms from teacher licensure regulations and statutes, provided that the provider continues to meet the expectations of the statewide preschool quality measurement and improvement program. This language does not impact VPI classrooms in public school settings.

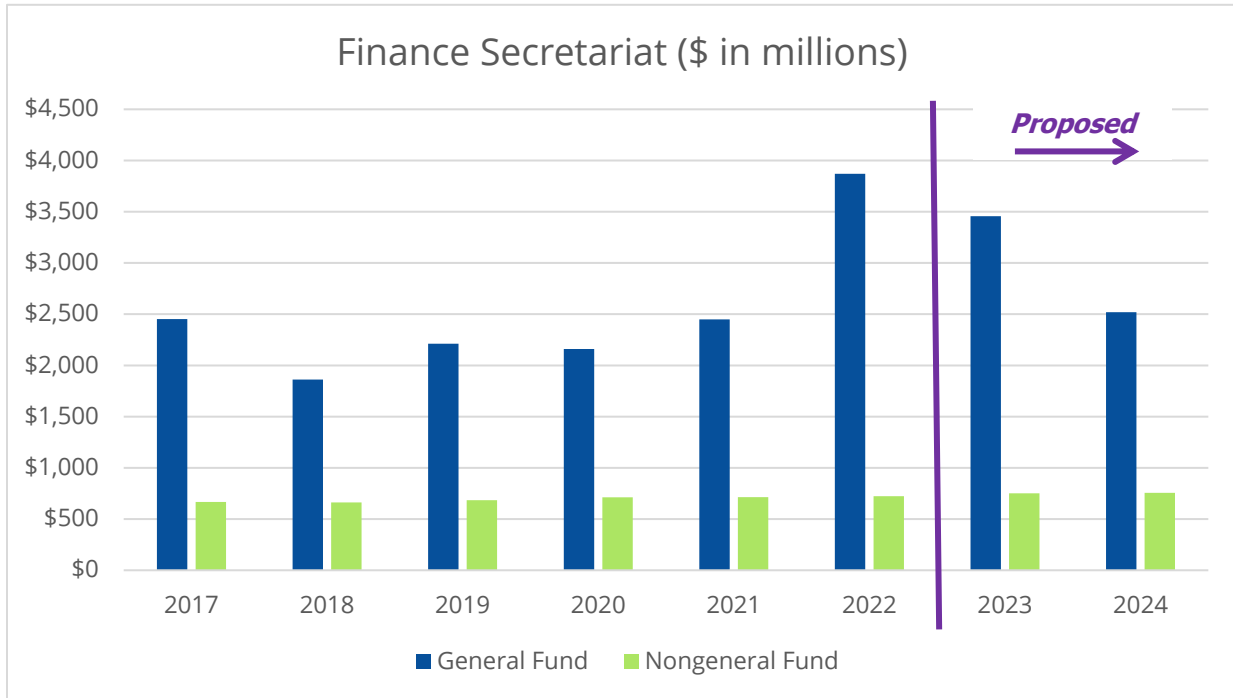
HIGHER EDUCATION

Last year, the General Assembly invested \$1.0 billion in new funding for higher education over the biennium, representing the largest single biennial investment in Virginia's colleges and universities. The Governor's proposed amendments to the 2022-24 budget includes an additional biennial increase of \$45.8 million in new GF spending for higher education.

Major Higher Education Spending Proposals

- **ODU / EVMS Merger.** Recommends \$10.0 million GF the second year for costs associated with planning and initial integration activities for the Eastern Virginia Health Sciences Center at Old Dominion University. Budget language specifies five key deliverables to include a governance model that aligns all parties and stakeholders to complete a successful merger at the earliest date possible.
- **Student Mental Health.** Proposes \$9.0 million GF in the second year under SCHEV to support mental health services for K-12 and college students. Language requires coordination with the Secretary of Education and the Virginia Department of Education.
- **Virginia Community College System.** Recommends \$21.0 million GF in the second year for three workforce related initiatives:
 - \$15.0 million for five pilot projects to increase industry credentials for high school students;
 - \$3.0 million to establish and expand career placement centers; and
 - \$3.0 million to promote awareness of G-3 and workforce credential programs.
- **Virginia Commonwealth University.** Proposes \$5.0 million GF in the second year for research at the Massey Cancer Center.

FINANCE



General Fund spending in the Finance secretariat has averaged 0.3% annual growth from FY 2017 to FY 2024 (proposed). House Bill 1400 includes amendments to meet the constitutionally mandated deposits for the Revenue Stabilization Fund (Rainy Day Fund) by transferring \$489.7 million set aside for the Revenue Reserve Fund to the Rainy Day Fund and appropriating \$406.0 million in FY 2024 to the Rainy Day Fund. This additional \$406.0 million will bring total reserve levels to \$4.2 billion by the close of the biennium.

Department of Accounts

- **Expand the Quality Assurance Unit.** Proposes \$643,733 GF and 5.0 positions the second year to expand the agency's Quality Assurance Unit. These positions would enhance statewide oversight of internal controls for general ledger reporting, federal grant management, and financial reporting.

Department of Accounts Transfer Payments

- **Mandatory Revenue Stabilization Fund Deposit.** Includes \$406.0 million GF the second year to cover the remaining mandatory deposit to the Revenue Stabilization Fund (Rainy Day Fund), based on actual revenue collections for FY 2022, net the advance reservation deposit made in the Revenue Reserve Fund. A separate amendment authorizes the transfer of these funds to the Revenue Stabilization Fund.

- **Advance Reservation Deposit to the Revenue Reserve Fund.** Authorizes the transfer of the advance reservation of \$498.7 million in FY 2022 from the Revenue Reserve Fund to the Revenue Stabilization Fund, as provided in Chapter 1, 2022 Acts of Assembly, Special Session I, to meet any constitutionally required deposits to the Revenue Stabilization Fund.
- **One-Time Deposit to the Virginia Retirement System.** Includes the transfer of \$250.0 million GF the first year to the Virginia Retirement System to reduce unfunded liabilities, which had been contingent FY 2022 year-end surpluses pursuant to Chapter 2, 2022 Acts of Assembly, Special Session I. This action supplements the \$750.0 million deposit already made in FY 2022 on bringing total enhanced payments to \$1.0 billion.

Department of Planning and Budget

- **Replace Virginia Regulatory Town Hall.** Authorizes a working capital advance of up to \$3.0 million to upgrade the current Regulatory Town Hall, the system used to facilitate the process to review and revise statewide regulations. The working capital advance would be repaid by fees charged to agencies that use the new system.

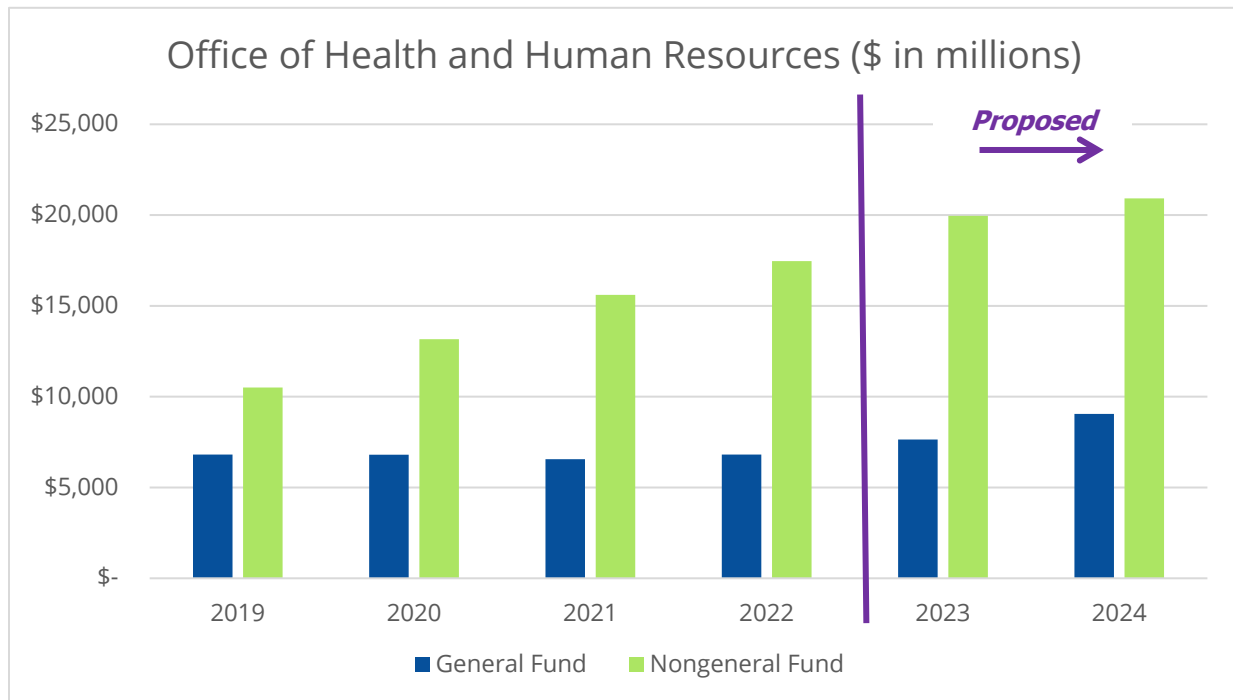
Department of Taxation

- **Review of the Integrated Revenue Management System.** Includes \$250,000 GF the second year to review the recommendations of the workgroup evaluating the state's revenue management system. The workgroup is considering modernization of the current system used to manage and implement the calculation, billing, and tracking of the state's tax programs.
- **Require Online Registration for New Businesses.** Proposes a savings of \$30,000 GF the second year by mandating use of the Business iReg application by new businesses submitting registration materials to the Commonwealth.

Treasury Board

- **Savings from Bond Defeasances.** Includes a savings of \$8.1 million GF the first year to reflect lower defeasance costs for paying off bonds related to the Central Virginia Training Center and the Eastern Shore Farmers Market.

HEALTH AND HUMAN RESOURCES



The introduced budget includes a net decrease of \$113.5 million GF and an increase of \$4.5 billion NGF for the 2022-24 HHR biennial budget. The general fund savings are largely from the continued receipt of enhanced federal Medicaid matching funds (eFMAP) pursuant to the federal Public Health Emergency (PHE). The large increase in nongeneral funds primarily reflects the additional eFMAP as well as continued growth in the number of Medicaid enrollees. During the PHE, the state cannot disenroll individuals who may no longer be Medicaid eligible.

Major spending proposals in FY 2024 include:

- \$133.4 million GF for mandatory Medicaid and Children’s Health Insurance programs
- \$131.1 million GF and \$2.8 million NGF in for behavioral health and substance use disorder services
- \$41.6 million GF for a 5% rate increase for Medicaid personal care services
- \$15.2 million GF and \$15.8 million NGF for 500 additional developmental disability waiver slots
- \$48.5 million GF for health care workforce programs

Secretary of Health and Human Resources

- **Contractor to Implement Behavioral Health Transformation.** Includes \$750,000 GF the second year to support the one-time cost of a vendor to assist with transforming the Department of Behavioral Health and Developmental Services (DBHDS). The 2022 Appropriation Act included language directing the Secretary of Health and Human Resources to evaluate the current structure of DBHDS and make recommendations that improves the delivery of behavioral health and developmental disability services to the citizens of the Commonwealth. Funding of \$1.3 million from the Office of Transformation was provided to conduct the study. This proposal funds a contractor to implement the results of the study.
- **Develop a Statewide Strategic Plan for the Health Care Workforce.** Includes \$250,000 GF the second year for a contractor to develop a statewide strategic plan on the Commonwealth's health care workforce needs.
- **Study on Statewide Coordination of Behavioral Health and Substance Use Programs with an Emphasis on Veterans.** Proposes \$250,000 GF the second year for a consultant to study the Commonwealth's coordination of behavioral health and substance use programs with an emphasis on veterans. The study would include state efforts to address substance use disorder, suicide, and post-traumatic stress disorder.
- **Conduct Campaign to Reduce Youth Fentanyl Poisoning.** The introduced budget provides \$5.0 million NGF the second year from opioid settlement funds to conduct a public awareness campaign aimed at reducing incidents of fentanyl poisoning among youth. The funding may be used for landscape analysis, surveys, research, design, and the purchase of media. As part of the national opioid settlements. 15% of the funding is paid directly to the Commonwealth for initiatives related to opioid abuse, which is the source of this funding.

