

JANUARY 10, 2024

HOUSE BILL 30, AS INTRODUCED

An Overview of Virginia's Biennial Budget FY 2024 - 2026



PREPARED BY
HOUSE APPROPRIATIONS COMMITTEE STAFF

INTRODUCTION

A Summary of Virginia's Biennial Budget for FY 2024 – FY 2026 provides an analysis of the Governor's proposed investments and budgetary adjustments in House Bill 30, 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 through D provide a detailed summary of the revised K-12 allocations for FY 2025 and FY 2026 respectively, including rebenchmarking. Appendix E summarizes all capital outlay related actions contained in Part 2 of House Bill 30.

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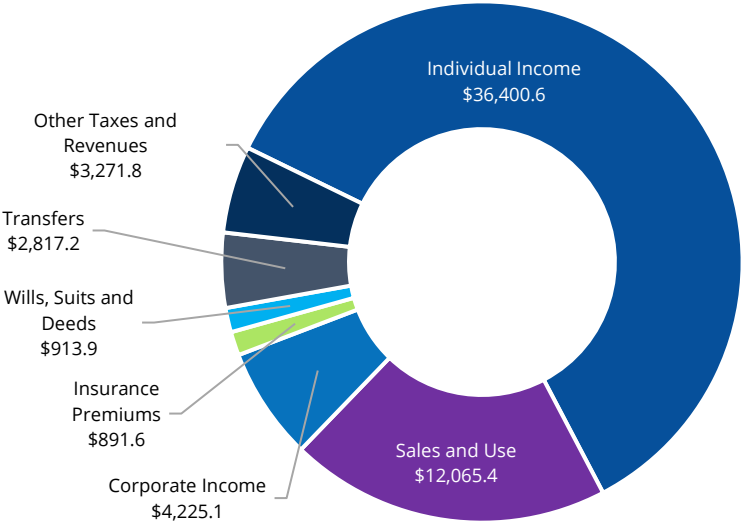
EXECUTIVE SUMMARY

REVENUE OVERVIEW

- The proposed 2024-26 budget includes \$62.9 billion in total general fund resources available for appropriation. This amount includes \$57.8 billion from revenue collections during the biennium and \$2.8 billion from transfers into the general fund during the two years, for a total of \$60.6 billion. The remaining \$2.3 billion represents the carryforward balances from FY 2024.

- The forecast for the upcoming FY 2024-2026 biennium closely mirrors the GACRE forecast presented in November and reflects an assumed mild recession in FY 2025 which results in revenue growth of only 1.4%,

**FY 2024-26 GF REVENUES = \$60.6 BILLION
HB 30, AS INTRODUCED (\$ in millions)**



and a rebound in FY 2026 with growth of 5.4%. The one change, compared to the GACRE forecast, is a reduction in FY 2026 sales and nonwithholding revenues totaling \$150 million, reflecting concern expressed by GACRE members that the rebound in growth was a bit too optimistic.

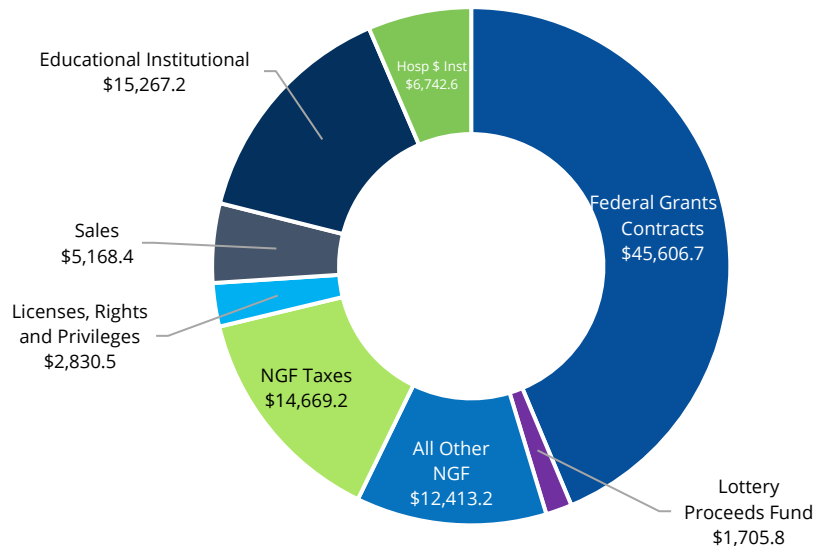
- Budget also reflects the transfer of \$804 million over the biennium to the general fund from the Revenue Reserve Fund based on the 15% combined cap for the Rainy Day Fund and the Revenue Reserve Fund contained in the Code.
- Total nongeneral fund resources contained in the budget total \$122.4 billion, which includes a \$12.2 billion carry forward balance from FY 2024, \$5.2 billion in

internal service funds spending and \$0.6 billion in bond proceeds.

The remaining \$104.4 billion in Nongeneral Fund revenues is shown in the Chart.

- Total biennial revenues, including General Fund and Nongeneral Fund is \$185.3 billion.

FY 2024-26 NONGENERAL FUND REVENUES = \$104.4 BILLION HB 30, AS INTRODUCED (\$ in millions)



TAX POLICY PROPOSALS

In total, proposed tax policy adjustments reduce revenue available by \$1.0 billion over the two years.

Reduce Individual Rates by 12% (to 5.10%, 4.40%, 2.65%, and 1.75%)

- Proposes decreasing all of the individual tax rates by about 12%, effective January 1, 2025. Would decrease bottom rate from 2% to 1.75% and top rate from 5.75% to 5.10%.
- This would reduce revenues by \$1,118.9 million in FY 2025 and \$2,339.8 million in FY 2026 (when fully implemented).

Increase the Statewide Sales Tax Rate by 0.9 Percentage Points

- Proposes to increase the state sales tax rate from 4.3% to 5.2% effective January 1, 2025.
- This would increase general fund revenues by \$520.1 million in FY 2025 and \$1,299.3 million in FY 2026.

Expand Sales Tax Base to Include “New Economy” Products

- Proposes expanding the base of goods to which sales tax is applied to include certain “new economy” products including streaming products, digital downloads, and data/software downloads to recapture revenues lost as

products have moved from a taxable status (e.g., DVDs) to non-taxable status (streaming services).

- This would increase general fund revenues by \$203.4 million in FY 2025 and \$510.7 million in FY 2026. (Estimate assumes the sales tax increase to 5.2% is adopted.)

Expand the Earned Income Tax Credit (EITC) to 25% of the Federal Credit

- Proposes to increase the EITC from 20% to 25% of the federal credit beginning in tax year 2025. The incremental increase would not be a refundable credit.
- This would decrease general fund revenues by \$29.0 million in FY2026.

Double the Dealer Discount

- Proposes to double the dealer discount, which are reimbursements provided to retailers to support the cost of accounting and transmitting sales tax, effective January 2025.
- This would decrease general fund revenues by \$10.1 million in FY 2025 and \$25.2 million in FY 2026.

Increase the Annual Cap on the Education Improvement Scholarships Tax Credits (EISTC) Program

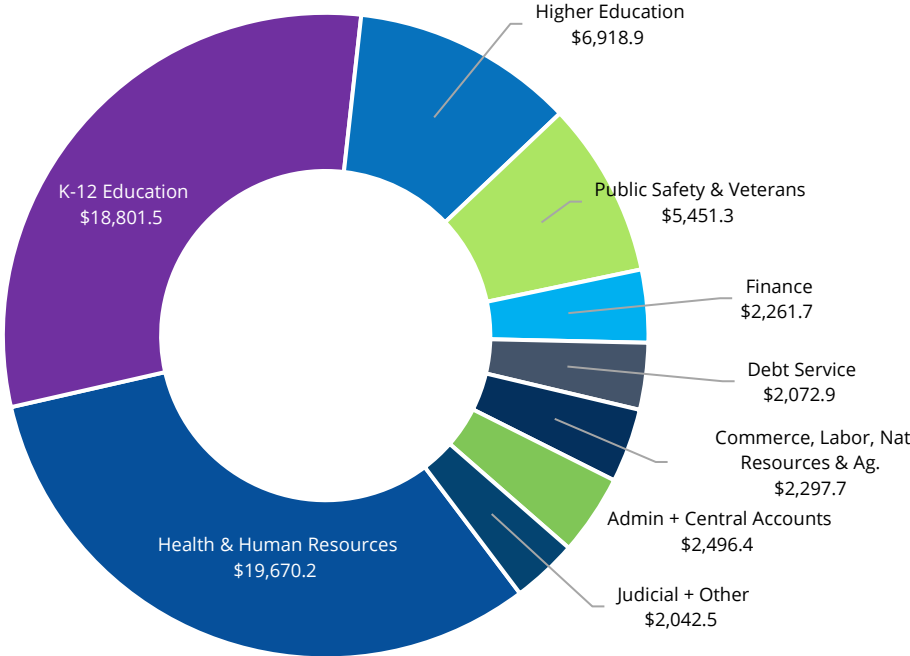
- Proposes to increase the overall cap on the EISTC from \$25 million annually to \$30 million annually beginning in FY 2025.
- This would decrease general fund revenues by \$5.0 million each year of the biennium.

SPENDING OVERVIEW

- HB 30 includes net general fund spending increases of \$3.1 billion in FY 2025 and \$2.5 billion in FY 2026 compared to DPB's Chapter 2 (2022 Session) base budget which was created prior to the passage of Chapter 1. Of this total, \$1.8 billion in FY 2025 and \$1.3 billion in FY 2026 is actual new spending. The remainder - \$1.3 billion in FY 2025 and \$1.2 billion in FY 2026 - represents the annualization and continuation of actions adopted by the General Assembly in September 2023 (Chapter 1).
- The actual gross expenditure increase is comprised of spending increases of \$2.5 billion the first year and \$2.1 billion the second year, offset by savings of \$787 million in FY 2025 and \$833 million FY 2026.
- See chart on page 12 for a breakdown of proposed spending by secretarial area.

- The major savings actions are largely technical in nature, with the vast majority linked to K-12 rebenchmarking, prison closures and compensation board adjustments.
- In addition to the operating increases is GF capital outlay cash spending totaling \$917 million.
- The vast majority of discretionary spending is included in FY 2025, with spending in the second year largely limited to mandatory spending for things like the Medicaid forecast and K-12 rebenchmarking.

FY 2024 - FY 2026 BIENNIAL GENERAL FUND SPENDING BY SECRETARIAL AREA, HB 30 AS INTRODUCED
\$62.0 billion (\$ in millions)



TOP SPENDING ITEMS

Major spending items included in HB 30 are detailed in the table below, and total \$6.3 billion over the biennium. This higher figure includes annualization of Chapter 1 actions. The table is followed by a description of several of these spending proposals by secretarial area.