Children's Services Act

- **Reflect Updated Forecast of Expenditures.** Includes a reduction of \$6.9 million GF the first year to reflect projected program expenditures. After a decline of 1.1% in expenditures in FY 2022, the program is projected to grow by 2.6% in FY 2023 and 2.6% in FY 2024. Caseloads declined by 0.7% and the cost per child declined by 0.4% in FY 2022, while expenditures declined for congregate care and for private day special education. The caseload for private day special education, the highest cost service, is down from 4,251 in FY 2020 to 3,915 in FY 2022, a 7.9% decline. However, the cost per child is up from \$45,496 in FY 2020 to \$49,689, a 9.2% increase.

- **Revert FY 2022 Balance.** Includes language to revert the FY 2022 year-end \$29.2 million GF balance in the Children’s Services Act. Expenditures in the program declined 1.1% over FY 2021. This balance is not needed to fund the program in FY 2023.

Department of Health

Health Workforce Programs

- **Create Nursing Education Acceleration Program “Earn to Learn.”** The introduced budget proposes one-time funding of \$30.0 million GF the second year for a new grant program to provide additional clinical training opportunities for nursing students with the goal of increasing the number of nurses in the health care workforce. The program would award grants for collaborative clinical training arrangements between high schools, colleges and universities, hospitals, and health care providers to increase the number of nursing students earning certifications and gaining employment as nurses. The proposal includes mandatory carry forward language for any unexpended balances in the fund.
- **Expand the Nurse Preceptor Incentive Program.** Recommends \$10.0 million GF the second year and one position for the Nurse Preceptor Incentive Program to increase the eligibility, number, and amount of the awards provided through the program to increase the number of clinical preceptors from almost 500 slots to 2,600. Eligibility would be expanded to include registered nurses and licensed practical nurses and the amount of the awards would increase from \$1,000 to \$5,000 per semester.
- **Expand Nursing Scholarships and Loan Repayment Programs.** Proposes an additional \$1.0 million GF the second year to increase funding for nursing scholarships, loan repayment, and incentive programs to assist in recruiting and retaining nurses and nursing faculty to address significant workforce shortages.
- **Expand the Behavioral Health Loan Repayment Program.** Includes an additional \$2.5 million GF the second year for the Behavioral Health Loan Repayment Program. Funding will increase loan repayment awards from \$30,000 to \$50,000 for child and adolescent psychiatrists, psychiatric nurse practitioners and psychiatrists. Practitioners may receive loan repayment for up to 25% of student loan debt for each year of health care service provided to the Commonwealth.
- **Create Psychiatric Nursing Graduate Education Loan Repayment Program.** Proposes \$5.0 million GF the second year to establish a loan repayment program for psychiatric registered nurses and psychiatric nurse practitioners who choose to work in Virginia over a four-year period.

Other General Fund Spending

- **Fund State Match for Federal Drinking Water Grants.** Recommends \$3.4 million GF and \$91.9 million NGF the second year for the Drinking Water State Revolving Fund. The general fund amount represents the Commonwealth's 10% match to receive additional federal funds from the federal Infrastructure Investment and Jobs Act.
- **Backfill Federal Reversion of Funding for the Office of Drinking Water.** Proposes \$1.1 million GF the first year to backfill the loss of federal funding in the Office of Drinking Water from financial audit deficiencies associated with federal Environmental Protection Agency (EPA) grants dating back to October 2020.
- **Provide Salary Adjustments for the Office of the Chief Medical Examiner Staff.** Proposes \$1.5 million GF the second year for salary adjustments for the Chief Medical Examiner, Assistant Chief Medical Examiners and nonphysician staff to retain and recruit staff, based on a market competitive analysis. Funding would provide salary adjustments between 8% to 10%.
- **Reflect Rent Increases at Local Health Department Facilities.** Includes \$943,856 GF and \$698,322 NGF the second year to support local health districts that are expecting cost increases due to moving to new facilities or rent increases in existing facilities. The funding would cover increases for the following health districts: Alleghany, Alexandria, Chesapeake, Blue Ridge, Rappahannock/Rapidan, Prince William, Norfolk, and Virginia Beach.
- **Fund Sexual Assault Forensic Examiner Training for Emergency Department Staff.** Includes \$125,000 GF the second year to fund sexual assault forensic examiner training for emergency department staff as required by the *Code of Virginia*. The training requirement becomes effective on July 1, 2023, in accordance with Chapter 725, 2020 Acts of Assembly.

Nongeneral Fund Spending

- **Increase Appropriation for Federal Epidemiology and Laboratory Capacity Grant.** The introduced budget provides \$150.8 million NGF the second year for the Virginia Department of Health's federal Epidemiology and Laboratory Capacity (ELC) grant, which focuses on the prevention and control of emerging infectious diseases.
- **Provide Opioid Settlement Funds for Fentanyl Response Efforts.** Recommends \$7.0 million NGF the second year from the Commonwealth Opioid Abatement and Remediation Fund to support costs of a statewide fentanyl response strategy to be included in legislation introduced in the 2023 Session of the General Assembly.

Language

- **Extend Treasury Loan for COVID-19 Pandemic Responses.** Proposes language to extend the repayment term for any existing treasury loan for COVID-19 pandemic response activities to June 30, 2024. This affects any loan that was made to cover approved activities that were undertaken during the COVID-19 pandemic and are to be reimbursed by the Federal Emergency Management Agency (FEMA).
- **Modifies Language Restricting Abortion Services.** Proposes changes to language in Part 4, to restrict expenditures from general or nongeneral fund sources for abortion services, except as otherwise required by federal law (commonly termed the Hyde amendment).

Department of Health Professions

- **Improve Application Processing and Reduce Reliance on Wage Employees.** Recommends \$513,451 NGF and seven positions the second year to improve application processing and to reduce reliance on wage employees. Three positions are new and would increase application processing efficiency. The remaining four positions are for converting part-time to full-time employees.

Department of Medical Assistance Services

Expenditure Forecasts

- **Medicaid Utilization and Inflation.** The introduced budget proposes \$279.3 million GF in savings and an increase of \$1.5 billion NGF the first year and \$12.3 million GF and \$1.4 billion NGF the second year to fund the forecasted costs of utilization and inflation in Medicaid. Expenditures in the program are expected to increase 13.1% in FY 2023 and 3.2% in in FY 2024 as compared to 1% in FY 2023 and 5.4% in FY 2024 as projected the previous year. The high growth rate in FY 2023 is mainly due to the continued growth in enrollment resulting from the extension of the federal public health emergency (PHE) for COVID-19, delaying the disenrollment of no longer eligible individuals. During the public health emergency (PHE) the state cannot disenroll individuals, however when the PHE ends, a process to reevaluate eligibility will likely result in a decrease in enrollment, which is reflected in FY 2024 projections. The typical managed care rate increases and inflation for hospitals and nursing homes are reflected in the forecast as upward adjustments.
- **Additional Savings from Federal Match Rate Change.** Proposes \$157.8 million GF savings and an increase of \$153.9 million NGF the first year and spending increases of \$53.4 million GF and \$1.1 billion NGF the second year because of the extension of the

public health emergency (PHE). The federal PHE was extended until January 2023 and is expected to be extended one additional 90-day period, which would result in the temporary 6.2 percentage point increase in the federal match rate being continued until June 30, 2022. The forecast for Medicaid and the Children's Health Insurance programs captured the savings through the end of the March 31, 2023, quarter. This proposal picks up one additional quarter and reflects the savings from moving up one monthly managed care payment from FY 2024 to FY 2023 to capture additional savings. The NGF amounts reflect the higher federal match rate and the additional costs of continuous enrollment of members on Medicaid during the PHE.

- **Family Access to Medical Insurance Security (FAMIS) Program Utilization and Inflation.** Includes \$13.1 million GF savings and an increase of \$7.1 million NGF the first year and \$321,954 GF savings and an increase of \$5.3 million NGF the second year to fund the utilization and inflation costs of the FAMIS program. Expenditures in the program are expected to increase 8.4% in FY 2023 and 6.5% in in FY 2024. The savings is due to the extension of the federal public health emergency which continues the enhanced federal match rate for the program. FAMIS covers children ages 0 to 18 living in families with incomes between 133% and 200% of the federal poverty level.
- **Medicaid Children's Health Insurance Program (CHIP) Utilization and Inflation.** Proposes \$5.9 million GF savings and an increase of \$16.5 million NGF the first year and \$2.8 million GF savings and an increase of \$634,327 NGF the second year to fund the utilization and inflation costs of the Medicaid CHIP program. The Medicaid CHIP program provides services for Medicaid-eligible low-income children, ages 6 to 18, living in families with incomes between 100% and 133% of the federal poverty level. Expenditures in the program are expected to increase 3.8% in FY 2023 and 4.1% in FY 2024. The savings is due to the extension of the federal public health emergency which continues the enhanced federal match rate for the program.
- **Adjust Health Care Fund Appropriation.** The introduced budget reduces \$50.4 million GF the first year and increases \$67.7 million GF the second year with the equivalent offsetting changes in the NGF appropriation each year to reflect the latest revenue estimate for the Health Care Fund. Tobacco taxes are projected to decline by \$75.6 million over the biennium based on the Department of Taxation's revised forecast. Other repayments and the return of a federal disallowance result in a net increase in funds the first year. The fund is used as state match for Medicaid, so any change in revenue to the fund impacts general fund support for Medicaid.
- **Medical Services for Involuntary Mental Commitments.** Proposes a reduction of \$1.5 million GF the first year and \$250,000 GF the second year to reflect the estimated cost of hospital and physician services for persons subject to an involuntary mental

commitment. Expenditures for these services increased 17.3% in FY 2021 and then declined 20.3% in FY 2022.

Provider Rates

- **Increase Rates for Personal Care Services.** Proposes \$41.6 million GF and \$47.2 million NGF the second year to increase, on July 1, 2023, the Medicaid reimbursement rates for personal care, respite and companion services by 5% for consumer-directed and agency-directed attendants. On July 1, 2022, these services were increased by 7.5%.
- **Increase Rates for Early Intervention Services.** Proposes \$1.1 million GF and \$1.2 million NGF to provide a 12.5% rate increase for Early Intervention services beginning July 1, 2023. The 2022 Appropriation Act continued funding for a 12.5% rate increase for all home and community-based services that had been temporarily increased in FY 2022. That action should have included early intervention services, however, due to an oversight these services were left out.

Policy Changes

- **Add 500 Developmental Disability Waiver Slots.** The introduced budget includes \$15.2 million GF and \$15.8 million NGF the second year to create 70 Community Living waiver and 430 Family and Individual Support waiver slots. The 2022 Appropriation Act funded 600 waiver slots in the second year and this action brings the total to 1,100 new slots in FY 2024.
- **Add 20 Psychiatric Residency Slots.** Provides \$1.0 million GF and \$1.0 million NGF the second year to fund 20 new psychiatric residency slots using Medicaid supplemental payments.
- **Outpatient Rehabilitation Reimbursement Methodology.** Proposes language directing the reimbursement methodology for outpatient rehabilitation services to use the Resource Based Relative Value Scale. This change aligns Virginia's reimbursement methodology with Medicare and industry standards. Language is included requiring that all changes be budget neutral.
- **Peer Recovery Support Services.** Recommends language to increase the availability of peer recovery specialists in Medicaid by implementing measures that would reduce administrative barriers that limit access to services. Specifically, the language permits specialists working on their required hours of supervision to qualify as a Medicaid provider and also adjusts the caseload limits.
- **Third-party Liability Recoveries.** Proposes seven positions the second year to increase the amount of third-party liability recoveries. The costs of the positions are estimated at \$428,565 GF and \$428,565 NGF. It is expected that these positions will

generate sufficient savings in the Medicaid program to offset the new administrative costs of these positions.

- **Telehealth Service Delivery Options for Developmental Disability Waivers.** The introduced budget includes language to implement telehealth service delivery options for developmental disability waiver services currently authorized by the Appropriation Act or *Code of Virginia*.

Administrative and Technical Adjustments

- **Costs Associated with Vendor Settlement.** Recommends \$2.3 million GF and \$462,689 NGF the first year for the one-time funding necessary to cover a required \$5.2 million GF settlement with the vendor for the Cover Virginia call center. The new vendor of the call center was not initially able to meet the performance standards of the contract, so the agency withheld payment. A settlement has been worked out with the vendor and this funding reflects the full costs of that settlement for the contract period prior to FY 2023. The agency is partially funding the settlement from agency turnover and vacancy savings.
- **Contract Cost Escalations.** Proposes \$2.4 million GF and \$2.4 million NGF the second year to cover the anticipated cost of required contracts for claims processing, service authorizations, third-party auditors and other services required for the operation of agency medical assistance programs.
- **Reprocure Medicaid Managed Care Program.** Proposes \$1.7 million GF and \$2.6 million NGF the first year for the administrative costs to reprocure the Commonwealth's managed care service delivery system with an expected implementation date of July 1, 2024. The funding is for the one-time costs associated with information management systems, program design, requirements of the enrollment broker program and quality improvement programs, federal waiver submissions, managed care contracts, downstream impacts to existing contracts and subcontracts, member and provider communications, and other related expenditures.
- **Salary Increases at Training Centers.** Proposes \$268,792 GF and \$280,632 NGF the second year for the Medicaid costs of salary increases for food services and environmental services staff at Southeastern Virginia Training Center and Hiram Davis Medical Center. A separate amendment in the Department of Behavioral Health and Developmental Services authorizes an increase in salaries for these positions across their state-operated facilities.
- **Workgroup to Examine Inclusion of Residential Treatment Services in Managed Care.** Proposes language directing the department to convene a workgroup to examine the impact of including residential treatment services in the managed care program. The workgroup must examine potential cost, program, and system of care impacts,

including how local funding and the federally required independent assessment process for these services must be accounted for in managed care.

- **American Rescue Plan Act (ARPA) Funds for Medicaid Enrollment Redeterminations.** The introduced budget includes \$20.0 million the second year in federal American Rescue Plan Act funds for the agency to procure a vendor to assist with the eligibility redeterminations of Medicaid enrollees during the 12-month period after the end of the public health emergency. The agency has been provided \$15.0 million in ARPA funding to date for operational backlogs and to prepare for the enrollment redetermination process in Medicaid.

Department of Behavioral Health and Developmental Services

Mental Health and Substance Use Disorder Treatment Services

- **Expand School-Based Mental Health Pilot.** HB 1400 includes \$15.0 million GF the second year to continue providing grants to school divisions and medical providers to contract for mental health services in schools. This funding will allow the pilot programs to become ongoing. A companion amendment in SCHEV provides \$9.0 million GF for both higher and K-12 education entities to support school-based mental health.
- **Expand Housing Opportunities for Individuals with Serious Mental Illness.** Proposes \$8.0 million GF the second year for supervised residential care for patients with a Serious Mental Illness. Priority will be given to individuals on the state's extraordinary barriers list. Language would allow for the use of sole source contracts with private entities to provide such services.
- **Modifies Language to Allow Flexible Use of Mental Health Pilot Program Funds.** Proposes language to reallocate a portion of the funding for existing pilot programs providing discharge assistance for individuals who are ready for discharge from state mental health facilities but face extraordinary barriers preventing community placements. Language would allow \$1.5 million GF the second year to be used for discharge assistance for individuals in private hospitals who are at risk of being transferred to a state mental health hospital due to a lack of community services.

Crisis Services

- **Increase Funding for Comprehensive Crisis Services System.** Recommends \$58.3 million GF the second year to continue supporting the expansion and modernization of the state's crisis services system. Proposed funding will update and create new Crisis Receiving Centers (CRCs) and Crisis Stabilization Units (CSUs). CRCs are 23-hour non-residential centers where individuals can receive assessments, treatment and

medications, and services planning, with the main goal being de-escalation. CSUs are short term, community-based residential treatment centers where patients stay anywhere from three to eight days. Some CSUs can accept patients subject to a temporary detention order depending on available resources.

- **Fund Hospital-Based Psychiatric Emergency Alternatives.** Proposes \$20.0 million GF the second year for comprehensive psychiatric emergency programs in emergency departments. By having dedicated psychiatric care alternatives in emergency departments, individuals needing emergency psychiatric treatment may be quickly redirected to the most appropriate setting. The programs may include both public and private partnerships.
- **Provide One-Time Funds for Mobile Crisis Units.** Proposes \$20.0 million GF to contract for additional mobile crisis units in underserved communities. Mobile crisis teams go to the individual in crisis to give an assessment, de-escalate the situation, and then connect the individual with the most appropriate services. Proposed funding will increase the number of mobile crisis units from 36 to 70 in the state.
- **Expand Off-Duty Officer Program for Alternative Transportation and Alternative Custody.** Proposes \$1.0 million GF the second year to contract with local law enforcement agencies to use off-duty officers to provide transportation services or take custody of an individual subject to a temporary detention order who is waiting for admission to a mental health facility or for whom a bed has not yet been identified.

State Facilities

- **Fund Salary Alignments for Critical Positions.** Proposes \$9.0 million GF and \$549,424 NGF the second year to provide targeted salary increases for food services and environmental services staff at state mental health facilities and intellectual disabilities training centers to reduce turnover and staffing shortages.

Department for Aging and Rehabilitative Services

- **Vocational Rehabilitation Services.** The introduced budget proposes \$285,164 GF and \$2.2 million NGF the second year to ensure the agency fully accesses available federal vocational rehabilitation (VR) grant funding. The federal FY 2023 base funding for the VR grant was increased by 6.2% and this funding provides the state match and associated federal appropriation to access the additional funds. These funds will allow the program to serve up to 500 additional individuals with disabilities.
- **Personal Care Services.** Proposes \$225,647 GF the second year to increase the rates for the Personal Assistance Services program to match the rates for Medicaid. There is a separate amendment increasing rates for Medicaid personal care services.

Department of Social Services

Child Welfare Programs and Services

- **Fund Child Protective Services Activities to Address Office of the State Inspector General Audit Recommendations.** The introduced budget proposes \$8.3 million GF and \$28,853 NGF and 18 positions the second year to implement recommendations of the State Inspector General to improve child protective services in the Commonwealth. Funding will be used to address high caseloads and ensure sufficient staffing at local agencies, provide additional staff for the state hotline, and increase supervision and support of local agencies.
- **Fund Foster Care and Adoption Forecast.** The introduced budget proposes reductions of \$14.3 million GF the first year and \$5.6 million GF the second year and \$596,050 NGF the first year and \$5.9 million NGF the second year for forecast changes to the foster care and adoption programs, reflecting trends in expenditure growth, changes in the number of children eligible for services under Title IV-E, and policy changes related to maintenance and special needs payments. The forecast reflects the additional quarters of the 6.2 percentage point enhanced federal medical assistance percentage in FY 2023 for Title IV-E foster care and adoption expenditures. For FY 2024, the forecast reflects the prepandemic normal state and federal matching rate for Title IV-E foster care and adoption subsidies.
- **Provide Funds for a Cost of Living Adjustment for Foster Care and Adoption Subsidy Payments.** Proposes \$2.3 million GF and \$2.0 million NGF the second year to adjust foster family home rates and adoption assistance maintenance payments by 5%. The Appropriation Act requires that these rates be increased in the year following a salary increase provided for state employees. In FY 2023, state employees received a 5% salary adjustment. Federal Title IV-E grant funds provide the nongeneral portion of the amount.
- **Expand Kinship Navigator Program and Backfill Expiring Federal Funding.** The introduced budget adds \$935,196 GF the second year to expand the Kinship Navigator program from 6 to 12 programs and provides general fund dollars for all programs upon the expiration of federal grants. The program was supported by a recently expired 2018 federal grant from the Children’s Bureau to develop Kinship Navigator services throughout the Commonwealth. The program provides services and supports to kinship caregivers so they may provide a permanent home for a child at risk of foster care placement. The introduced budget also adds language to require the agency to (i) continue applying for federal grants until funding is no longer available, (ii) demonstrate federal funding is unavailable prior to releasing state general fund dollars for existing

and new programs, and (iii) report on the effectiveness of the kinship navigator programs by September 1 each year.

Supplemental Nutrition Assistance Program

- **Fund Improvements in Determining Supplemental Nutrition Assistance Program (SNAP) Payments.** Proposes \$6.1 million GF the first year to repay the federal government for the overpayment of SNAP benefits in the fall of 2021. Proposed language unallots the funding until the agency exhausts all appeals associated with the overissuance of benefits.
- **Convert Part-time SNAP Management Evaluation Reviewer Positions to Full-time.** Proposes \$110,854 GF and \$110,855 NGF and 5 positions the second year to convert part-time SNAP management reviewer positions to full-time for more comprehensive monitoring and compliance with federal SNAP rules and regulations.

Information Technology System Increases

- **Adjust Funding to Replace the Child Support Information System.** Recommends an additional \$10.0 million NGF the second year to update the funding needed to replace the legacy system for the child support enforcement program. Additional review of the system project indicated the need to replace rather than re-platform the system, resulting in updated cost estimates. Chapter 2 (2022 Special Session I) provided nongeneral funds from an increase in retained collections due to the economic impact (stimulus) payments authorized by the federal CARES Act which can be used to support technology system design and development. These funds will be used as the 34% state share to draw down 66% of federal funds to fully fund this project.
- **Provide Authority for Mandatory Carryforward for Unspent Child Welfare Information System Funding.** Proposes language to allow for the mandatory carryforward of unspent funding for the Child Welfare Information System to avoid delays related to appropriation carryforward requests. The new system will be used for foster care and adoption case management, investigations of abuse and neglect, and to track and monitor preventive services to at risk families.

Local DSS Staffing and Operations

- **Provide NGF Appropriation for Local DSS Staff and Operations.** Includes \$14.4 million the first year and \$15.1 million the second year from nongeneral funds for salary increases for state supported local departments of social services. Chapter 2 (2022, Special Session I) provided the general fund component for the pass-through funds for the local salary increase, however, it did not reflect the appropriation of matching federal Medicaid funding and the Medicaid expansion coverage assessment fund.

- **Fund Local DSS Shared Site Technology Support.** Proposes \$3.8 million GF and \$3.8 million NGF to provide 40 local departments new shared site technology for their desktop computers and laptops that currently contain local software on the same device used for state systems. The current technology known as shared support, is no longer compliant with federal and state security standards.

Temporary Assistance to Needy Families (TANF) Funding

- **Adjust Funding for TANF Unemployed Parents Program.** Proposes an increase of \$10.5 million GF the first year and \$5.2 million GF the second year and \$9.8 million NGF the first year and \$4.2 million NGF the second year in federal Temporary Assistance to Needy Families (TANF) to reflect the spending forecast for TANF income benefits, TANF VIEW childcare subsidies and TANF employment services. Several factors are influencing the increase in TANF spending. TANF cases have increased by about 15% over the past fiscal year, while the caseload of low-income unemployed two-parent families (TANF-UP) has nearly doubled. TANF-UP cases are funded entirely by the general fund. In addition, TANF benefit amounts increased on July 1, 2022, by 5%. Finally, the return to pre-pandemic mandatory participation in the Virginia Initiative for Employment and Work (VIEW) program for TANF recipients is expected to increase the utilization and expenditure of VIEW childcare subsidies and TANF employment services.

TANF Block Grant Funding		
Proposed Funding (changes in italics)	HB 1400	HB 1400
	FY 2023	FY 2023
TANF Resources		
Annual TANF Block Grant Award	\$157,762,831	\$157,762,831
Carry-Forward from Prior Fiscal Year	<u>92,600,313</u>	<u>46,316,648</u>
Total TANF Resources Available	\$250,363,144	\$204,079,479
TANF Expenditures		
VIP/VIEW Core Benefits and Services		
TANF Income Benefits	\$51,573,422	\$46,573,422
VIEW Employment Services	9,000,000	9,000,000
VIEW Child Care Services	2,659,033	2,659,033
TANF Caseload Reserve	1,000,000	1,000,000
TANF Full Employment Program	2,499,652	2,499,652
TANF Individual Development Accounts	<u>2,120,420</u>	<u>2,120,420</u>
Subtotal VIP/VIEW Benefits and Services	\$68,852,527	\$63,852,527
Administration		
TANF State/Local Operations (cost allocated activities)	\$60,995,763	\$60,995,763
Local Staff and Operations Salary Increases	1,903,253	2,000,000
Local DSS Virtual Desktop Compliance	<u>0</u>	<u>750,979</u>
Subtotal Administration	\$62,889,016	\$63,746,742
TANF Programming		
Healthy Families/Healthy Start	\$9,035,501	\$9,035,501
Community Employment & Training Grants	9,000,000	9,000,000
Community Action Agencies (CAAs)	9,250,000	9,250,000
CAA Two Generation/Whole Family Pilot	1,125,000	1,125,000
Local Domestic Violence Prevention Grants	3,846,792	3,846,792
Long Acting Reversible Contraceptives	4,000,000	4,000,000
Federation of Virginia Food Banks	3,000,000	3,000,000
Families Forward Virginia (formerly CHIP of VA in VDH)	2,400,000	2,400,000
Virginia Early Childhood Foundation	1,250,000	1,250,000
Boys and Girls Clubs	2,000,000	2,000,000
Child Advocacy Centers	2,136,500	2,136,500
Northern Virginia Family Services	2,500,000	2,500,000
Resource Mothers	1,000,000	1,000,000
Early Impact Virginia (home visiting training, monitoring)	600,000	600,000
Laurel Center	1,250,000	1,250,000
Earned Income Tax Credit (EITC) Grants	185,725	185,725
FACETS	350,000	350,000
Visions of Truth STRIVE Program	150,000	150,000
Transit Passes	500,000	500,000
United Community	1,200,000	1,200,000
Good Shepard Housing and Family Services	200,000	200,000