TOP GF SPENDING ITEMS IN HB 30 AS INTRODUCED (\$ IN MILLIONS)

AGENCY	ITEM	BIENNIAL GF TOTAL
K-12 Direct Aid	Rebenchmark the cost of Direct Aid to Public Education	\$969.0
DMAS	Fund Medicaid utilization and inflation	714.0
DMAS	Adjust Health Care Fund appropriation	508.9
DOE	Support Child Care Subsidy Program direct services after federal relief expires	411.1
Capital Outlay	Maintenance Reserve	404.0
K-12 Direct Aid	Reduce unfunded liabilities of the Teacher Retirement Plan (later backfilled with \$235.0 m LF)	350.0
Capital Outlay	Supplement Pool Deposit	250.0
DMAS	Add developmental disability waiver slots	150.3
Central Accounts	Provide funding to improve state agency information technology infrastructure	150.0
DCR	Funding for the Virginia Agricultural Cost Share and nonpoint source pollution programs	138.1
K-12 Direct Aid	Provide a two percent compensation supplement for instructional and support positions in FY 2026	122.8
Central Accounts	Provide bonus payments to state employees and state-supported local employees	109.0
Central Accounts	Adjust funding for agency health insurance premium costs	106.3
DCR	Increase funding for the Virginia Community Flood Preparedness Fund	100.0
CSA	Fund Children's Services Act forecast	97.1
EDIP	Virginia Business Ready Sites Program	91.0
K-12 Direct Aid	Update sales tax revenues for base expansion	85.7
Treasury	Adjust funding for debt service	83.7
Capital Outlay	Equipment Pool	81.3
DCR	Assist the Norfolk Coastal Storm Risk Management Project	73.9
VDOT	Accelerate Interstate 81 corridor project	70.0
VIPA	Fund the Virginia Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Network	64.0
K-12 Direct Aid	Support expanded reading specialist staffing standard	61.2
K-12 Direct Aid	Increase funding for College Partnership Laboratory Schools	60.0
Central Accounts	Provide one percent salary increase for state and state-supported local employees	59.6
K-12 Direct Aid	Support Mixed Delivery services after federal relief expires	53.5
K-12 Direct Aid	Provide a one percent bonus for instructional and support positions in FY 2025	53.0

TOP GF SPENDING ITEMS IN HB 30 AS INTRODUCED (\$ IN MILLIONS)

AGENCY	ITEM	BIENNIAL GF TOTAL
SCC	Provide additional appropriation for the Reinsurance Program	52.0
DEQ	Provide additional funding for the Richmond Combined Sewer Overflow project	50.0
Capital - DGS	Improvements at Fort Monroe Authority	50.0
Capital - DGS	Improvements to Relocate Monroe Tenants and Demolish Monroe	50.0
DMAS	Fund Family Access to Medical Insurance Security utilization and inflation	47.0
DOC	Transition Lawrenceville Correctional Center to state management	42.9
DOE	Develop new state assessment system	40.0
K-12 Direct Aid	Support attainment of industry recognized credentials through Diploma Plus grants	40.0
DBHDS	Fund salary alignments for clinical roles and food and environmental staff at state facilities	39.8
EVMS	Provide support for the creation of the Eastern Virginia Health Sciences Center	37.0
DBHDS	Fund additional crisis services	35.6
DHR	Create a capital grant program to celebrate the country's Semiquincentennial	35.0
DEQ	Support Bristol landfill remediation	35.0
DBHDS	Improvements to DBHDS Facilities	35.0
DVS	Support start-up operations for Jones & Cabacoy and Puller Veterans Care Centers	30.5
DHCD	Establish an early learning capital incentive program	25.0
EDIP	Virginia Business Ready Sites Acquisition Program	25.0
DCR	Provide additional funding for the Resilient Virginia Revolving Loan Fund	25.0
Capital Outlay	Detailed Planning Pool (three new projects)	24.0
Capital Outlay	Workforce Development Projects (Tech Talent)	22.2
DSS	Address TANF grant shortfall in VDH and DSS programs	21.0
VDOT	Provide additional funding for the Transportation Partnership Opportunity Fund	20.0
Central Accounts	Provide funding to support American Revolution 250 Commission operations	20.0
VDH	Expand Health/Beh. Health Workforce Programs in VDH	20.0
TOTAL		\$6,239.1

Health and Human Resources

- **Medicaid Forecast.** Proposes spending of \$175.1 million in FY 2025 and \$538.9 million in FY 2026 for the forecast of utilization and inflation.
- **Virginia Health Care Fund.** Proposes spending of \$255.5 million in FY 2025 and \$253.4 million in FY 2026 to offset the Virginia Health Care Fund to account for latest revenue estimates. Fund is declining primarily due to loss of managed care organization payments for excess profits which occurred during the pandemic.
- **Children’s Health Insurance Programs.** Proposes spending of \$8.6 million in FY 2025 and \$22.7 million in FY 2026 for the children's health insurance programs (FAMIS and M-CHIP).
- **Behavioral Health Services and Substance Use Disorder Services.** Proposes an additional \$101.5 million over the biennium for behavioral health and substance use disorder services, including:
 - \$35.6 million over the biennium for additional crisis receiving centers and crisis stabilization units
 - \$15.0 million over the biennium for DBHDS school mental health services (another \$14.4 million over the biennium is also proposed in the Dept. of Education for similar purposes)
 - \$10.0 million in FY 2025 for mobile crisis teams
 - \$10.0 million in FY 2025 for psychiatric emergency programs
- **Health/Behavioral Health Workforce Programs and Compensation.** Proposes \$49.8 million over the biennium for Health Dept. health/behavioral health workforce programs and compensation actions for clinical and support staff at state behavioral health and developmental services facilities.
- **Children’s Services Act (CSA) Forecast.** Proposes \$36.4 million in the caboose, and \$48.5 million in each year in HB 30 for estimated caseload and costs increases in CSA.
- **Emergency Medical Services.** Proposes \$12.5 million in FY 2024 and \$12.5 million in FY 2025 to backfill a shortfall in emergency medical services by eliminating the transfer of a portion of the \$6.25-for-Life funds to the general fund.
- **Opioid Overdose Reversal Drugs.** Adds \$11.0 million over the biennium from the Opioid Settlement for the distribution of opioid reversal drugs (naloxone).

- **Children’s Welfare Services.** Proposes \$15.9 million over the biennium to fund the estimated cost for relative maintenance payments for kinship care and alternative living arrangements for children at-risk of foster care placements.

K-12 Education

- **Rebenchmarking.** Includes \$969.0 million for rebenchmarking costs and other technical updates.
- **Childcare Subsidy Program.** Adds \$305.3 million to ensure families currently participating in the childcare subsidy program do not lose access to services after the expiration of federal pandemic relief funds.
- **Compensation.** Provides \$175.8 million for compensation, provided as a 1% bonus in FY 2025 and a 2% salary increase in FY 2026.
- **Lab Schools.** Provides \$60.0 million for College Partnership Lab Schools.
- **Grocery Sales Tax Hold Harmless.** Saves \$229.0 million by not extending the hold harmless provided for the repeal of the grocery sales tax into the new biennium.
- **Literary Fund.** Utilizes \$535.0 million over the biennium from the literary fund to address teacher retirement costs (ongoing and one-time).
- **Teacher Retirement.** Directs \$235.0 million from the literary fund and \$115.0 million GF in one-time actions to reduce teacher retirement liability.

Economic and Workforce Development

- **Site Development and Acquisition.** Proposes an additional \$200.0 million over the biennium for the Virginia Business Ready Sites Fund, which would bring total program funding to \$434 million. In addition, adds \$25.0 million in FY 2025 for the Virginia Business Ready Sites Acquisition Fund, which would bring total program funds to \$100 million.
- **Virginia Telecommunications Initiative (VATI).** Reduces funding for the VATI, the state’s broadband infrastructure deployment program, by \$80.0 million over biennium leaving \$20.0 million in FY 2025 for the program.
- **Child Care Facility Development Grant.** Creates a new grant program with \$25.0 million in FY 2025 to develop new early childhood centers across the state in partnership with higher education.
- **Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Network.** Invests \$100.0 million in FY 2025 to create the Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Network to support specific initiatives at the University of Virginia (\$55.0 million), Virginia Tech (\$30.0 million), and Virginia

Commonwealth University (\$15.0 million). Net new spending for this initiative totals \$64.0 million.

- **Workforce Initiatives.** Invests \$9.0 million over the biennium in specific workforce initiatives under the Department of Workforce Development and Administration.

Public Safety and Homeland Security

- **Closure of Four Correctional Facilities.** Assumes savings of \$118.6 million GF over the biennium reflecting the closure of Sussex II State Prison, Augusta Correctional Center, Haynesville Field Unit, and the Stafford Community Corrections Alternative Program.
- **State management of Lawrenceville Correctional Center.** Includes \$42.9 million GF in additional funding over the biennium to reflect the costs of the Department of Corrections transitioning Lawrenceville Correctional Center from contract to state management.
- **Law Enforcement Recruitment and Wellness.** Proposes \$18.0 million GF in FY 2025 for DCJS to establish a grant program to support state and local law enforcement recruitment efforts and officer wellness programs.

Veterans and Defense Affairs

- **Start-up Costs for New Veterans Care Centers.** Includes \$30.5 million GF in FY 2025 to reflect anticipated operating costs associated with the opening of the new Jones & Cabacoy and Puller Veterans Care Centers.

Agriculture and Natural Resources

- **Increase Support for Agriculture and Forestry Industries Development Fund.** Proposes an additional \$2.0 million GF in FY 2025 for the Agriculture and Forestry Industries Development Fund.
- **Agricultural Technology Grant Program.** Proposes \$2.0 million GF in FY 2025 at VDACS to establish a new grant program intended to support agricultural technology research activities.
- **Water Quality Improvement Fund.** Proposes a supplemental deposit into the Water Quality Improvement Fund (WQIF) total \$201.1 million in FY 2025. Of this amount, \$138.1 million is from the general fund and \$63.0 million is from nongeneral funds related to the Monsanto settlement.

- **Community Flood Preparedness Fund.** Proposes \$100.0 million GF in FY 2025 for deposit in the Community Flood Preparedness Fund to support community-scale flood resilience projects.
- **Norfolk Coastal Storm Risk Management Project.** Includes \$73.9 million GF in FY 2025 to the City of Norfolk toward the nonfederal matching funds required for the Coastal Storm Risk Management project.
- **Richmond Combined Sewer Overflow (CSO).** Includes \$50.0 million GF in FY 2025 to support the City of Richmond's ongoing CSO project.
- **Bristol Landfill.** Proposes \$35.0 million GF in FY 2025 to support the City of Bristol in the ongoing remediation efforts at its landfill.
- **Resilience Virginia Revolving Loan Fund.** Provides \$25.0 million GF in FY 2025 for deposit in the Resilient Virginia Revolving Loan Fund to support property-scale resilience projects.
- **Remove Cap on Land Preservation Tax Credit.** Proposes to eliminate the current \$20,000 per taxpayer limit on the amount of the Land Preservation Tax Credit that may be claimed per taxable year. Removal of the language would increase the annual claim limit to \$50,000 per taxable year, and \$100,000 per year for fee simple donations of land conveyed to the Commonwealth.