TANF Block Grant Funding		
Proposed Funding (continued)	HB 1400	HB 1400
	FY 2023	FY 2024
TANF Programming (continued)		
Lighthouse Community Center	100,000	100,000
Cornerstones	750,000	750,000
Family Restoration Services in Hampton	125,000	125,000
Portsmouth Volunteers for the Homeless	250,000	250,000
Menchville House	125,000	125,000
Emergency and Diversionary Assistance	<u>139,935</u>	<u>139,935</u>
Subtotal TANF Programming	\$56,469,453	\$56,469,453
Transfers to other Block Grants/Cost Avoidance	\$15,825,500	\$15,825,500
Total TANF Expenditures & Transfers	\$204,046,496	\$199,894,222

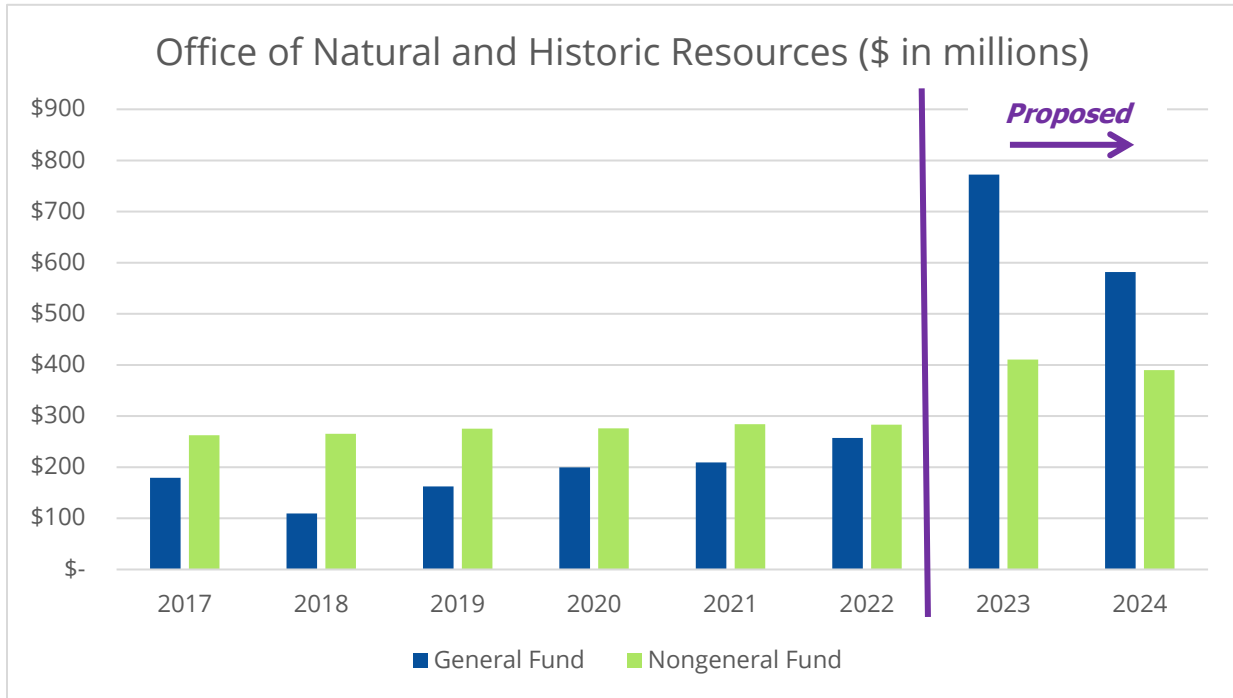
Department for the Blind and Vision Impaired

- **Workforce Services for Vision Impaired Individuals.** Includes \$632,738 GF and \$294,122 NGF the second year to increase support for vocational rehabilitation services to individuals who are blind and vision impaired. The funding will serve an additional 55 cases.

Opioid Abatement Authority

- **Initial Appropriation for the Opioid Abatement Authority.** Proposes \$3.5 million NGF the second year for the newly created Opioid Abatement Authority, including funding for 5.0 FTEs. The authority was created by the General Assembly in 2021 to abate and remediate the opioid epidemic in Virginia by distributing grants, donations, and other financial assistance from the Virginia Opioid Abatement Fund to treat, prevent, and reduce opioid use disorder. Financial assistance offered through the Authority comes from settlements funds paid to Virginia by prescription opioid manufacturers.

NATURAL AND HISTORIC RESOURCES



Overall general fund spending in the Natural and Historic Resources secretariat varies greatly from year to year depending upon the size of the required deposit in the Water Quality Improvement Fund (WQIF). In the current biennium, expenditures have been especially high due to record revenue surpluses and the dedication of one-time funding for water infrastructure projects. In the Governor’s introduced budget, major new spending includes \$237.0 million from state and federal resources to support projects undertaken pursuant to the Enhanced Nutrient Removal Certainty Act, \$137.1 million for WQIF for agricultural best management practices, \$200.0 million in additional support for the Resilient Virginia Revolving Loan Fund, and \$100.0 million in increased state support for the City of Richmond’s Combined Sewer Overflow project.

Department of Conservation and Recreation

- Water Quality Improvement Fund and Natural Resources Commitment Fund.** The introduced budget proposes a total of \$137.1 million GF in FY 2024 be deposited into the Water Quality Improvement Fund (WQIF). This includes an \$87.1 million GF mandatory deposit based upon FY 2022 revenue surpluses and agency balances, and a \$50.0 million GF supplemental deposit. Out of these deposits, a series of designations are made, including: (1) the required 15% deposit into the WQIF reserve, totaling \$13.3 million; and, (2) the transfer of \$123.8 million into the Natural Resource Commitment Fund, of which \$65.3 million is directed toward Agricultural Best Management Practices,

\$8.5 million is provided for technical assistance to the Soil and Water Conservation Districts, and \$50.0 million is provided for uses to be determined by the Secretary of Natural and Historic Resources in a plan to be submitted no later than September 1, 2023.

- **Resilient Virginia Revolving Loan Fund.** Includes deposits into the Resilient Virginia Revolving Loan Fund totaling \$100.0 million GF in FY 2023 and \$100.0 million GF in FY 2024. The FY 2024 amount is provided on a contingent basis, with instructions for the entire amount to be unallotted should FY 2023 revenues be less than the official FY 2023 revenue estimate. The Resilient Virginia Revolving Loan Fund was established pursuant to legislation adopted during the 2022 Session of the General Assembly, with the proceeds of the fund to be used for loans or grants to local governments to finance the cost of any resilience project. Chapter 2 (2022 Spec. Sess. I) capitalized the Fund with a deposit of \$25.0 million in FY 2023 from nongeneral fund sources.
- **Other Operating Items.** Proposes a total of \$2.0 million GF and 5.0 FTE in FY 2024 for the items listed below.

Initiative	FY 2023 Amount
Hayfields State Park – Operating support and two positions	\$692,436
Dam Safety – Three regional engineer positions	490,650
Backfill funding for Soil and Water Conservation District positions previously supported by federal grants	400,823
Address compression for law enforcement personnel	358,675
Provide free admission to Virginia State Parks for members of the Virginia National Guard	20,000

Department of Environmental Quality

- **Support Enhanced Nutrient Removal Certainty Projects.** Proposes a total of \$237.0 million in FY 2024 for the state-share of projects costs for wastewater treatment plant improvements identified in the Enhanced Nutrient Removal Certainty Program as provided for in § 62.1-44.19:15, *Code of Virginia*. Of the amount provided, \$43.9 million GF reflects a portion of the statutorily required Water Quality Improvement Fund (WQIF) deposit reflecting FY 2022 revenue surpluses and agency balances, \$107.1 million GF reflects a supplemental deposit, and \$86.1 million NGF is provided from remaining American Recovery Plan Act (ARPA) resources.
- **Richmond Combined Sewer Overflow Project.** Includes an additional \$100.0 million GF in FY 2023 for the City of Richmond’s Combined Sewer Overflow project. Chapter 2 (2022 Spec. Sess. I) included \$100.0 million NGF in ARPA resources for this purpose.

- **Upgrades to Poor Creek Pump Station.** Proposes an additional \$5.5 million GF for wastewater upgrades at the Poor Creek Pump Station in the City of Petersburg. Chapter 2 (2022 Spec. Sess. I) provided \$29.8 million NGF in federal ARPA funding to support water and wastewater improvements at the Poor Creek Pharmaceutical Park.
- **Permit Evaluation and Enhancement Program (PEEP).** Includes \$3.5 million GF in FY 2023 to implement PEEP, which provides a publicly accessible system allowing online tracking of Department permitting for applicants and other state and local agencies.
- **Update HR System.** Includes \$2.0 million GF in FY 2024 for information technology improvements to the Department’s human resources systems to address potential security risks.

Department of Wildlife Resources

- **Address Law Enforcement Salary Compression.** Provides \$1.2 million NGF in FY 2024 to address salary compression issues among the Department’s law enforcement personnel. A corresponding amendment to Part 3 of HB 1400 reduces by \$1.2 million the transfer to the general fund of sales tax collections for hunting and fishing equipment.

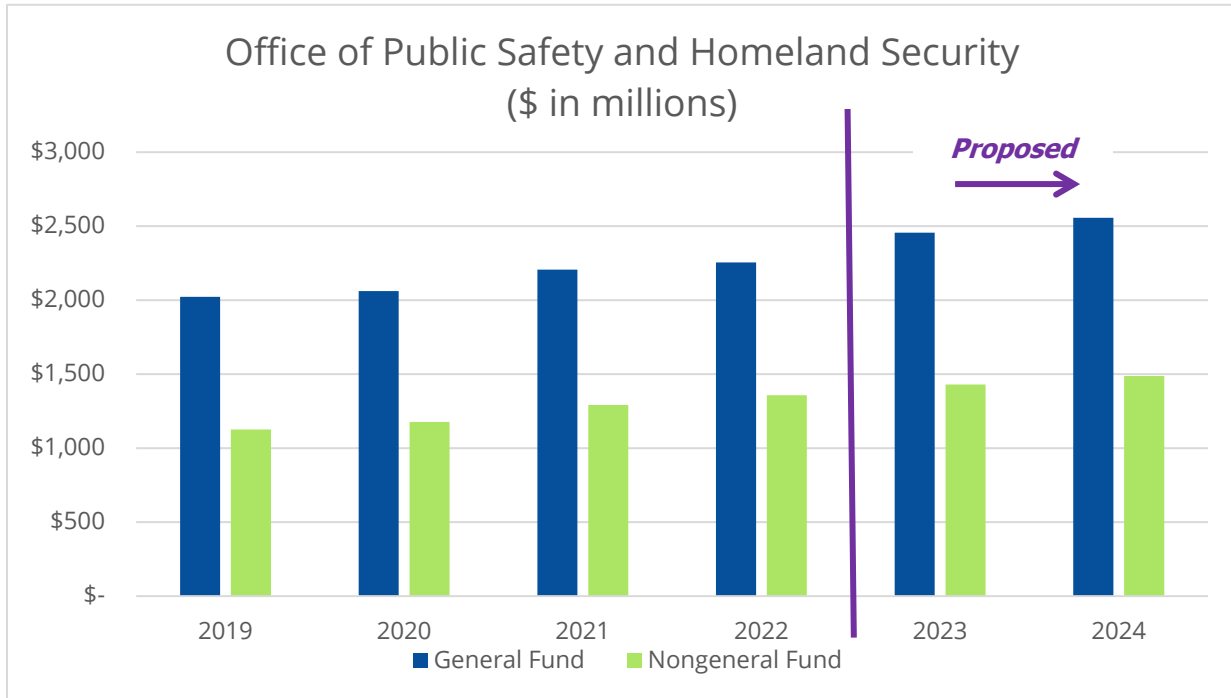
Department of Historic Resources

- **Increase Support for Black, Indigenous, and People of Color Preservation Fund.** Proposes an additional \$5.0 million GF in FY 2023 for the Black, Indigenous, and People of Color Preservation Fund. Chapter 2 (2022 Spec. Sess. I) provided initial capitalization for the fund totaling \$5.0 million in FY 2023; therefore, the budget as introduced proposes to double this amount. The Fund was established to provide grants for the preservation of historic and archaeological sites of significance associated with Virginia’s Black, Indigenous, and People of Color.

Marine Resources Commission

- **Address Law Enforcement Salary Compression.** Includes \$1.8 million GF in FY 2024 to address salary compression issues among the Commission’s law enforcement personnel.

PUBLIC SAFETY AND HOMELAND SECURITY



Under the Governor’s proposed spending plan, general fund appropriations for the Public Safety and Homeland Security secretariat will have grown by an average of 4% annually between FY 2019 and FY 2024. Large spending items proposed for the secretariat include \$30.0 million to establish the Bold Blue Line Initiative, \$20.0 million in additional support for the Operation Ceasefire Grant Fund, \$10.0 million to establish the Virginia Mass Violence Care Fund, and \$9.8 million for Virginia State Police information technology projects.

Virginia Alcoholic Beverage Control Authority

- Transfer of Net Profits.** A language amendment to Part 3 would increase the transfer of net profits to the general fund from store sales by \$19.3 million in FY 2023, to a total of \$131.4 million. No change was proposed for the assumed net profit transfer in FY 2024.

Department of Corrections

- Salary Increases for Vacant Positions.** Proposes \$8.6 million in FY 2024 to provide a \$3,000 salary increase for 811 vacant correctional officer and 57 vacant probation and parole officer positions. The amounts provided reflect (i) half the number of vacant positions assuming a 2018 vacancy rate and (ii) the 5% raise for state employees included in Chapter 2 (2022 Spec. Sess. I). In 2022 the General Assembly elected to provide sufficient funding to DOC to support targeted and general salary actions based

upon observed employment levels at the Department and did not provide funding to increase the salaries of vacant positions.

- **Contractual Increase for Private Operation of Lawrenceville Correction Center.** Includes \$5.3 million in FY 2024 to offset contractually allowed cost increases for private operation of the Lawrenceville Correctional Center. The amount reflects the increase in payments for daily rates per offender based upon increases in the Consumer Price Index. Summary information produced by the staff of the Department of Planning and Budget identify this amount as a one-time expenditure; however, no language included in HB 1400 as introduced designates this funding as one-time in nature and inflation is unlikely to go negative.
- **Additional Nursing Positions.** Proposes \$3.8 million in FY 2024 to hire 37 additional registered nurses so that the Department may provide 24-hour nursing coverage at eight secure correctional facilities. The amount provided assumes an \$84,000 average salary and is prorated for 10 months of the fiscal year to reflect the time required for recruitment and hiring of these positions.
- **Address Drug Offender Assessment Fund Shortfall.** Includes \$1.3 million in the second year to backfill an expected shortfall in the Drug Offender Assessment and Treatment Fund. The Fund, established pursuant to § 18.2-251.02, *Code of Virginia*, is supported by fees assessed on individuals convicted of specified drug offenses. Due to a decline in convictions and fee collections related to such offenses, the Department requested this appropriation so that it may continue supporting 30 probation and parole officer positions responsible for conducting substance abuse screening and assessment programs for individuals under community supervision by the Department. DOC has indicated it is currently exploring the opportunity to receive support for these activities from the Opioid Abatement Authority, however, the process for funding and distribution has not yet been defined.

Department of Criminal Justice Services

- **Establish Operation Bold Blue Line Initiative.** Proposes \$30.0 million in FY 2024 to establish the Operation Bold Blue Line Initiative to be administered by the Department of Criminal Justice Services. The Department would be authorized to distribute the funds to state and local law enforcement agencies to support their recruitment of qualified law enforcement officers from other states, and to train and develop in-state qualified law enforcement officers. Activities listed include, but are not limited to, recruitment and retention bonuses, reimbursement for relocation expenses, fast-tracked lateral training academies, and to establish and administer a statewide recruitment effort to include advertising and marketing activities. The language authorizes the Director to develop a

plan to administer the program in consultation with the Governor and the Secretary of Public Safety and Homeland Security. The Director is further required to provide a progress report on program implementation by September 1, 2023, and to provide a subsequent report on program activities and accomplishments by September 1, 2024.

- **Increase Support for Operation Ceasefire Grant Fund.** Includes \$20.0 million in FY 2024 to increase support for the Operation Ceasefire Grant Fund from \$2.5 to \$22.5 million in the second year. The Fund was established by the 2022 General Assembly to implement violent crime reduction strategies, provide training and equipment to law enforcement officers and prosecutors, and supporting local entities engaged in group violence intervention efforts.
- **Establish Virginia Mass Violence Care Fund.** Includes \$10.0 million in FY 2024 to establish the Virginia Mass Violence Care Fund to be administered by DCJS. The Fund would be used to aid the victims of mass violence in Virginia, to include but not be limited to their out-of-pocket expenses not covered by insurance, and to begin three years after the mass violence event and remain in perpetuity.

Department of Emergency Management

- **Disaster Logistics Warehouse.** Provides \$1.1 million in FY 2024 for ongoing costs of leasing and operating the Department's central disaster warehouse. The warehouse is used as a central hub for reception, storage, and distribution of disaster-related mission supplies.

Department of Juvenile Justice

- **Lease and Operate Space in Local Juvenile Detention Centers.** Proposes \$2.9 million in FY 2024 so that the Department may lease and operate space within three juvenile detention centers to house juvenile offenders committed to the Department. It is projected that due to changes in the length of state guidelines for juveniles who have received indeterminate sentences, the number of juveniles committed to the Department will increase beyond the current capacity of Bon Air Juvenile Correctional Center. A related amendment in the capital portion of the proposed budget would redirect the authorization for an existing project for renovations and improvements at Bon Air Juvenile Correctional Center to expand its operational capacity.

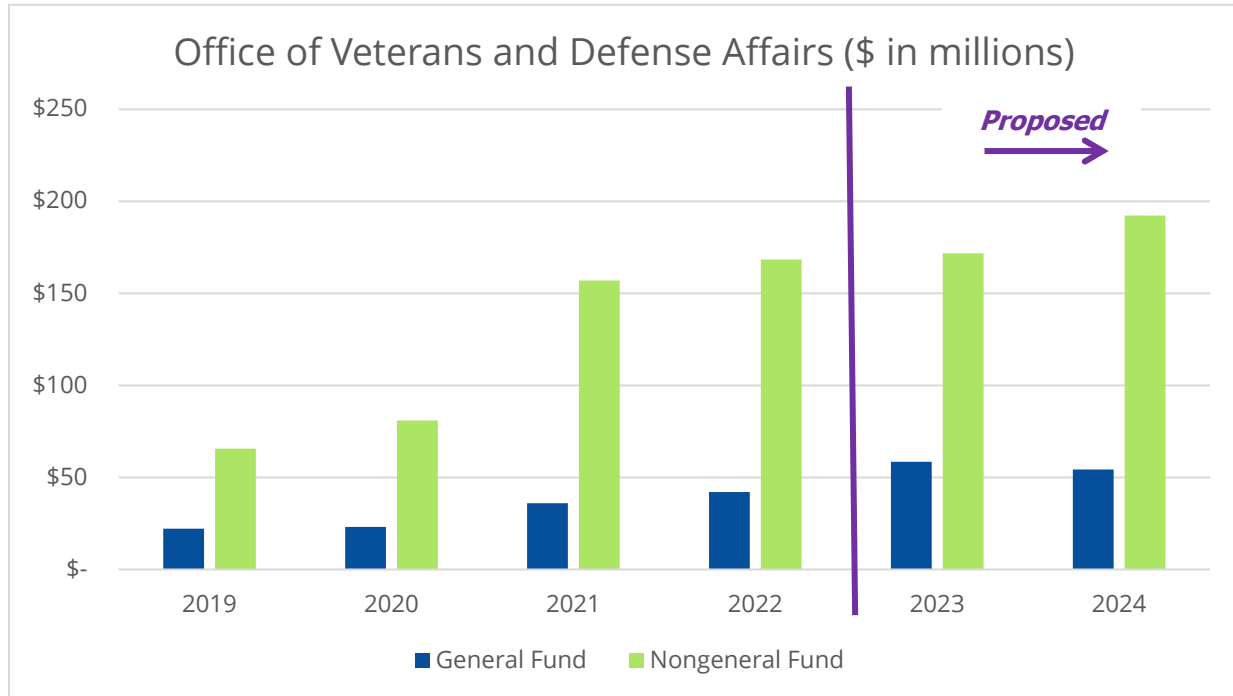
Department of State Police

- **Phase Two Information Technology Transformation.** Includes \$9.4 million in FY 2024 to support the implementation of Phase Two of the Department's information

technology modernization efforts. The amount provided represents the first of several tranches of required expenditures of Phase Two, which is expected to last until at least the end of FY 2025. The primary goal of Phase Two modernization is to move the Department's data center and storage infrastructure into the VITA environment, and to replace the Department's legacy IP-VPN services with up-to-date technology.

- **Fund Additional Sworn Law Enforcement Positions.** Proposes \$3.3 million in FY 2024 for 24 new general fund supported sworn law enforcement positions to address workload and public safety issues within the Department. These include four additional positions in the Executive Protection Unit, six new firearms and sex offender investigators, five new positions in the drug enforcement section, eight positions in the human trafficking unit, and one position in the high tech crimes division. The additional amounts provided are pro-rated for ten months of the fiscal year to reflect the time involved in recruiting for and staffing the new positions. The proposed budget also includes 22 additional FTE for NGF-funded or previously authorized and funded positions.
- **Fund Additional Civilian Positions.** Includes \$2.0 million in FY 2024 to establish 20 new positions within the Department's civilian workforce.
- **Address Salary Compression Among Sworn Officers.** Proposes \$2.0 million FY 2024 to address compression issues within the sworn officer ranks to align pay with rank and years of service as determined by the pay plan adopted by the General Assembly in the 2022 Session.
- **Replace Virginia Criminal Information Network (VCIN).** Includes \$1.4 million GF and \$1.0 million NGF to support replacement of the VCIN servers and software. VCIN interfaces with other state and federal databases allowing law enforcement agencies in Virginia to access information on persons and properties contained within the various networks and databases.

VETERANS AND DEFENSE AFFAIRS

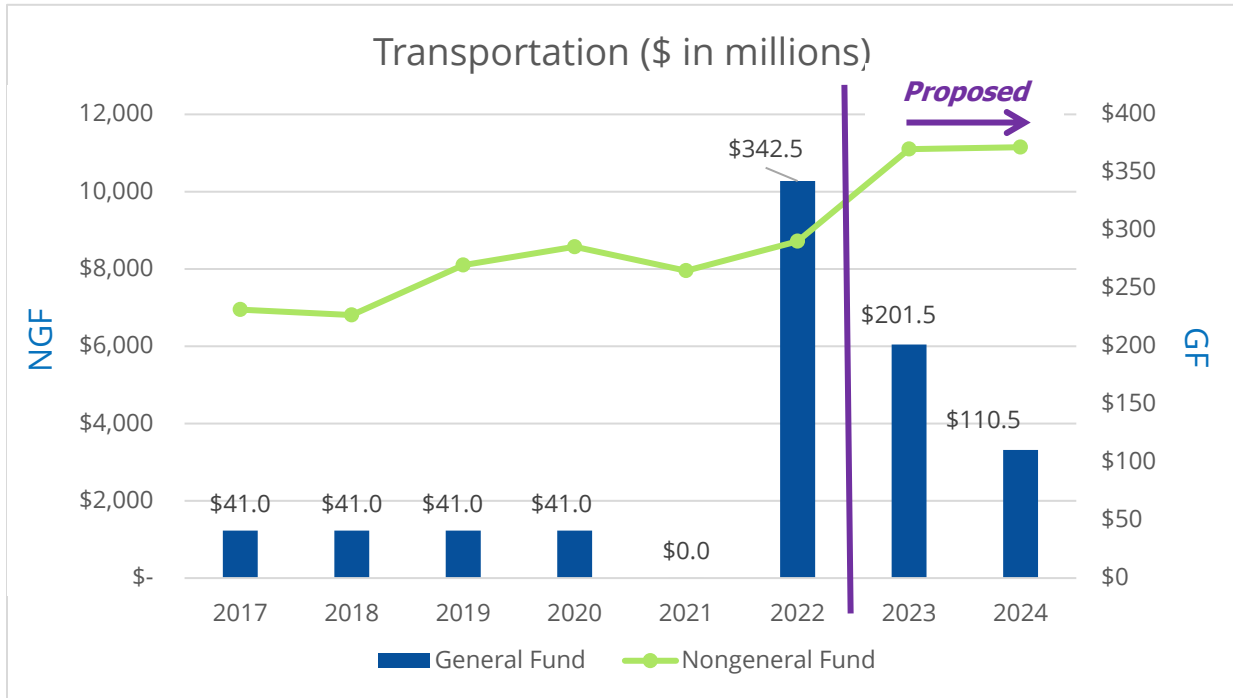


Due to the reliance of the Department of Military Affairs on financial support from the federal government, spending in the Veterans and Defense Affairs secretariat is primarily driven by nongeneral fund resources.