Capital Outlay

- **Tax-Supported Debt.** Proposes \$334.9 million in tax-supported debt issued by the Virginia Public Building Authority (VPBA) and/or Virginia College Building Authority (VCBA) to be repaid by general fund appropriations. Includes an additional \$133.6 million in nongeneral fund supported debt, mainly for the renovation and/or construction of student housing at institutions of higher education.
- **Deferred Maintenance.** Proposes over \$1.5 billion (\$824.4 million GF cash/debt and \$685.3 million NGF cash/debt) to address the significant backlog of deferred maintenance at state-owned facilities. Of the GF spending, \$404.4 million is proposed for distribution statewide according to the maintenance reserve formula and \$420.0 million is for 28 targeted improvement projects allotted as stand-alone, umbrella, or in one of two construction pools.
- **Supplement Pool.** Provides an additional \$250.0 million GF for deposit to the Capital Supplement Pool, bringing total resources available in the pool to \$800.0 million.

- **Capital Equipment.** Proposes \$103.5 million GF the first year for equipment for capital projects anticipated to be complete within the next 18 months (\$81.3 million), and for allocations due for workforce development projects associated with the Tech Talent initiative (\$22.2 million).
- **Planning Authorizations.** Includes \$24.0 million GF and \$57.2 million NGF and language authorizing five projects to start the planning process.

General Government

- **Judicial Branch.** Includes \$8.6 million GF for Judicial branch initiatives, including \$3.5 million for a new enterprise resource system, \$2.3 million to support specialty dockets, and \$2.8 million to supplement court of appeals staffing levels in light of ongoing impacts of recent changes to appeal laws.
- **Compensation Board.** Proposes a net reduction of \$68.2 million GF, of which \$61.4 million is attributable to an anticipated decrease in per diem payments from the closure of Bristol and Hampton Roads Regional Jails (\$31.4 million) and to an overall reduction in the number of state-responsible inmates in local and regional jails (\$30.0 million). Also proposes a reduction of \$9.4 million in FY 2026 due to anticipated ongoing vacancies in local constitutional offices.
- **Governor's Office.** Proposes \$5.8 million GF, of which \$5.3 million is one-time in FY 2025 to support the development of a statewide permitting platform (\$4.6 million) and to pilot five artificial intelligence programs (\$600,000).
- **Office of the Attorney General.** Includes \$3.2 million GF and 13 positions to increase staffing in IT and consumer and ratepayer protection and enforcement.
- **Debt Service.** Includes \$83.7 million GF for anticipated debt service payments on bonds issued by the Virginia Public Building and College Building Authorities.
- **State Reinsurance Program.** Proposes \$52.0 million GF and \$686.0 million NGF to reimburse individual health insurance market carriers for eligible expenses.
- **State Agency IT Infrastructure.** Proposes \$150.0 million GF to upgrade, replace and modernize critical technology systems across state agencies. No projects are earmarked for use of these funds, selection and approval are left to the Secretaries of Administration and Finance.
- **American Revolution 250th Anniversary.** Proposes \$55.0 million GF for statewide activities to commemorate America's Semiquincentennial. Includes \$20.0 million to support operational activities of the legislative American Revolution 250 Commission and \$35.0 million for the Department of Historic Resources to make infrastructure grants to entities.

Compensation and Retirement

- **Employee Compensation.** Includes \$54.2 million GF in FY 2025 and \$54.7 million GF in FY 2026 for a 1% bonus for full time state employees and state supported local employees in December of each year of the biennium.
- **Health Insurance Premiums.** Includes \$39.6 million GF in FY 2025 and \$66.7 million GF in FY 2026 to support the cost of increases in the health care premiums for the state employee health insurance program. Funding assumes a 6.3% increase in FY 2025 and a 4.0% increase in FY 2026 in for the self funded plan.

Transportation

- **I-81.** Includes \$70.0 million GF in FY 2025 to accelerate the widening of I-81 near Salem.
- **TPOF.** Provides \$20.0 million GF in FY 2025 for a deposit into the Transportation Partnership Opportunity Fund.

Higher Education

- **ODU/EVMS Merger.** Recommends \$21.0 million in FY 2025 and \$16.0 million in FY 2026 for costs associated with the creation of the Eastern Virginia Health Sciences Center at Old Dominion University.

RESOURCES

The proposed 2024-26 biennium budget includes \$62.9 billion in general fund resources available for appropriation.

AVAILABLE BALANCE

GENERAL FUND RESOURCES (2024-26 BIENNUM, \$ IN MILLIONS)	
Beginning Balance	\$2,353.8
Additions to the Balance	(1.0)
Official GF Revenue Estimate	57,768.3
Transfers	2,817.2
GF Resources Available for Appropriation	\$62,938.3

The budget, as introduced, includes a projected beginning balance of \$2.3 billion to be carried over from the FY 2022-24 biennium. This balance results from a significant revenue surplus in FY 2023 which resulted in a higher base for FY 2024, which is reflected in a \$1.4 billion increase in FY 2024 projected revenues included in HB 29.

FORECAST OF GENERAL FUND REVENUES

The FY 2024-26 general fund revenue projections are based on an economic forecast of 3.0% revenue growth in FY 2025 and 6.0% in FY 2026 prior to making the tax policy adjustments to the forecast. The base forecast assumes a mild recession starting in the last quarter of FY 2024 and lasting through the first 2 quarters of FY 2025.

Proposed tax policy adjustments are expected to result in a net decrease in general fund revenues of \$410.5 million in FY 2025 and \$589.0 million in FY 2026. After adjusting for the policy adjustments the forecast included in HB 30 as introduced includes revenues of \$28,121.4 million in FY 2025 and \$29,646.9 million in FY 2026. This reflects revenue growth of 1.4% in FY 2025 and 5.4% in FY 2026 after tax policy adjustments.

FORECAST OF GENERAL FUND REVENUES (\$ IN MILLIONS)				
	FY 2025	% Growth	FY 2026	% Growth
Withholding	\$15,958.1	-0.5%	\$16,102.0	0.9%
Nonwithholding	5,397.0	-7.2%	5,225.8	-3.2%
Refunds	-3,254.6	-2.4%	-3,027.7	-7.0%
Corporate	2,063.8	-6.8%	2,161.3	4.7%
Sales	5,400.9	19.6%	6,664.5	23.4%
Insurance	439.3	-1.6%	452.3	3.0%
Wills (Recordation)	456.7	7.3%	457.2	0.1%
All Other	<u>1,660.3</u>	2.8%	<u>1,611.5</u>	-2.9%
Total GF Revenues	\$28,121.4	1.4%	\$29,646.9	5.4%

PROPOSED POLICY CHANGES ASSUMED IN REVENUE FORECAST

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

- **Reduce Individual Rates by 12% (to 5.10%, 4.40%, 2.65%, and 1.75%)**
 - Proposes decreasing all of the individual tax rates by around 12% effective January 1, 2025. Would decrease bottom rate from 2% to 1.75% and top rate from 5.75% to 5.10%. Would reduce revenues by \$1,118.9 million in FY 2025 and \$2,339.8 million in FY 2026.
- **Increase the Statewide Sales Tax Rate by 0.9 Percentage Points**
 - Proposes to increase the portion of the sales tax directed to the state from 4.3% to 5.2% effective January 1, 2025. Would increase General Fund revenues by \$520.1 million in FY 2025 and \$1,299.3 million in FY 2026.
- **Expand Sales Tax Base to Include “New Economy” Products**
 - Would expand the base of goods for which sales tax is applied to include certain “new economy” products including streaming products, digital

downloads, and data/software downloads which would increase General Fund revenues by \$203.4 million in FY 2025 and \$510.7 million in FY 2026. (Note: Estimate assumes the sales tax increase to 5.2% is adopted.)

- **Expand the Earned Income Tax Credit to 25% of the Federal Credit**
 - Proposes to increase the EITC from 20% to 25% of the federal credit beginning in tax year 2025. Would decrease General Fund revenues by \$29.0 million in FY2026.
- **Double the Dealer Discount**
 - Proposes to double the dealer discount (reimbursements provided to retailers to support the cost of accounting and transmitting sales tax) effective January 2025. Would decrease General Fund revenues by \$10.1 million in FY2025 and \$25.2 million in FY 2026.
- **Increase Annual Cap on the Education Improvement Scholarships Tax Credits Program**
 - Proposes to increase the overall cap on the EISTC from \$25 million annually to \$30 million annually beginning in FY 2025. Would decrease General Fund revenues by \$5.0 million each year of the biennium.
 - This credit has never been fully subscribed at the current \$25 million level.

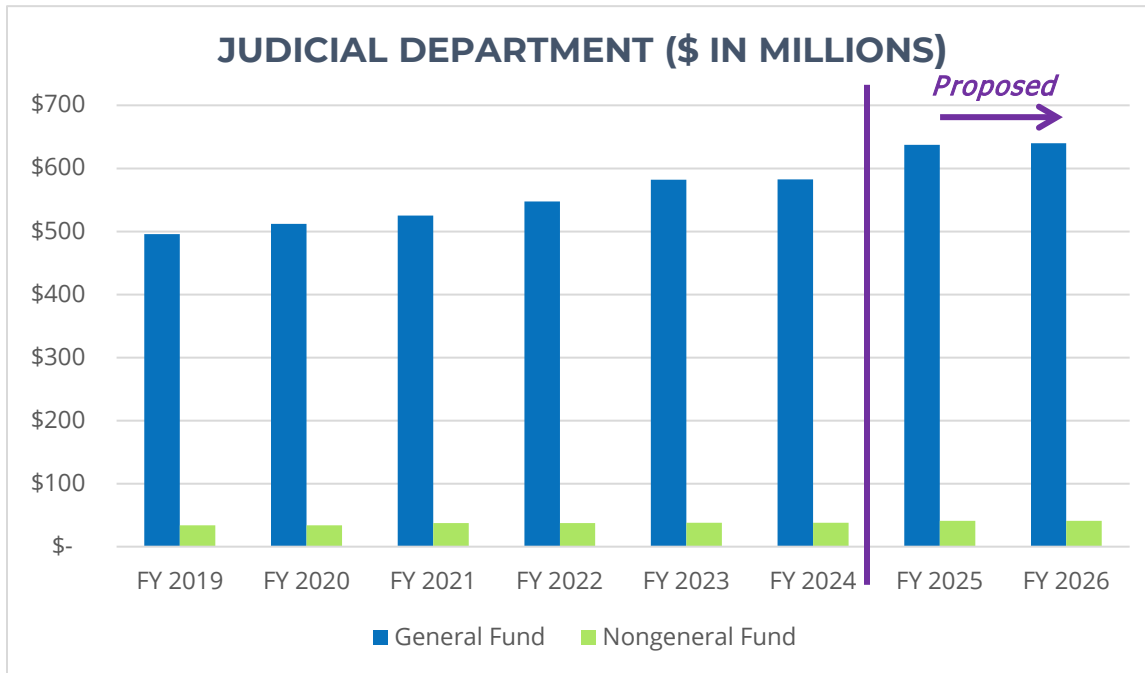
GENERAL FUND TRANSFERS

Proposed transfers to the general fund total \$2.8 billion over the biennium. Over \$2.0 billion of the transfers comes from 2 transfers items, more than \$1.2 billion from the standard 0.375% sales tax transferred from the Local Real Estate/SOQ Fund for public education and \$804.0 million from the Revenue Reserve Fund representing the from the cash balances in the Rainy Day Fund and Revenue Reserve Fund above the combined 15% cap.