Department of Veterans Services

- **Increase Working Capital Advance for Veterans Care Centers.** Provides \$20.5 million NGF in FY 2024 and a corresponding increase in the Department's working capital advance to support operational costs at the new Veterans Care Centers in Virginia Beach and Fauquier County.
- **Expand Virginia Values Veterans Program.** Provides \$900,000 in FY 2024 to expand the Virginia Values Veterans (V3) Program. Proposed language in the budget as introduced would increase from \$1,000 to \$5,000 the grant per veteran received by Virginia business for employing veterans, and would increase from \$10,000 to \$50,000 the aggregate cap on grant awards a business may receive in a single year. Grants are limited to Virginia businesses employing fewer than 300 employees who hire veterans within five years of their discharge date from active military service and continuously employ such veterans for at least one year.

TRANSPORTATION



Nongeneral Fund appropriations within the Transportation Secretariat are expected to increase significantly in the 2022-24 biennium driven largely by the policy changes adopted in the 2020 General Assembly Session. The total proposed NGF appropriation for the Secretariat in FY 2023 is approximately \$11.1 billion with the appropriation increasing to \$11.2 billion in FY 2024. This is compared to an appropriation of slightly below \$7.0 billion a year in the 2016-18 biennium.

The proposed GF appropriation within this secretariat is \$205.2 million in one-time expenditures in FY 2023 and \$110.5 million in FY 2024. The adjustments in the introduced budget would result in an increase in appropriations of \$150.5 million GF and \$254.4 million NGF over the biennium.

Below is a summary of the major funding initiatives.

Secretary of Transportation

- Amend Language to Expand GARVEE Eligibility.** Language is proposed that would expand projects eligible for funding through the federal Grant Anticipation Revenue Vehicle (GARVEE) program to include the Interstate Operations and Enhancement Program. Currently limited to programs approved through SMART scale.

Virginia Commercial Spaceflight Authority

- **Rocket Lab Land Acquisition.** Proposes a one-time capital outlay authorization of \$3.1 million GF in FY 2023 for acquisition of land adjacent to the Mid-Atlantic Regional Spaceport to support an economic development initiative related to the Rocket Lab project approved by the 2022 General Assembly.

Department of Transportation

- **Appropriate Reserved Funding for I-64.** Appropriates \$150.0 million GF in FY 2023 to improve Interstate 64 between Exit 205 and Exit 234 from FY 2022 revenues that exceeded the official forecast in accordance with the requirements of Chapter 2. In addition to these amounts, \$110.0 million GF in FY 2024 is provided for this project, and \$210.0 million GF was provided in Chapter 1, the FY 2022 caboose bill, bringing total GF support for this project to \$470.0 million.
- **Update Revenues to Reflect Financial Plan.** Proposes several actions that increase VDOT appropriations by \$124.3 million NGF in FY 2023 and reduce anticipated funding by \$47.5 million NGF in FY 2024 based on November revised revenue estimates and the financial plan adopted by the Commonwealth Transportation Board in July 2022, including:
 - Increases Surface Transportation Block Grant funding by \$30.5 million NGF in FY 2024.
 - Increases by \$113.0 million NGF the anticipated revenues from localities and regional transportation authorities for participation in construction projects managed by VDOT.
 - Reduces anticipated federal revenues for the Congestion Mitigation and Air Quality (CMAQ) program by \$131.8 million NGF in FY 2024.
 - Reduces second year funding from the Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) program by \$7.5 million NGF in the second year and eliminates the requirement that state matching funds are allocated to support the new federal program established under the Infrastructure Investment and Jobs Act.
 - Reduces anticipated federal revenues for the Carbon Reduction Program established under the Infrastructure Investment and Jobs Act by \$2.3 million NGF in FY 2024.

- **Defer Route 58 Corridor Bond Proceeds.** Eliminates the planned appropriation of \$152.2 million in Route 58 Corridor Program bond proceeds to reflect the plan to delay the bond sales until FY 2025.
- **Virginia Transportation Infrastructure Bank (VTIB).** Recommends eliminating the appropriation of \$15.3 million NGF in each year from the statutory distribution of Commonwealth Transportation Funds to the Virginia Transportation Infrastructure Bank. Additional language directs the transfer of \$100.0 million NGF in uncommitted balances of the VTIB to the TPOF.
- **Transportation Partnership Opportunity Fund (TPOF).** Proposes to eliminate the appropriation of \$10.0 million NGF in each year from the statutory distribution of Commonwealth Transportation Funds to the TPOF, directs the transfer of \$100.0 million in balances of the Virginia Transportation Infrastructure Bank to the TPOF, and provides language directing the Commonwealth Transportation Board to allocate \$200.0 million to the TPOF from the revised transportation revenue forecast for FY 2024 through FY 2029.
- **Transportation Initiatives.** Proposes language directing that general fund appropriations provided for transportation initiatives, including \$260.0 million GF over the biennium for Interstate 64 and \$0.5 million GF in FY 2024 for studying the use of public-private partnerships for Interstate 81, shall be transferred to the appropriate nongeneral fund detail for expenditure. Additionally, language is proposed that would require VDOT to annually report on the allocation of funds from the 2022 Transportation Initiative to the Department of Planning and Budget.
- **Increase Pass-Through Funding to Regional Transportation Authorities.** Increases the total amount of funding from state-imposed taxes that are passed-through to regional transportation authorities by \$26.4 million NGF in FY 2023 and \$126.6 million NGF in FY 2024. Of these amounts, regional motor fuels tax revenues are increased by \$17.8 million NGF in the second year, bringing the total estimated regional motor fuels pass-through to \$123.2 million NGF.

Port of Virginia

- **Increase Debt Service.** Proposes a technical amendment to increase debt service appropriations in the second year from \$7.0 million NGF to \$14.5 million NGF for debt previously authorized to finance improvements to Norfolk International Terminals.
- **Port Opportunity Fund.** Recommends a technical amendment to establish an appropriation of \$4.0 million NGF in each year for the VPA allocation to the Port Opportunity Fund. The allocations of revenue for this activity have been previously handled administratively.

CENTRAL APPROPRIATIONS

General Fund appropriations within central appropriations reflect employee compensation and benefit changes, which are spread across the agencies in the out years, internal service fund costs spread across agencies, or one-time expenditures.

Below is a summary of the major funding initiatives.

Employee Compensation Actions

- **Bonuses for State Employees in the FY 2024.** Proposes \$199.8 million GF the second year for one-time bonuses for state employees in addition to the 5% salary increase for all employee groups provided in Chapter 2. The additional actions attempt to address the fact that inflation has exceeded the pay raises given.
 - Proposes \$99.8 million GF the second year to provide one-time bonuses of \$1,500 to full-time state employees, on December 1, 2023. All classified employees of the Executive Branch and other full-time employees of the Commonwealth, except elected officials, employed on or before August 10, 2023 who remain employed through at least November 10, 2023, are eligible for the bonus.
 - Includes a separate funding pool of \$100.0 million GF the second year to provide one-time, merit-based bonuses of up to 10% of base salary to qualifying state employees. Employees subject to the Virginia Personnel Act would have to receive an equivalent rating of at least “Extraordinary Contributor” on performance evaluations conducted within the previous twelve months to qualify. The Governor or his designee would determine eligibility for individual gubernatorial appointees. Actual bonus amounts would depend upon the costs for the total number of state employees identified as eligible, based on a report due to the Department of Human Resource Management by October 10, 2023.
- **Targeted Salary Increases.** Includes funding throughout the budget of \$46.5 million GF and \$830,056 NGF the second year in targeted salary adjustments for a variety of state and state-supported local employees, including sworn law enforcement personnel, constitutional officers, public defenders, non-attorney staff in the Office of the Attorney General, and critical food service and housekeeping positions at state-operated behavioral health and intellectual disability facilities.

Proposed Targeted Compensation Actions (\$ in millions)	
	FY 2024
Compensation Board: Deputy Sheriffs, Regional Jail Officers	\$13.9
Behavioral Health Food Service and Housekeeping	9.0
DOC: Vacant Corrections, Parole, & Probation Officers	8.6
Indigent Defense Commission: Public Defenders	7.4
State Police: Salary Compression for Sworn Positions	2.0
Marine Resources Commission: Law Enforcement Compression	1.8
Conservation and Recreation: Law Enforcement Compression	0.4
Wildlife Resources: Law Enforcement Compression	1.2
Department of Health: Chief Medical Examiner's Office	1.5
VA School for Deaf & Blind: Salary Adjustments for Staff	1.1
Office of the Attorney General: Non-Attorney Staff	0.5
Virginia Criminal Sentencing Commission Recruitment and Retention	<u>0.1</u>
Total Targeted GF Cost	\$47.5

Employee Benefit Plan Funding Actions

- Adjust Funding for State Health Plan Premiums.** Recommends a reduction of \$2.0 million GF the second year for the state share of employee health insurance premiums. Chapter 2 provides \$26.0 million in the second year for a 4.5% increase in rates. The current projections assume an increase in the cost of the program of around 8.2%; however, large cash balances in the fund can absorb half of the cost increase. The revised funding would support a 4.1% increase in the rates.

Other 2022-24 Central Budget Adjustments for Agency Distributions (\$ in millions)		
	FY 2023	FY 2024
Funding for Changes in Agency Information Technology Costs	(\$2.3)	(\$0.4)
Funding for Statewide Network Transformation	\$0.0	\$5.2
Cardinal Financial System	0.0	0.3
Workers Comp Premiums	(0.0)	(2.6)
Line of Duty Act	0.4	0.9
Agency Rent Costs	0.0	0.8
Total	(\$1.9)	\$4.2

Special Expenditures

- **Provide Additional Funding for Transformation Initiatives.** Proposes \$15.0 million GF the second year in additional funding to support new transformation initiatives, as identified by the Chief Transformation Officer. The position of Chief Transformation Officer was established in January 2022. The 2022 Appropriation Act includes \$10.0 million GF the first year for transformation initiatives.
- **Reimburse Presidential Primary Expenses.** Includes \$5.9 million GF the second year to support the reimbursement to localities for 2024 presidential primary expenses, as required by the *Code of Virginia*.
- **Provide Reimbursement for State-Issued Fines for COVID-19 Related Violations.** Proposes \$1.0 million GF the second year to reimburse fines, fees, or interest paid by individuals in connection with violations of COVID-related restrictions. Language requires all agencies to report revenues collected from COVID-19 fines to the Secretary of Finance, who would then work with impacted cabinet secretaries to develop a reimbursement plan.
- **Develop Plan for Relocation of Washington Commanders.** Proposes \$500,000 GF the second year to support planning and evaluation by the Secretary of Finance for the potential relocation of the Washington Commanders to Virginia. Language notes the need for any such plan, including one for the establishment of a potential Stadium Authority, to serve the best interest of Virginia taxpayers.
- **Increase Funding for the Innovative Internship Program and Fund.** Proposes an increase of \$5.0 million GF the second year for the Virginia Talent + Opportunity Partnership (V-TOP).

Savings Actions

- **Revert Surplus General Fund Balance.** Includes language directing the Director of the Department of Planning and Budget to revert \$6.6 million GF of surplus general fund balances in Central Appropriations.
- **Align Tech Talent Investment Fund Appropriation to Match Institutions' Authorized Memoranda of Understanding.** Proposes to remove \$2.9 million GF each year to align appropriations for the Tech Talent Investment Fund with institutions' current authorized memoranda of understanding and the amounts to be distributed.
- **Reflect One-Time Savings in Higher Education Credit Card Rebates and Interest Earnings.** Includes the one-time removal of \$4.8 million GF the first year and \$2.9 million NGF the first year to reflect updated estimates of payments to individual

institutions of higher education on interest earnings and credit card rebates. Rebates and interest earnings were lower than anticipated in FY 2022.