**PROPOSED GF TRANSFERS, AS INTRODUCED
2024-2026 BIENNIUM (\$ IN MILLIONS)**

0.375% Sales Tax – Public Education	\$1,239.6
Transfers from Revenue Reserves – Cap Funds at 15% Limit	\$804.0
ABC Profits	\$437.2
ABC/Wine to DBHDS for Substance Abuse Treatments	\$149.0
Transfer from Unclaimed Property for Teacher Retirement	\$115.0
NGF Indirect Costs (SICAP)	\$29.2
Local and Transportation Sales Tax Compliance	\$27.1
Revert Fund Balances from GO Virginia	\$28.0
Unfunded Marine Fuels	\$14.8
Uninsured Motorist Fees	\$14.8
Eliminate Transfer to the GF from VDH for EMS in First Year	\$12.5
IDEA Fund Transfer	\$10.0
ABC Operational Efficiencies	\$7.7
Court Debt Collections	\$5.8
Miscellaneous Other	(\$77.5)
Total	\$2,817.2

JUDICIAL



General Fund spending in the Judicial Department has averaged 3.6% annual growth from FY 2019 to FY 2026 (proposed). Increased GF spending in the 2024-2026 biennium is higher at 9.6% over the prior biennium, but is reflective mostly of base adjustments, such as those to imbed statewide raises granted in FY 2023-2024, as well as funding to continue initiatives established in Chapter 1, 2023 Acts of Assembly, Special Session I. New proposed GF spending for the Judicial Branch comprises less than 8% of the increase over the prior biennium. The new proposals include \$3.5 million GF for a new courts enterprise resource system, \$2.3 million GF to increase support for specialty court dockets around the state, and \$2.8 million GF for the Court of Appeals to increase staffing to meet ongoing workload impacts from the 2021 law change that expanded the right to appeal.

SUPREME COURT

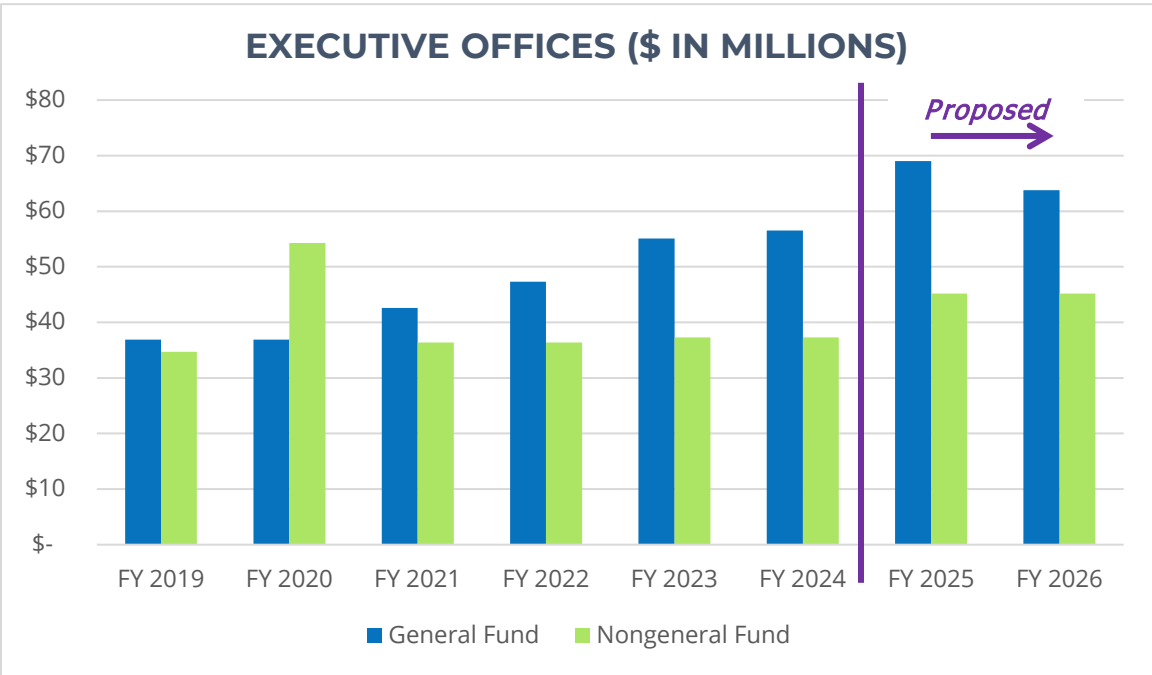
- **Implement a New Enterprise Resource System.** Proposes \$1.0 million GF the first year and \$2.5 million GF the second year for a new enterprise system to support the courts' fiscal, human resource, and procurement activities. The second-year amount represents the ongoing cost for system maintenance.
- **Increase Funding for Specialty Dockets.** Includes \$750,000 GF the first year and \$1.5 million GF the second year to increase funding for specialty court

dockets across the state. Virginia has 94 approved specialty dockets, of which 37 currently receive state funding.

COURT OF APPEALS OF VIRGINIA

Address Increased Workload Complexity. Proposes \$1.4 million GF and 14 positions each year to support the increased workload quantity and complexity resulting from the 2021 law change that expanded the right to appeal. This proposal is in addition to the funding and three positions funded in Chapter 1, 2023 Acts of Assembly, Special Session I, and is reflective of the magnitude of the ongoing impact as the law changes more fully materialize.

EXECUTIVE OFFICES



General Fund spending in the Executive Department has averaged 8.2% annual growth from FY 2019 to FY 2026 (proposed). Increased GF spending in the 2024-2026 biennium is higher at 19% over the prior biennium, roughly half of which reflects base adjustments. The other half of the GF spending increases reflect new spending proposals, including \$5.2 million for new information technology programs within the Governor’s office, \$3.8 million and eight new positions in the Office of the Attorney General (OAG) to enhance consumer and rate advocacy efforts, and \$0.6 million for three new staff within the Governor’s Cabinet to support efforts related to the Office of the Children’s Ombudsman and notary and restoration of rights functions.

OFFICE OF THE GOVERNOR

- Plan and Develop New Technology Programs.** Proposes \$5.2 million GF the first year for new technology initiatives, including \$4.6 million to expand the Department of Environmental Quality’s new Permitting Enhancement and Evaluation Platform for statewide use, and \$600,000 for five state agency artificial intelligence pilots led by the Office of Transformation.

- **Increase Support for the Office of the Children’s Ombudsman.** Proposes \$153,927 GF and one position both years to increase staffing and operational support.

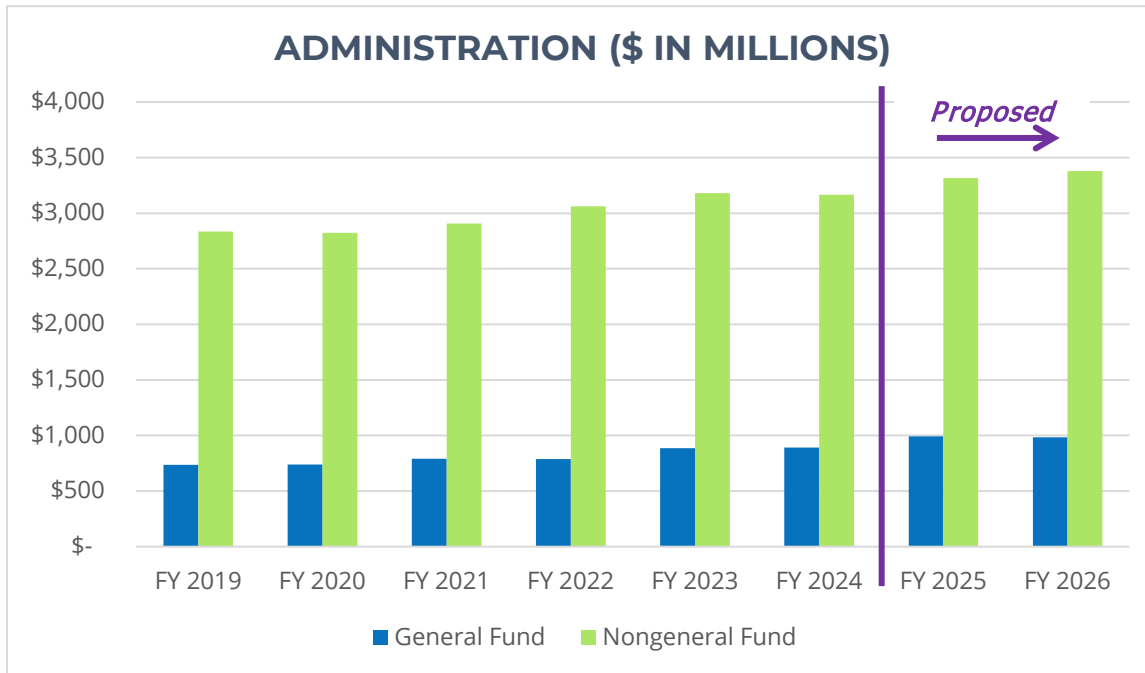
OFFICE OF THE LIEUTENANT GOVERNOR

- **Language Amendment Related to Office Staffing.** Proposes removal of language added in Chapter 1, 2023 Acts of Assembly, Special Session I, that limits office staffing level to three positions.

ATTORNEY GENERAL AND DEPARTMENT OF LAW

- **Increase Consumer Protection Staffing.** Proposes \$927,526 GF and eight positions both years to enhance consumer and ratepayer protection, of which six positions would be dedicated to the inspection and enforcement of the sale of substances containing THC or industrial hemp extracts, and two positions would enhance energy rate consumer protection in light of a new requirement for annual energy company filings.
- **Fund Additional Information Technology (IT) Positions.** Proposes \$647,850 GF and five positions both years to enhance the agency’s IT and cybersecurity staffing as recommended by the Auditor of Public Accounts.
- **Transfer Settlement Funds to Establish Youth Opioid and Vaping Prevention Programs.** Proposes a transfer of \$5.0 million NGF each year to the Department of Behavioral Health and Developmental Services to establish two programs to reduce youth addiction. Specifically, \$4.0 million each year from the Commonwealth Opioid Abatement and Remediation (COAR) Fund for a youth opioid prevention program, and \$1.0 million each year from a multistate JUUL settlement to create an annual youth vaping prevention campaign.
- **Increase Agency Use of Settlement Funds.** Proposes an additional \$500,000 per year that the agency can retain from settlement deposits in the Regulatory, Consumer Advocacy, Litigation, and Enforcement Revolving Trust Fund. At present, balances in the Fund over \$1.25 million are transferred to the general fund at the end of each fiscal year.
- **Authorize Fee Collection from Local Soil and Water Conservation Districts (SWCDs).** Proposes removal of budget language to allow the office to resume charging SWCDs for legal services rendered.

ADMINISTRATION



General Fund spending in the Administration secretariat has averaged 4.2% annual growth from FY 2019 to FY 2026 (proposed). Increased GF spending in the 2024-2026 biennium is 11% higher than the prior biennium (roughly \$200 million GF), largely due to base adjustments. For the Compensation Board alone, these base adjustments totaled \$251.9 million. Making up for the difference between the \$200.0 million net GF increase over the last biennium and \$264.0 million in base adjustments for the Secretariat as a whole, are GF reductions that total over \$75.0 million, of which \$71.0 million are within the Compensation Board to reflect lower jail inmate per diems (\$15.0 million each year), savings from closure of the Bristol City and Hampton Roads Regional Jails (\$15.7 million each year), and a \$9.4 million reduction in FY 2026 in distributions to certain statewide constitutional offices. Also proposed are \$4.3 million GF in saving actions by the Departments of General Services and Human Resource Management (\$4.0 million and \$0.3 million, respectively). The only proposed new GF spending is limited to \$1.1 million GF for system enhancements for statewide programs related to capital asset management and employee review.

COMPENSATION BOARD

- **Recognize Savings from Jail Closures.** Proposes a reduction of \$15.7 million GF each year to reflect the closures of Bristol City Jail (\$1.5 million) and Hampton Roads Regional Jail (\$14.3 million). The per diem amounts previously covered personnel and operations at the two jails.
- **Recognize Savings from Jail Inmate Per Diems.** Includes a reduction of \$15.0 million GF each year in jail inmate per diem payments. Remaining GF appropriation of \$43.7 million each year is anticipated to be sufficient based on recent jail population estimates.
- **Reflect Vacancy Rates in Constitutional Offices.** Proposes a reduction of \$9.4 million GF the second year for circuit court clerks, sheriffs, and Commonwealth's Attorneys, based on year-end GF balances due to vacancy levels in these statewide offices. Also proposes transferring \$9.4 million GF the first year into a newly proposed Constitutional Officer Reserve Fund, from which the Compensation Board can reimburse these local constitutional offices in the event of insufficient appropriation.
- **Fund Jail-Based Substance Use Disorder Treatment Program.** Proposes \$500,000 NGF the first year from the Commonwealth Opioid Abatement and Remediation (COAR) Fund to establish jail-based substance use disorder treatment programs in local and regional jails.
- **Recognize Savings from Unlaunched Pilot Program.** Proposes savings of \$75,000 GF both years to remove funding provided for the Williamsburg and James City County Circuit Court Clerk's office to conduct a pilot program related to foreclosure listings. The pilot was never launched.

DEPARTMENT OF GENERAL SERVICES

- **Reflect Agency Savings Actions.** Includes a reduction of \$2.0 million GF and \$3.1 million NGF each year to implement proposed savings actions that decrease two of the department's central service fees and supplant \$2.0 million GF with NGF revenues from the eVA Procurement Program and Statewide Vendor Contract Rebate funds.
- **Enhance Capital Asset Management Capabilities.** Includes \$500,000 GF the first year to plan necessary upgrades to systems used to manage capital assets.
- **Adjust Rent Plan Appropriation to Reflect Agency Moves.** Proposes decreases of \$1.2 million NGF the first year and \$7.2 million NGF the second year to reflect anticipated changes in the agency's rent plan revenue. Anticipated

changes to the rent plan are driven largely by pending relocations of state agency tenants out of the Monroe Tower, anticipated to be complete by FY 2026.

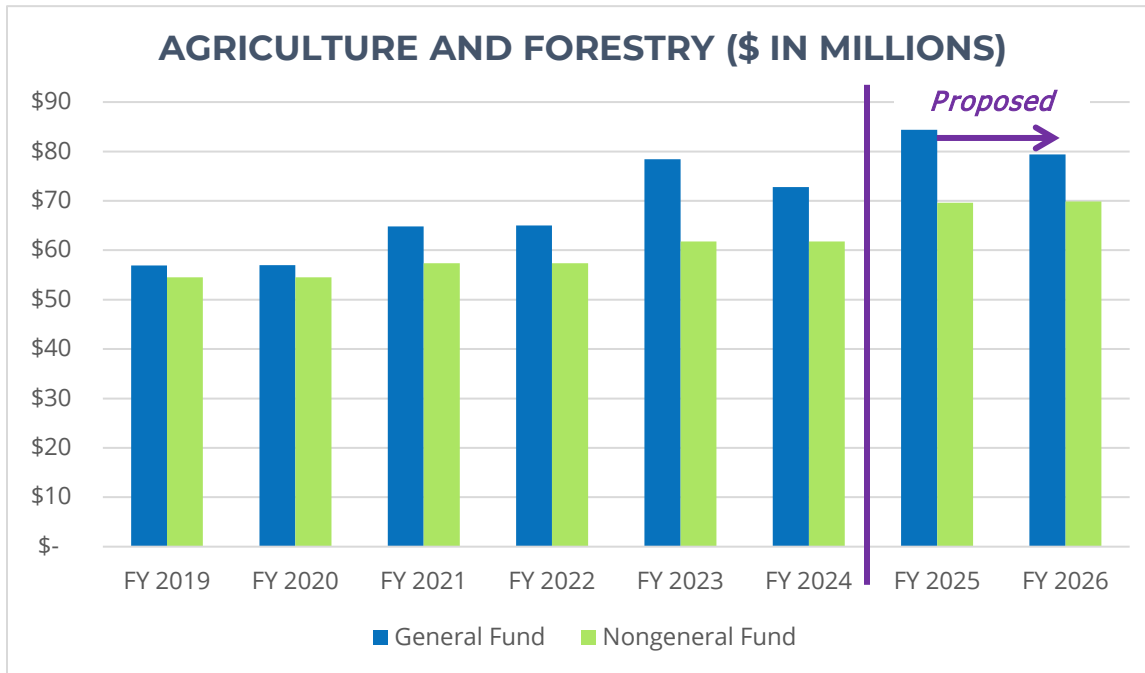
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

- **Implement One-Time Fee for System Use.** Proposes a savings of \$245,970 GF the first year from a one-year fee charged to entities who utilize the agency's statewide PageUp Recruitment Management System.
- **Automate the Statewide Performance Evaluation Process.** Proposes \$281,289 GF the first year and \$160,000 GF the second year for performance management software to automate the state's annual evaluation process. The second-year amount reflects ongoing costs.

VIRGINIA INFORMATION TECHNOLOGIES AGENCY

- **Adjust Nongeneral Fund Appropriation for Actual Costs.** Proposes a net reduction of \$41.1 million NGF the first year and \$45.4 million NGF the second year to update the agency's internal service fund appropriation. This is a standard technical adjustment to right-size the appropriation to reflect the latest forecast of agencies' utilization.
- **Recognize Agency Savings.** Proposes a reduction of \$2.5 million NGF both years to realize savings from holding positions vacant and from the conversion of 18 positions from contractor to full-time status in accordance with recommendations of the Joint Legislative and Audit Review Commission (JLARC).

AGRICULTURE AND FORESTRY



Relative to FY 2024 general fund spending, the budget for the Secretariat of Agriculture and Forestry is proposed to increase by \$6.0 million (16%) in FY 2025 and \$1.0 million (9.2% in FY 2026). These changes are primarily driven by distribution of centrally appropriated compensation increases for state employees. Notable new spending initiatives proposed for the Secretariat include a total of \$4.0 million GF in FY 2025 at VDACS to support the Agriculture and Forestry Industries Development Fund (AFID) and to establish a grant program for agricultural technology research.

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

- Additional Support for Agriculture and Forestry Industries Development Fund.** Proposes \$2.0 million GF in FY 2025 in additional support for the Agriculture and Forestry Industries Development Fund (AFID). This would increase total support for the AFID program to \$4.5 million GF over the biennium.
- Agricultural Technology Grant Program.** Includes \$2.0 million GF in FY 2025 for the Department to establish a competitive grant program to support agricultural technology research activities. Specific categories of projects to be

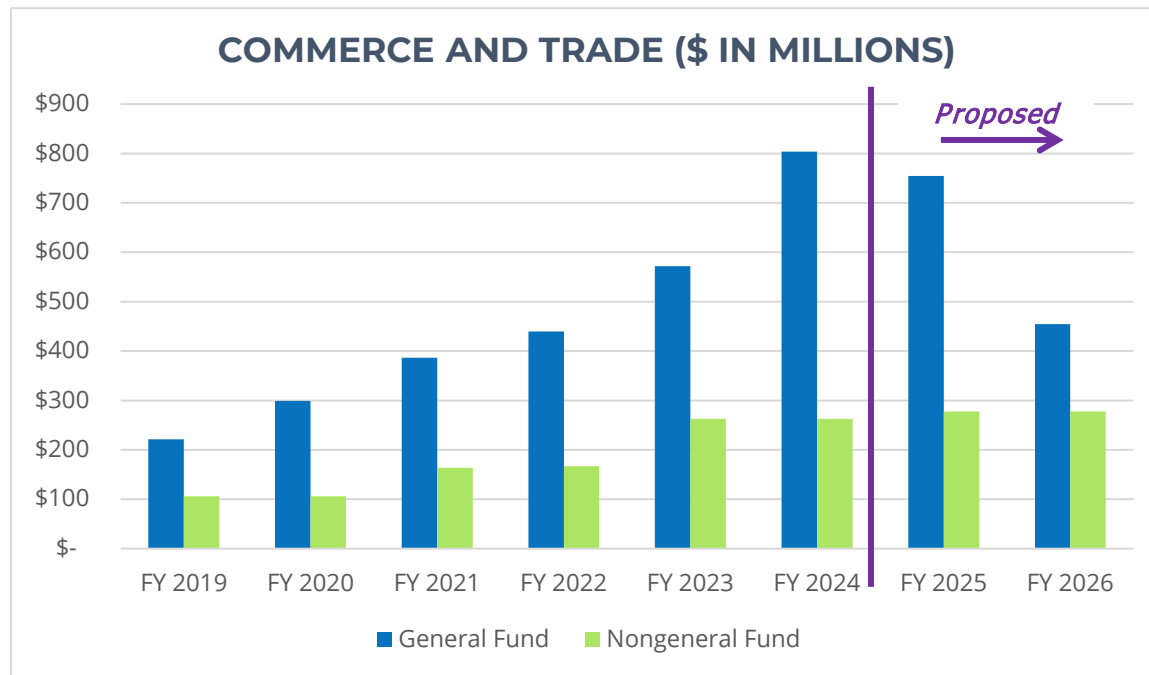
eligible for awards include those that develop agricultural products, and those that improve agricultural infrastructure growth, productivity, or efficiency.

- **Transfer of Special Fund Balances to the General Fund.** Proposes the transfer of \$2.5 million dollars in FY 2025 from the balances of special funds administered by the Department to the general fund. This includes \$1.8 million transferred from registration fees paid by charitable organizations, and \$750,000 transferred from the health spa fund.
- **Virginia Spirits Promotion Fund Deposit.** Includes \$1.2 million each year to be deposited in the Virginia Spirits Promotion Fund to represent the portion of tax revenue generated from the sale of distilled spirits produced in Virginia to be used to support the Virginia spirits industry.
- **Reduce Appropriation for Dairy Margin Coverage Premium Assistance Fund.** Proposes reducing to \$500,000 GF in FY 2025 and \$250,000 GF in FY 2026 the amounts provided for the Dairy Margin Coverage Premium Assistance program. Chapter 1 (Spec. Sess. 1) provided \$700,000 GF for the program in FY 2024 based on utilization levels.
- **Reduce Appropriation for Deposit to Farmland Preservation Fund.** Reduces by \$437,500 GF each year the deposit to the Farmland Preservation Fund. This action would halve the current funding level for the Fund which matches local funding for the purchase of development rights.
- **Eliminate Appropriation for International Trade Plan.** Proposes elimination of \$250,000 GF each year provided in Chapter 1 (Spec. Session 1) to support the Department's International Trade Plan.