Allocations of Federal Pandemic Response Funds

- Adjust Appropriation for American Rescue Plan Act State and Local Fiscal Recovery Fund Allocations.** Allocates the remaining \$15.4 million NGF and reallocates \$114.4 million NGF from previously authorized projects that are no longer needed for those purposes from federal funds received under the State and Local Recovery Fund (SLRF) pursuant to the American Rescue Plan Act of 2021 (ARPA). All reverted funds are from projects that have been completed. Also includes language requiring reports on the status of other ARPA funds in anticipation of additional reversions in the 2024 Session.

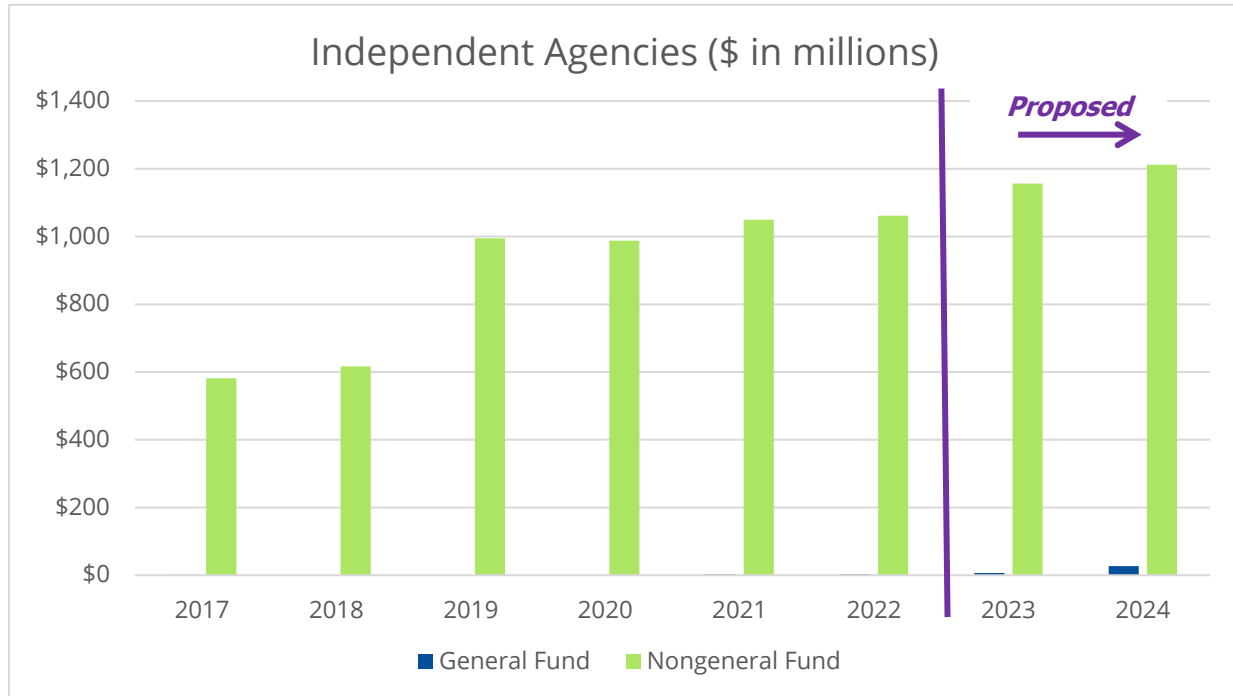
2022-24 ARPA Reallocations (NGF \$ in millions)		
Agency/Use	Project	Funding Amount
Reallocations from Projects Authorized in Chapter 1, 2021 Special Session 1 (2020-22 Biennium)		
Department of Elections	Early voting / Sunday voting support	\$2.9
Department of Elections	Voter education	0.1
Compensation Board	Hazard pay for sworn officers	5.2
Department of General Services	Legal and real estate transaction support for agencies that own property to support broadband expansion	0.5
Department of Small Business and Supplier Diversity	RebuildVA	14.2
Office of the Governor	Contractor for language access translation services planning	0.2
Department of Medical Assistance Services	Increase per diem funding for long term care facilities from \$15 to \$20	4.9
Department of Behavioral Health and Developmental Services	Bonus payments for direct care staff	17.5
Department of Behavioral Health and Developmental Services	Purchase personal protective equipment at state facilities	0.5
State Corporation Commission	Utility assistance	2.8
Department of Juvenile Justice	Facility improvements for Central Infirmary	<0.1
Department of Juvenile Justice	Large tents for outdoor visitation	<0.1
Department of Juvenile Justice	Provide hazard pay for Probation and Security staff	0.1

2022-24 ARPA Reallocations (NGF \$ in millions)		
Agency/Use	Project	Funding Amount
Department of Juvenile Justice	Vaccination clinic costs	<0.1
Department of Forensic Science	Add equipment for three (3) additional firearms forensic scientists	<u>0.1</u>
Total		\$48.9
Reallocations from Projects Authorized in Chapter 2, 2022 Special Session 1 (2022-24 Biennium)		
Department of General Services	Legal and real estate transaction support for agencies that own property to support broadband expansion	1.5
Department of Housing and Community Development	Removal or Rehabilitation of Derelict Structures Fund program	0.3
Mental Health Treatment Centers	Salary adjustments for direct care staff	19.3
Intellectual Disabilities Training Centers	Salary adjustments for direct care staff	2.5
Virginia Center for Behavioral Rehabilitation	Salary adjustments for direct care staff	1.8
Department of Behavioral Health and Developmental Services	Personal protective equipment	1.2
Department of General Services	Customer support upgrades and Laboratory Information Management System infrastructure, development, and improvement	<0.1
Department of Criminal Justice Services	Services to victims of crime	<0.1
Department of Emergency Management	Virginia Emergency Support Team COVID-19 recovery activities and support staff	0.8
Department of Medical Assistance Services	Continue a 12.5% increase in rates for certain Medicaid home and community-based services	<u>38.1</u>
Total		\$65.5
New Proposed Allocations		
Virginia Employment Commission	Continuation of funding for information technology modernization, call center improvements, security, and claims adjudication	1.7
Virginia Employment Commission	Support current appeals staffing levels	10.6
Department of Housing and Community Development	Award to an eligible grantee for a community revitalization project in the Crater Planning District	0.3

2022-24 ARPA Reallocations
(NGF \$ in millions)

Agency/Use	Project	Funding Amount
Department of Environmental Quality	Enhanced Nutrient Removal Certainty Program	86.1
Department of Medical Assistance Services	Procure a one-time vendor to assist in the redetermination of Medicaid enrollees	20.0
Department of Social Services	Overtime pay available to local department of social services eligibility staff	10.0
Department of Accounts	ARPA reporting requirements	1.1
Direct Aid to Public Education	One-time pandemic bonus (Technical Correction)	<u><0.1</u>
Total		\$129.8

INDEPENDENT



Independent agencies are typically funded entirely with nongeneral funds and are self-supporting by the collection of revenues associated with their line of business through fees, fines, and charges. Of the \$33.6 million in general fund included for independent agencies in the 2022-2024 biennium, \$20.0 million is provided to the State Corporation Commission in FY 2024 for the state share of the Commonwealth Health Reinsurance Program, and \$6.6 million each year is in the Workers' Compensation Commission for the administration of the Virginia Workers' Compensation Commission Sexual Assault Forensic Exam (SAFE) Payment program (both of which were funded in Chapter 2).

State Corporation Commission

- **State Health Benefit Exchange.** Proposes \$10.0 million NGF the second year for the information technology costs of the State Health Benefit Exchange. These start-up costs are supported through a working capital advance, which will be repaid from the collection of fees from the insurers that offer health plans on the exchange.

Virginia Lottery

- **Casino Payments to Localities.** Includes estimated distributions of casino gaming tax revenues to localities from the Gaming Proceeds Fund in FY 2024. Payments owed to localities for casinos that are operational during FY 2023 will be made administratively by the Department of Planning and Budget.

CAPITAL OUTLAY

Capital Outlay Funding for FY 2022-2024 (\$ in millions)			
Fund Type	Chapter 2	Gov Intro Amends	HB 1400
General Fund	\$2,149.2	\$604.5	\$2,753.7
9(c) Revenue Bonds	100.9	0	100.9
9(d) Revenue Bonds	56.4	120.1	176.5
<u>Nongeneral Fund Cash</u>	<u>977.7</u>	<u>211.7</u>	<u>1,189.4</u>
Total	\$3,284.2	\$936.3	\$4,220.5

The Governor’s proposed capital outlay amendments to the FY 2022-24 biennial budget total \$936.3 million from all funds, including \$604.5 million in general fund cash, \$211.7 million in nongeneral fund cash, \$98.4 million in 9(d) nongeneral fund bonds, and \$21.7 million in 9(d) general fund bonds. Proposed capital spending can be organized into the following categories:

Capital Outlay Funding Categories (\$ in millions)				
Major Category	GF	NGF Cash	NGF- Supported Bonds	Total
New Construction & Existing Facility Improvements	\$137.9	\$203.4	\$120.1	\$461.4
Supplements for Previously Approved Projects	406.9	0.0	0.0	406.9
Equipment for Previously Approved Projects	34.1	0.9	0.0	35.0
Maintenance Reserve	16.0	0.0	0.0	16.0
Preplanning, Planning	6.5	6.8	0.0	13.3
Acquisition	<u>3.1</u>	<u>0.6</u>	<u>0.0</u>	<u>3.7</u>
Total	\$604.5	\$211.7	\$120.1	\$936.3

Supplements

The largest component of the capital package relates to supplements to previously authorized projects, which are seeing cost increases based on inflation, prevailing wage, and supply chain issues. HB 1400 includes an additional \$400.0 million GF to supplement previously authorized capital projects. Of the total, \$100.0 million represents the contingent allocation based on 2022 revenue conditions pursuant to Item 485 L., Chapter 2, 2022 Acts of Assembly, Special Session I. The remaining \$300.0 million is contingent upon 2023 revenues; if less than the estimate, this

amount is unallotted. When combined with the existing \$350.0 million GF already provided for supplements, these amendments would increase total available supplements to \$750.0 million.

New Construction and Existing Facility Improvements

Recommends \$461.4 million for new construction and improvements to existing facilities.

- **Pool Funded Projects.** Proposes \$61.7 million for construction pools, including \$19.1 million GF for a new construction pool and \$42.6 million NGF for an existing pool.
 - **2023 Construction Pool.** Proposes \$19.1 million for three new projects:

Project Owner	Project Title
Longwood University	Replace Chillers in Four Campus Building
Virginia Institute of Marine Science	Replace Andrews Hall Roof
Department of Corrections	Construct Chesterfield Probation & Parole Office

- **Adds NGF to an Existing Pool.** Includes \$42.6 million NGF (\$7.8 million NGF cash and \$34.8 million NGF 9(d) bonds) to reflect institutions' contributions to two projects authorized for construction:

Project Owner	Project Title
Virginia Commonwealth University	Arts and Innovation Building
Virginia Tech	Replace Randolph Hall

- **Stand Alone Projects- Institutions of Higher Education.** Includes \$123.9 million for six stand alone projects, as follows:

Institution	Project Title	GF	NGF Cash	NGF 9(d) Debt	Total
William & Mary	Renovate Historic Campus	\$8.0	\$0.0	\$0.0	\$8.0
William & Mary	Improve Auxiliary Facilities	0.0	0.0	20.0	20.0
Virginia Tech	Improve Building Envelopes	0.0	13.6	33.6	47.2
Old Dominion University	Renovate Baseball Stadium	0.0	10.7	10.0	20.7
Old Dominion University	Address Deferred Maintenance	0.0	20.0	0.0	20.0
Community College System	Upgrade ADA Accessibility, Tidewater CC	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>	<u>8.0</u>
Total		\$12.0	\$48.3	\$63.6	\$123.9

- **Stand Alone Projects- State Agencies.** Proposes \$254.1 million for 13 projects, as follows:

Agency	Project Title	GF	NGF Cash	Total	Notes
Dept of General Services	Commonwealth Courts Building	\$16.0	\$0.0	\$16.0	
Dept of General Services	Construct New State Office Building & Parking Deck	6.0	0.0	6.0	For demo of the former VEC building
Dept of General Services	Improve and Convey Property to Clarke County	4.1	0.0	4.1	Sale proceeds go to the general fund
Dept of Military Affairs	Construct Army Aviation Support Facility, Sandston	0.0	126.8	126.8	
Jefferson Labs	High Performance Data Facility	43.3	0.0	43.3	Unallotted until the U.S. Dept of Energy approves the project
Dept of Behavioral Health & Dev Services	Improve Safety and Security at Eastern State Hospital	16.9	0.0	16.9	
Dept of Behavioral Health & Dev Services	Install Duress Systems at Mental Health Facilities - Phase 1	4.0	0.0	4.0	
Dept of Conservation & Recreation	Replace Underground Storage Tanks- Phase I	3.0	0.0	3.0	
Dept of Corrections	DOC Capital Infrastructure Fund	10.0	0.0	10.0	
Dept of Juvenile Justice	Remove and Replace Compromised Fire Protection Water Tank	0.3	0.0	0.3	Scope change to renovate rather than replace the existing water tank
Virginia Dept of Transportation	Acquire, Design, Construct & Renovate Agency Facilities	0.0	20.0	20.0	
Dept of Veterans Services	Replace Fire Alarm System at Sitter & Barfoot	0.2	0.5	0.7	
Dept of Military Affairs	Improve Readiness Centers	<u>3.0</u>	<u>0.0</u>	<u>3.0</u>	
Totals		\$106.8	\$147.3	\$254.1	

- **State Share of Local & Regional Jail Capital Projects.** Includes \$21.7 million in general fund tax-supported debt for the state's 25% share of costs for capital projects at two jails: Loudoun County Adult Detention Center (\$10.0 million) and Albemarle-Charlottesville Regional Jail (\$11.7 million).