DEPARTMENT OF FORESTRY

- **Support Removal of Obsolete Fire Towers.** Proposes \$760,000 GF in FY 2025 and \$600,000 GF in FY 2026 for the Department to complete an inventory of fire towers in the eastern and western regions of the Commonwealth, and to begin removal of obsolete fire towers in the central region. The estimated cost of removal for each tower is \$200,000, so the proposed funding would support the removal of three towers each year.
- **Reduce Appropriation for Broadband Capacity at Department Offices.** Proposes reducing to \$175,000 GF each year the amounts provided for broadband capacity upgrades at Department offices. This would represent a \$275,000 GF per year reduction from amounts provided in FY 2024.

COMMERCE AND TRADE



Budgets for many of the agencies in the Commerce and Trade secretariat have grown over time, leading to an 11% compounded annual growth rate for this secretariat from FY 2019 to FY 2026 (proposed spending).

In HB 30, the Governor proposes investing a total of \$225.0 million for site development and acquisition activities. Investments to strengthen Virginia’s portfolio of sites ready for businesses to relocate or expand in Virginia have primarily driven general fund budget growth in this secretariat over the last several fiscal years. For example, between FY 2023 and FY 2024, the General Assembly invested an additional \$200.0 million for site related activities from a program base of \$54.5 million for the Virginia Business Ready Sites Program.

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

ECONOMIC DEVELOPMENT INCENTIVE PAYMENTS

- **Virginia Business Ready Sites Fund.** Proposes the continuation of substantial investments for the Virginia Business Ready Sites Program with \$150.0 million in FY 2025 and \$50.0 million in FY 2026.

- Chapter 1, 2023 Special Session I invested an additional \$125.0 million in FY 2024 in the Virginia Business Ready Sites Fund, bringing total funding to \$234 million for sites at the end of FY 2024
- **Virginia Business Ready Sites Acquisition Fund.** Invests \$25.0 million in FY 2025 in the Virginia Business Ready Sites Acquisition Fund, which will allow the state to purchase and develop sites for large scale economic development projects. Language included in HB 30 exempts land acquired through this program from capital outlay related administrative requirements.
 - Chapter 1, 2023 Special Session I capitalized this program with \$75.0 million in FY 2024
- **Custom Performance Grants.** Provides funding to support required economic development payments over the biennium for the following projects:

CUSTOM PERFORMANCE GRANT PAYMENTS (\$ IN MILLIONS)		
	FY 2025	FY 2026
Amazon Web Services	-	4.0
CMA CGM	1.0	1.0
Huntington Ingalls	8.0	-
Merck & Co, Inc.	0.3	-
Microsoft	5.6	-
Wells Fargo	1.6	1.4
Morgan Olson	1.3	1.3
Total	\$17.8	\$7.7

- **Amazon HQ2 Advance Payments.** Continues to deposit \$42.5 million each year to the Major Headquarters Workforce Grant Fund in anticipation of large payments during the next biennium for the Amazon HQ2 project.
 - Currently, \$120.5 million is available in the Major Headquarters Workforce Grant Fund
 - Virginia will owe Amazon \$152.7 million in FY 2027, and is expected to owe the company \$58.6 million in FY 2028 for meeting its required job and capital investment metrics
- **Inland Port Development in Southwest Virginia.** Adds \$10.0 million in FY 2025 for the development of an inland port in Southwest Virginia, bringing total resources for this project to \$20.0 million.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

- **Virginia Telecommunications Initiative.** Reduces funding for the Virginia Telecommunications Initiative (VATI) by close to \$80.0 million over the biennium in anticipation of federal money from the Broadband Equity Access and Deployment Program.
 - Leaves \$20.0 million in FY 2025 for broadband deployment projects from state general funds
- **Child Care Facility Development Grant.** Provides \$25.0 million in FY 2025 to create a grant program to build infrastructure for early childhood education by awarding grants to 4-year institutions of higher education and localities.
- **Industrial Revitalization Fund.** Provides an additional \$4.0 million in FY 2025 for the Industrial Revitalization Fund, which incentivizes the removal or rehabilitation of blighted properties.
 - Budget actions capitalized the IRF with \$50.0 million in American Rescue Plan Act dollars over during the COVID-19 pandemic
- **Enterprise Zone Grant Program.** Reduces funding for the Enterprise Zone Grant Program by \$3.0 million over the biennium.
 - Grants are awarded by DHCD for job creation and real property improvements in enterprise zone communities.

DEPARTMENT OF ENERGY

- **Virginia Power Innovation Fund.** Deposits an additional \$6.0 million in FY 2025 for the Virginia Power Innovation Fund to develop nuclear and innovative energy related research and commercialize new products.
 - Chapter 1, 2023 Special Session I capitalized this new fund with \$4.0 million in FY 2024

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY

- **Workforce Marketing Campaign.** Provides \$15.0 million in FY 2025 in Central Accounts for the VEDP to launch a workforce recruitment campaign to relocate and retain workers to Virginia.

- **Internal VEDP Reorganization.** Adds \$4.3 million over the biennium to support internal operations at VEDP due to a recent internal reorganization, called the “Innovative Framework” that prioritizes business recruitment and expansion efforts and develops deep subject matter expertise in three industry areas: knowledge work, manufacturing, and logistics.
- **Virginia Office of Economics Education.** Increases operational support for the Office by \$1.3 million in FY 2025 and \$1.5 million in FY 2026.
 - Additional operational support will allow the office to increase staffing and better inform research questions from legislators and education and workforce practitioners on the alignment between education and workforce programs and available jobs
- **Administrative Capacity for the Business Ready Sites Program.** Provides an additional \$1.5 million over biennium for administration of the Virginia Business Ready Sites Program and Virginia Business Ready Sites Acquisition Program, bring total biennial support to \$3.6 million from program administration.

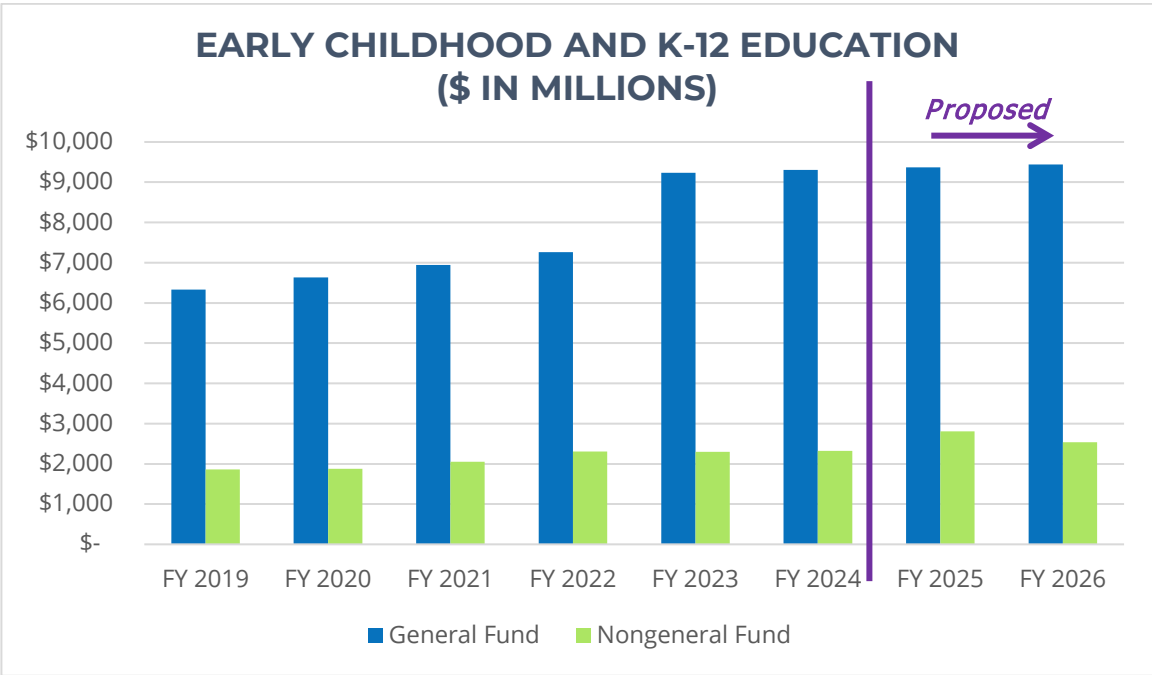
VIRGINIA INNOVATION PARTNERSHIP AUTHORITY

- **Virginia Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Network.** Provides \$100.0 million in FY 2025 to enhance Virginia’s research capacity and collaboration in life sciences across three higher education institutions the University of Virginia, Virginia Commonwealth University, and Virginia Tech. Each university is allotted funding for specific university initiatives: \$55.0 million for the Manning Institute for Biotechnology at UVA for translational biotechnology research, \$30.0 million for Virginia Tech’s Patient Research Center, which supports life sciences translational research in the Roanoke Area, and \$15.0 million for VCU’s Medicines for All Institute, which supports the developing pharmaceutical manufacturing cluster in the Richmond/Petersburg area of the state.
 - Budget language requires each university to enter into a MOU with VIPA for specific projects determined by a Network Advisory Board consisting of the VIPA’s Board Chair, VIPA’s President and CEO, the Secretary of Finance, the Secretary of Commerce and Trade, and all 3 university presidents.

Chapter 2, 2022 Special Session I made significant investments in this area through the Department of Housing and Community Development with \$66.7 million

provided in the biennium to support projects associated with each of these institutions and life science initiatives: \$15.0 million to support the development of a pharmaceutical manufacturing cluster in Richmond/Petersburg, \$15.7 million to create a business incubator space in Roanoke to support biotech companies originating from Virginia Tech's Patient Research Center, and \$36.0 million for the Manning Institute to hire transformational research faculty.

EARLY CHILDHOOD AND K-12 EDUCATION



General fund spending on Early Childhood and K-12 Education has grown an average of 6.2% annually between FY 2019 and FY 2026 (proposed). Between FY 2022 and FY 2023, annual funding increased by almost \$2.0 billion GF, in large part due to several one-time initiatives in the 2022-24 biennium, including school construction, flexible per-pupil payments, and laboratory schools.

The Governor’s proposed 2024-26 budget for public education totals \$18.8 billion GF and \$5.3 billion NGF. This is a net increase of \$642.9 million GF and \$484.3 million NGF in FY 2025 and \$714.1 million GF and \$210.3 million NGF in FY 2026 when compared to the FY 2024 adjusted base of \$8,723.1 million GF and \$2,326.7 million NGF. This adjusted base excludes \$586.3 million GF in one time spending and salary increase annualization costs from the Chapter 1 FY 2024 appropriation.

Biennial technical updates increase spending by \$978.4 million GF over the biennium, and proposed policy changes increase spending by \$378.7 million GF. Among the policy proposals, 80.6% or \$305.3 million GF of new spending is directed to early childhood programs; 13.7% or \$51.7 million GF of the new spending is proposed for the Department of Education Central Office; and 4.5%, or \$16.9 million GF is proposed for K-12 Direct Aid funding. In addition, \$535.0 million NGF

is proposed for allocation from the Literary Fund to address teacher retirement costs.

STATE'S SHARE OF BIENNIAL REBENCHMARKING

As part of the biennial budget development process, the Department of Education updates, or rebenchmarks, the total cost of maintaining a public education system to meet the Standard of Quality and costs for other K-12 programs. These updates are based primarily on student enrollment projections and historic cost data reported by school divisions. Sales tax and lottery proceeds projections also impact rebenchmarking, as those revenues are used to offset a portion of the total costs.

These costs are shared between the state and localities, based on the Local Composite Index of Ability to Pay, or LCI, which is also updated during the rebenchmarking process.

Overall, 2024-2026 biennial rebenchmarking costs result in a net increase of \$969.0 million GF. For comparison, the impacts of the last three biennial rebenchmarking updates were \$29.1 million GF for 2022-24, \$851.8 million GF for 2020-22 and \$481.0 million GF for 2018-20. Details can be found in the following chart.

Cost Increases

Rebenchmarking estimates reveal about \$1,862.8 million in additional Direct Aid costs during the 2024-26 biennium. Drivers contributing to these additional costs include:

- **Non-Personnel Support Costs.** Increases costs by \$807.6 million over the biennium to update expenditures reported by school divisions from FY 2020 to FY 2022 data, representing more than a 50% increase in non-personnel support costs. This increase is driven largely by increased costs resulting from inflation and responding to the COVID-19 pandemic. Also contributing to this increase is atypically low FY 2020 expenditure data – representing the school year that was shortened due to COVID-19. Federal pandemic relief funding was used to support some of the additional FY 2022 costs, which is addressed through a federal revenue deduction discussed below.

2024-26 REBENCHMARKING UPDATES (GF \$ IN MILLIONS)		
	FY 2025	FY 2026
Chapter 1 FY 2024 Direct Aid Appropriation	\$9,215.0	\$9,215.0
Remove One-Time Items from Base	(586.8)	(586.8)
2024-26 Adjusted Base	\$8,628.2	\$8,628.2
Update Student Enrollment & Characteristics		
Update Non-SOQ Programs	76.4	86.4
Special Education	52.3	52.8
CTE Course Enrollment	17.4	17.4
English Learner Enrollment	3.8	12.7
SOL Test Failure Rate & Free Lunch Rate	8.3	8.4
Remedial Summer School	4.6	2.5
Enrollment	(107.5)	(143.3)
Subtotal	\$55.3	\$36.9
Update Prevailing Cost Data		
Non-Personnel Support Costs	400.7	406.9
Salaries	219.9	226.2
Transportation	64.7	66.5
VPI Costs	28.0	28.0
Textbooks	19.9	20.1
Health Care Premiums	16.6	17.0
Inflation Cap on Non-Personnel Support Costs	(5.4)	(5.6)
Update VRS Rates	(59.8)	(59.8)
Federal Revenue Deduction	(193.6)	(194.4)
Subtotal	\$490.9	\$504.9
Other Updates		
Lottery Proceeds Forecast (offsets GF)	2.3	2.3
Update School Age Population	0.4	0.4
Update Local Composite Index	(30.8)	(30.5)
Update Sales Tax Forecast	(47.0)	(16.0)
Subtotal	(\$75.2)	(\$43.9)
TOTAL REBENCHMARKING AND TECHNICAL	\$471.1	\$497.9
2024-26 Rebenchmarked Cost	\$9,099.3	\$9,126.1

Note: At the House Appropriations Committee meeting in November 2023, a \$1,339.6 million biennial rebenchmarking estimate was presented for the 2024-26 biennium. Since then, \$370.6 million in savings were realized through additional data updates, resulting in the final \$969.0 million rebenchmarking cost.

- **Salaries.** Increases costs by \$446.1 million over the biennium to update prevailing salary levels. This captures the change in statewide prevailing salaries between FY 2020 and FY 2022 and recognizes the cumulative 12.5% salary increase incentives offered during the 2022-24 biennium. (See table on funded instructional position salaries at the end of this section.)

- **Students Needing Additional Support.** Increases costs by \$308.2 million over the biennium to update costs across several programs supporting students with specific needs, including students with disabilities, English Learners and lower income students, which are becoming a larger proportion of the student population. Of note, about half of this increase is related to free lunch eligibility data, which had not been updated for several years during the pandemic while free lunch applications were not collected. This is the first rebenchmarking to include post-pandemic free lunch data.

Cost Decreases

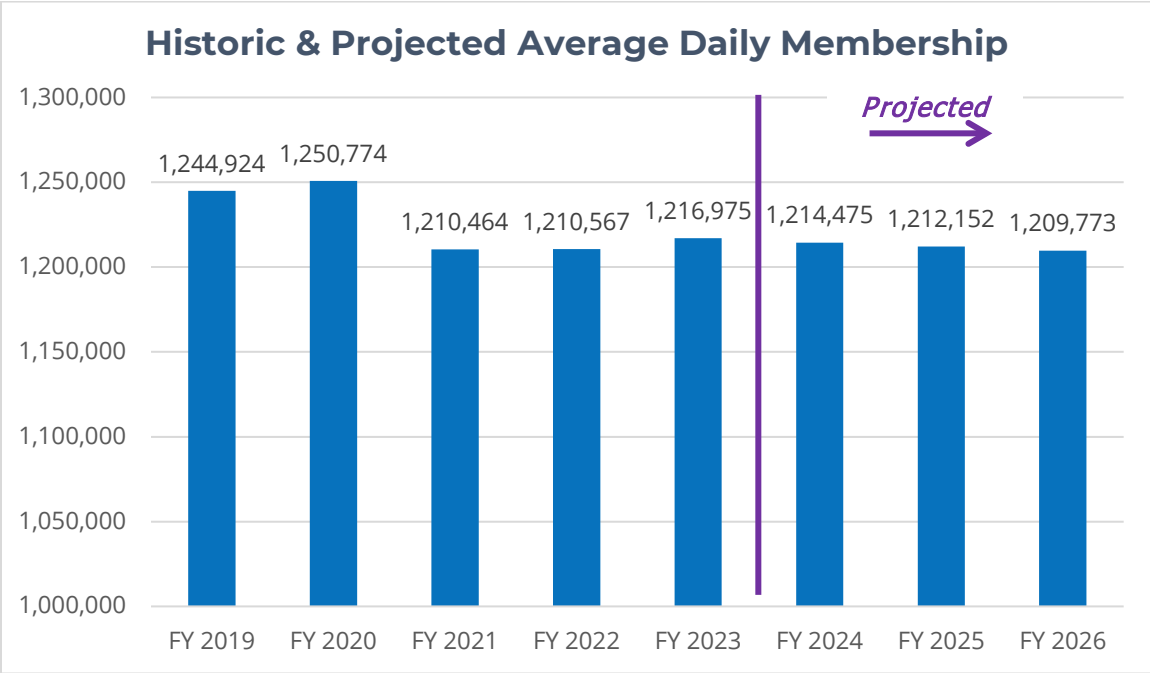
About \$893.8 million in offsetting savings are anticipated in the 2024-2026 biennium. Major factors decreasing projected rebenchmarking costs include:

- **Federal Revenue Deduction.** Saves \$388.0 million GF over the biennium by increasing the federal revenue deduct. The deduct is intended to account for federal funding that pays for a portion of school division non-personnel support costs. The maximum deduction is 209% higher for 2024-2026 due to school divisions using COVID-19 relief funds to pay for higher support costs during the pandemic.
- **Enrollment.** Includes a reduction of \$250.8 million GF over the biennium, reflecting student enrollment projections estimated to total 1,212,152 in unadjusted ADM in FY 2025 and 1,209,773 in FY 2026. This is a decline of 11,895 students in FY 2025 and 14,272 in FY 2026 from the projection used in the FY 2024 Chapter 1 base of 1,224,045. A corresponding amendment to HB 29 revises the FY 2024 Chapter 1 projection downward by 9,570 students to 1,214,475. Based on this revised FY 2024 projection, the anticipated total expected student loss over the next biennium is 4,702 students. (See chart on historic and projected average daily membership at the end of this section.)
- **VRS Rates.** Saves \$119.6 million over the biennium, reflecting a change in the employer contribution rate from 17.83% to a 16.44% blended rate.
- **Sales Tax.** Revenue from the 1 1/8 cent sales tax dedicated to public education is forecast to decline by \$105.6 million in FY 2025 and by \$36.1 million in FY 2026. Because these revenues offset a portion of the state's basic aid costs, the net impact of this reforecast saves \$47.0 million GF the first year and \$16.0 million GF the second year.

- **LCI Update for 2024-2026.** Saves \$61.3 million GF over the biennium to update the local composite index for the 2024-26 biennium. Approximately 56% of the state’s students attend school divisions where the LCI increased, reducing the state’s funding responsibility. About 40% of the state’s students attend school divisions where the LCI decreased.

Other Updates

- **School Construction.** Recommends deposit of \$80.0 million NGF each year from casino gaming revenues into the School Construction Fund for School Construction Assistance Grants, based on Virginia Lottery’s revenue gaming revenue estimate. This is the first deposit of gaming revenues supporting school construction. During the 2022-24 biennium, \$450.0 million was transferred into the fund from other sources.



2024-26 FUNDED INSTRUCTIONAL POSITION SALARIES

Position	2022-24	2024-26	% Change
Instructional Aides	\$21,304	\$24,673	15.8%
Elementary			
Teacher	53,996	61,514	13.9%
Assistant Principal	75,432	84,990	12.7%
Principal	93,869	105,277	12.2%
Secondary			
Teacher	56,977	65,655	15.2%
Assistant Principal	81,093	91,978	13.4%
Principal	102,844	115,271	12.1%

PROPOSED POLICY CHANGES

Early Childhood Care and Education

The Governor’s introduced 2024-2026 budget proposes an additional \$121.2 million GF and \$39.0 million in remaining federal ARPA SLRF funds the first year and \$184.1 million GF the second year for early childhood care and education. Most of this funding is proposed to maintain a portion of the early childhood education slots established using federal pandemic relief funds that will expire during FY 2025. In addition, several recommended changes to the Virginia Preschool Initiative create savings that are redirected to support expanded early childhood slots. Language is proposed to permit the transfer of funds among programs to address demand.

Several programmatic changes are also proposed for certain programs, including attendance requirements, co-payments, local assessment of need, and establishment of waitlists for services.

Child Care Subsidy Program (CCSP)

- Maintain current CCSP participants after federal relief expires.** Provides \$173.3 million GF the first year and \$238.8 million GF the second year to sustain a portion of the additional CCSP slots that were established using federal pandemic relief funds. In addition, \$39.0 million ARPA SLRF funds in the first year is proposed to support additional slots, and language in Central Appropriations authorizes any remaining ARPA SLRF balances to be redirected to this purpose before the funds before expire at the end of December 2024.

Language further provides that any unused general fund portion of this appropriation is carried forward for the same purpose in the following year.

- **Local Service Targets and Waitlists.** Language directs the Department of Education to establish, at the local level, annual targets for the number of children served with available funds and to ensure localities have waitlist processes in the event available funding exceeds demand.