Additional proposed language amendments that impact stand alone state agency projects:

- **Department of State Police.** Proposes scope changes to two projects: (1) Includes the demolition of an existing building for the project to construct an Area Office in Lexington. (2) Expands the scope and increases planning funds for the project to construct a Division Six Headquarters to include a parking lot, and administrative and warehouse buildings to be constructed on land provided at no cost.
- **Virginia Military Institute.** Changes the scope of the existing project to renovate and expand the engineering and lab facilities to remove the demolition of an existing pool and construct the new facility as a connected annex with no change in project cost.
- **Virginia Museum of Fine Arts.** Transfers \$952,659 the first year in unutilized VPBA bond authorization from the museum's Repair Building Envelope project to the museum's Replace Air Handling Units project.
- **Wilson Workforce & Rehabilitation Center.** Rescinds the project to replace the HVAC system in Mary Switzer Building and transfers the \$1.5 million in VPBA authorization to the 2016 VPBA Capital Construction Pool to assist with the pool's underfunded status.
- **Department of Veterans Services.** Authorizes \$62.1 million in short-term, interest-free treasury loans for the state share of the cost for two veterans care center projects: \$57.3 million for a new veteran's care center in Roanoke, and \$4.8 million to renovate the Sitter and Barfoot Veterans Care Center in Richmond. Proposed language authorizes treasury loans upon evidence of federal fund allocations, stipulates that the loans will be repaid with funding as determined by the Governor and General Assembly, and authorizes the DPB Director to sign federal documents that certify the state share of funding for the projects is available without further state action.
- **Department of Juvenile Justice.** Proposes two separate language amendments: (1) Extends to October 1, 2023, the date by which recommendations are due from a workgroup evaluating future utilization of the Beaumont property, the medical facility at Deerfield Correctional Facility, and Powhatan Infirmary. (2) Transfers \$2.6 million in unneeded VPBA bond authorization from the Department of Corrections to perform renovations at the Bon Air Juvenile Correctional Center.

Capital Equipment

Includes \$34.1 million GF and \$893,160 NGF in cash to purchase furnishings and equipment for projects scheduled to come online in the next 18 months.

Maintenance Reserve

Proposes an additional \$16.0 million GF for maintenance reserve, of which \$8.0 million each is designated for Virginia State University and Norfolk University. Also includes language aligning the Science Museum of Virginia’s use of maintenance reserve with that of other state museum facilities.

Planning

Includes \$13.3 million (\$6.5 million GF and \$6.8 million NGF) to advance eight projects to the planning stage, as follows:

- **Detailed Planning Pool.** Includes a pool that authorizes \$6.2 million GF for pre-planning (i.e., up to \$250,000) or detailing planning for the following projects:

Project Owner	Authorization	Project Title
Dep. of State Police	Detailed planning	Construct Division Six Headquarters
Wilson Workforce & Rehabilitation Center	Detailed planning	Construct a new Postsecondary Education Rehabilitation Transition Facility to replace the Mary Switzer building
Virginia State University	Detailed planning	Renovate Virginia Hall
Dept. of General Services	Preplanning	State Consolidated Laboratory Replacement (note: language directs exploration of public-private partnership opportunities)
Virginia Commonwealth University	Preplanning	School of Dentistry

- **Stand Alone Planning Authorizations.** Proposes \$7.1 million for three projects:

Project Owner	Project Title	GF	NGF Cash	Total
Virginia Tech	Expand VT-Carilion School of Medicine & Fralin Biomedical Research Institute	0.0	6.0	6.0
Dept of Military Affairs	Planning to Compete for Federal Projects	0.3	0.7	1.0
Dept of Military Affairs	Renovate Facilities at Camp Pendleton to House Job Challenge Program	<u>0.1</u>	<u>0.0</u>	<u>0.1</u>
Total		\$0.4	\$6.7	\$7.1

Acquisitions

Proposes \$3.7 million for the acquisition of two properties:

Project Owner	Project Title	GF	NGF cash	Total
Dept of Forestry	Acquire Tharpe Tract adjacent to Charlotte State Forest	\$0.0	\$0.6	\$0.6
Virginia Commercial Space Flight Authority	Acquire land surrounding the Mid-Atlantic Regional Spaceport to support Rocket Lab	<u>3.1</u>	<u>0.0</u>	<u>3.1</u>
Total		\$3.1	\$0.6	\$3.7

Other Capital Actions

- **Adds Alternative Financing Approval Requirements.** Would make alternative financing arrangements subject to approval from the responsible Cabinet Secretary and the Secretaries of Finance and Administration. Ties to language proposed in Part 4 that requires Treasury Board approval of financing arrangements for capital projects executed by private foundations in instances where an institution of higher education has agreed to provide financial or non-financial types of support related to the project.
- **Redirect Excess Bond Balances.** Authorizes the DPB Director to transfer \$541,478 in excess bond authorization from a series of individual projects to the 2016 VCBA and VPBA capital construction pools to help address their underfunded status.
- **Amend Distribution of Existing Funding for Water Quality and Dam Repair Activities.**
 - Authorizes existing funding for the repair and replacement of high hazard dams to also be used for dams classified as “significant hazard.”
 - Authorizes the DPB Director to transfer the existing \$45.0 million GF capital appropriation for soil and water conservation district (SWCD) dam repairs to the operating SWCD Dam Maintenance, Repair, and Rehabilitation Fund.
 - Authorizes use of the \$100.0 million in existing capital funds allocated for the Enhanced Nutrient Removal Certainty Program to reimburse eligible entities for costs incurred for program implementation.

9(d) Bonds

Recommends \$98.4 million NGF over the biennium in nongeneral fund-supported 9(d) bonds for five projects:

Project Owner	Project Title	NGF 9(d) Debt
College of William & Mary	Construct Division Six Headquarters	\$20.0
Virginia Commonwealth University	Arts and Innovation Building	18.0
Virginia Tech	Replace Randolph Hall	16.8
Virginia Tech	Improve Building Envelopes	33.6
Old Dominion University	Renovate Baseball Stadium	<u>10.0</u>
Total		\$98.4

Proposes \$21.7 million NGF in GF-supported 9(d) bonds for the state's 25% share of costs for two local and regional jail projects.

APPENDIX C

DETAIL OF HB 1400- CAPITAL OUTLAY					
Total Amendments to the 2022-24 Biennium					
Title	General Fund	Nongeneral Fund	Nongeneral Fund		Total
			§ 9(c) Bonds	§ 9(d) Bonds	
GENERAL CONDITIONS					
Technical Changes					Language
Changes to Authorization of Alternative Financing Proposals					Language
ADMINISTRATION					
Dept of General Services					
Construct New State Office Building and Parking Deck – Demo. of Former VEC Building	6,000,000				6,000,000
Commonwealth Courts Building- Add Funding for Demolition and Scope Change	16,000,000				16,000,000
Provide Supplement for DBHDS Fire Alarm Project	3,422,000				3,422,000
Improve and Convey Property in Clarke County	4,100,000				4,100,000
Total: Administration	29,522,000				29,522,000
AGRICULTURE & FORESTRY					
Dept of Forestry					
Acquire Charlotte State Forest Tharpe Tract		640,000			640,000
Total: Agriculture & Forestry		640,000			640,000
EDUCATION					
College of William & Mary					
Improve Auxiliary Facilities				20,000,000	20,000,000
Renovate Historic Campus	8,000,000				8,000,000
Old Dominion University					
Renovate Baseball Stadium		10,726,126		10,000,000	20,726,126
Address Deferred Maintenance		20,000,000			20,000,000
Virginia Community College System					
Upgrade ADA Accessibility, Tidewater CC	4,006,002	4,006,002			8,012,004
Virginia Tech					
Improve Building Envelopes		13,580,000		33,620,000	47,200,000
Expand VT-Carilion School of Med & Fralin Biomed Research Institute		6,047,360			6,047,360
Total: Education	12,006,002	54,359,488		63,620,000	129,985,490
HEALTH & HUMAN RESOURCES					
Dept of Behavioral Health & Developmental Svcs					
Improve safety and security at Eastern State Hospital	16,900,000				16,900,000
Install duress systems at mental health facilities - Phase 1	4,000,000				4,000,000
Total: Health and Human Resources	20,900,000				20,900,000
NATURAL RESOURCES					
Dept of Conservation & Recreation					
Soil and Water District Dam Rehabilitation - Transfer to Operating					Language
Replace Underground Storage Tanks- Phase I	3,000,000				3,000,000
Department of Wildlife Resources					
Repair and Replacement of High Hazard Dams					Language
Total: Natural Resources	3,000,000				3,000,000
PUBLIC SAFETY & HOMELAND SECURITY					
Corrections - Central Office					
DOC Capital Infrastructure Fund	10,000,000				10,000,000
Department of Juvenile Justice					
Remove and Replace Compromised Fire Protection Water Tank	250,000				250,000
Renovate Bon Air Juvenile Correctional Center					Language
Total: Public Safety & Homeland Security	10,250,000				10,250,000
TRANSPORTATION					
Virginia Commercial Space Flight Authority					
Acquire Land for Expansion of Rocket Labs	3,100,000				3,100,000
Department of Transportation					
Acquire, Design, Construct and Renovate Agency Facilities		20,000,000			20,000,000
Total: Transportation	3,100,000	20,000,000			23,100,000
VETERANS AFFAIRS & PUBLIC SAFETY					
Department of Veterans Services					
Replace Fire Alarm System at Sitter and Barfoot Veterans Care Center	244,519	454,106			698,625
Language Authorizing new Roanoke Veterans Care Center and Renovate Sitter and Barfoot Veterans Care Center					Language
Department of Military Affairs					
Improve Readiness Centers	3,000,000				3,000,000
Construct Army Aviation Support Facility, Sandston		126,788,000			126,788,000
Renovate Facilities at Camp Pendleton to House Job ChalleNge Program (Planning)	90,000				90,000
Planning Funds to Prepare For Federal Project Funding	250,000	750,000			1,000,000
Total: Veterans Affairs & Homeland Security	3,584,519	127,992,106			131,576,625
CENTRAL APPROPRIATIONS					
Central Capital Outlay					
Central Maintenance Reserve	16,000,000				16,000,000
Central Reserve for Capital Equipment Funding	34,065,200	893,160			34,958,360
Central Planning Pool for Capital Projects (inc. Pre-Planning)	6,168,800				6,168,800
2022 Public Educational Institution Capital Account		7,800,000		34,800,000	42,600,000
2022 State Agency Capital Account	3,497,000				3,497,000
2023 Capital Construction Pool	19,122,800				19,122,800
2020 VCBA Capital Construction Pool- Adjusts VMI Project Scope (Language only)					Language
2022 Capital Supplement Pool	400,000,000				400,000,000
Enhanced Nutrient Removal Certainty Program (Language only)					Language
Jefferson Labs- Includes Unallotment Language	43,305,379				43,305,379
Language Authorizing Transfer of Unused VCBA & VPBA Balances					Language
9(D) Revenue Bonds: Bond Authorization - Increases from \$56.4M to \$154.8M					Language
Total: Central Appropriations	522,159,179	8,693,160		34,800,000	565,652,339
Part 3: Changes Definition of "capital lease" to Reflect GASB Changes					Language
Part 4: Adds Additional Approvals for Alternative Financing Agreements					Language
Total: Capital Outlay HB 1400	\$604,521,700	\$211,684,754		\$98,420,000	\$914,626,454