Mixed Delivery (Virginia Early Childhood Foundation)

- **Maintain Mixed Delivery after federal relief expires.** Recommends a \$26.8 million GF increase each year for the Mixed Delivery early childhood education program administered by the Virginia Early Childhood Foundation (VECF), for a total of \$36.5 million GF each year. These funds would sustain a portion of the funding for additional classrooms established using federal pandemic relief funds.

Language provides that funds provided to VECF shall be based on actual utilization and any funds not needed may be transferred to support additional demand for Child Care Subsidy Program or the Virginia Preschool Initiative.

- **Proposed Program Changes.** Several language amendments are proposed addressing expectations for participating families and addressing unmet demand. First, the ages served under the program is expanded from only three- and four-year olds to children from birth through five-years old. Second, development of processes to annually measure and report unmet parental demand and preference, including establishment of waitlists is recommended. Finally, proposed language would implement attendance requirements, and parental workforce activity requirements and initiate family co-payments aligned with the Child Care Subsidy Program.
- **Program Efficacy Review.** Recommends the Department of Education, by July 1, 2025, to review the efficacy of the Mixed Delivery program, and propose a conclusion to the program including mechanisms to transition children sustainably into other child care programs.

Virginia Preschool Initiative (VPI)

- **VPI Nonparticipation.** Captures savings of \$68.1 million GF the first year and \$68.8 million GF the second year by forecasting funding needs based on historic participation in VPI and VPI expansion programs, in lieu of the methodology in prior biennia, which traditionally assumed 20.0% of eligible students would not participate. The nonparticipation rate projected for FY 2025 is 32.5% and for FY

2026 is 33.0%. Proposed language provides savings identified through the nonparticipation forecast in future biennia shall be directed to the Child Care Subsidy Program.

- **Eliminate VPI Composite Index Cap.** Saves \$11.6 million GF the first year and \$11.7 million GF the second year by eliminating the .5000 local composite index (LCI) cap applicable to VPI program funding. This lowers the minimum state share of funding for VPI slots from 50% to 20%, consistent with the LCI applied to all other Direct Aid funding.
- **Unmet Demand and Waitlists.** Language requires implementation of processes to annually measure and report unmet parental demand and preference, including establishment of waitlists.

Other Early Childhood Actions

- **Digital Wallets.** Proposes \$1.0 million GF the first year to establish and administer a digital wallet platform for hosting early learning and child care accounts. These accounts would be limited to families with children age birth-to-five, and any state contributions to these accounts would be limited to families meeting Child Care Subsidy Program income eligibility criteria.
- **Continue Staffing Ratio Flexibility Language.** Proposed language continues the temporary authorization for the Superintendent of Public Instruction to alter child-to-staff ratios and group sizes for certain early childhood care and education providers.

PROPOSED EARLY CHILDHOOD ACTIONS IN HB 30 (GF \$ IN MILLIONS)		
	FY 2025	FY 2026
Virginia Preschool Initiative		
Remove .5000 LCI Cap in VPI Formula	(\$11.6)	(\$11.7)
Increase VPI Nonparticipation Rate to Reflect Projected Utilization	(56.1)	(56.8)
Reduce VPI Expansion Appropriation to Reflect Projected Utilization	(12.0)	(12.0)
VECF Mixed Delivery: Maintain slots after expiration of federal relief	26.8	26.8
Child Care Subsidy Program		
Maintain slots following federal child care relief expiration	212.3	237.8
Offset cost with remaining ARPA SLRF funds	(39.0)	0.0
Digital Wallets: Establish digital wallet platform	1.0	0.0
TOTAL	\$121.2	\$184.1

K-12 Public Education Policy Changes

The Governor’s introduced 2024-26 budget proposes an additional \$16.9 million GF spending for new policies within K-12 Public Education. Over the biennium \$780.8 million in new GF spending is proposed, offset by \$764.0 million in GF savings captured through eliminating the Grocery Tax Hold Harmless and diversion of Literary Fund resources.

Compensation

- **One-percent Bonus in FY 2025.** Proposes \$53.0 million GF the first year for the state’s share of a 1.0% bonus. To access the funds, school divisions must provide an average 1.0% bonus or equivalent pay action, and a local match is required.
- **Two-percent Increase in FY 2026.** Proposes \$122.8 million GF the second year for the state’s share of a 2.0% salary increase. To access the funds, school

divisions must provide an average 2.0% salary increase, and a local match is required. School divisions may provide a lower salary increase and receive a prorated portion of the state's share of the 2.0% increase, however, localities must provide at least a 1.0% increase to access these funds.

- **Teacher Compensation Workgroup.** Proposes a workgroup coordinated by the Secretary of Education to make recommendations related to teacher compensation, specifically addressing (1) variations by region, degree opportunities and responsibilities, (2) the impact of teacher pay on student achievement, and (3) student-outcome driven teacher compensation.

Sales Tax and Grocery Sales Tax Hold Harmless

Proposes two actions related to the 1 1/8% portion of sales taxes dedicated to public education distributed to school divisions to reduce the state and local shares of basic aid. The net impact of these two actions reduce funding by \$90.6 million the first year and \$52.7 million the second year.

- **Eliminate Hold Harmless Provided for Elimination of Grocery Tax.** Saves \$114.5 million each year by removing funding provided to hold school divisions harmless from the impact of 2022 legislation eliminating state sales tax on food for human consumption and personal hygiene products. Proposed language would supercede a statute mandating this hold harmless funding.
- **Increase Sales Tax to Reflect Expanded Taxable Base.** Includes an additional \$53.6 million GF the first year and \$138.9 million the second year in K-12 dedicated sales tax revenue, resulting from the proposed expansion of sales and use tax to include "New Economy" services such as streaming services and digital downloads. Because these revenues offset a portion of the state's share of basic aid funding, the net impact of this additional revenue is \$23.9 million GF the first year and \$61.9 million the second year.

PROPOSED K-12 SALES TAX ACTIONS IN HB 30 (GF \$ IN MILLIONS)		
	FY 2025	FY 2026
Eliminate Grocery Sales Tax Hold Harmless	(114.5)	(114.5)
Include "New Economy" services in K-12 Dedicated Sales Tax base	53.6	138.9
Sales Tax Basic Aid Offset	<u>(29.7)</u>	<u>(77.0)</u>
Net Impact of Sales Tax Changes	23.9	61.9
TOTAL SCHOOL DIVISION IMPACT	(90.7)	(52.7)

Proposed Literary Fund Actions

Recommends directing \$385.0 million the first year and \$150.0 million the second year from literary fund revenues to address two teacher retirement funding initiatives. Based on these spending proposals, no school construction loan funds are anticipated to become available during the 2024-2026 biennium. (See following table for details on proposed revisions to Literary Fund sources and uses.)

- **Literary Fund Support for School Employee Retirement Contributions.** Directs \$150.0 million from literary fund revenues each year to offset a portion of school employee retirement costs.
- **Reduce Teacher Retirement Plan Unfunded Liabilities.** Proposes a one-time payment of \$350.0 million in FY 2025 to reduce unfunded teacher retirement plan liabilities. Of this amount, \$235.0 million the first year is directed from the literary fund, as well as \$115.0 million GF.

PROPOSED REVISIONS TO LITERARY FUND SOURCES AND USES (\$ IN MILLIONS)

	FY 2024	FY 2025	FY 2026
Revenue Sources:			
Unclaimed Property	\$200.0	\$150.0	\$150.0
Fines, Fees and Forfeitures	36.1	34.4	32.6
Unclaimed Lottery Prizes	16.2	15.1	15.7
Loan Payments to Literary Fund	3.8	3.4	23.2
Interest Revenue	35.9	20.0	27.2
Total	\$292.0	\$222.8	\$248.8
Expenditure Allocations:			
Teacher Retirement	0.0	150.0	150.0
One-Time Teacher Retirement Deposit	0.0	235.0	0.0
Technology Equipment Debt Service	63.5	65.4	67.4
School Security Grants Debt Service	2.6	2.7	2.8
Total	\$66.1	\$453.1	\$220.2
Funds Available for Construction Loans	\$400.0	\$0.0	\$0.0

Other Proposed K-12 Initiatives

- **College Partnership Laboratory Schools.** Recommends \$30.0 million GF each year to support the College Partnership Laboratory Schools Fund. Removes budget language limiting the eligibility to public four-year higher education institutions.
- **Diploma Plus.** Provides \$20.0 million GF each year to establish the Diploma Plus program, which will provide grants of up to \$2,000 for high school students to attain high-demand industry recognized credentials aligned with the Top Jobs list. Through the program, funds will be deposited into student's Diploma Plus account for eligible costs associated with attaining the credential and funds must be used before high school graduation.
- **Reading Specialists.** Provides \$30.5 million GF the first year and \$30.7 million GF the second year to support the expansion of the reading specialist staffing standard in grades four through eight. Language provides flexibility for school divisions to employ other staff, such as reading coaches or other instructional staff who are working towards obtaining the training and licensure requirements to fulfill the reading specialist staffing standards.
- **Supplemental Support for Accomack and Northampton Counties.** Proposes \$1.6 million GF over the biennium to the Accomack and Northampton school divisions to support salary adjustments to remain competitive with adjacent counties and improve teacher recruitment and retention.

- **Rappahannock Supplemental Basic Aid.** Removes the cap on supplemental basic aid payments made to Rappahannock County resulting in an increase of \$1.8 million GF the first year and \$1.7 million GF the second year. Current law permits Rappahannock County to receive supplemental Basic Aid based on the composite index of a contiguous school division, provided the two divisions have entered into a service sharing agreement.
- **Supplemental Programs.** The Governor’s introduced budget proposes funding changes for several supplemental grant programs:

PROPOSED SUPPLEMENTAL PROGRAM CHANGES (GF \$)		
	FY 2025	FY 2026
Reach Virginia (new)	\$630,000	\$0
Virginia Holocaust Museum ((\$50,000 was last provided in FY 2023)	250,000	125,000
Vision Screening Grants (additional for total \$591,000/year)	200,000	200,000
Grow Your Own (moved from SCHEV)	240,000	240,000
Dual Enrollment Teacher (moved from SCHEV)	100,000	100,000

DEPARTMENT OF EDUCATION

- **Capture Savings from Rightsizing Office of School Quality.** Recommends reducing support for the Office of School Quality by \$1.9 million GF each year.
- **New State Assessment System.** Proposes \$25.0 million GF the first year and \$15.0 million GF the second year for the Department of Education to enter into a new assessment contract that includes constructed response items. Of the amount in the first year, \$10.0 million is provided to support the additional one-time costs to transition from the existing vendor to a new vendor. Language withholds allotment of these funds until the actual cost of this transition and new assessment contract is determined.
- **Mental Health Telehealth Provider.** Recommends \$7.2 million GF each year to fund a contract with a telehealth provider to provide mental health care services statewide to grade 6-12 students enrolled in participating school divisions. Parents are required to opt-in their child before receiving services.
- **Chief School Mental Health Officer.** Proposes \$200,000 GF each year and 1.0 FTE to create a Chief School Mental Health Officer position to oversee mental health and wellness initiatives for K-12 students and staff.

HIGHER EDUCATION

The Governor's proposed amendments to the 2024-26 budget include a biennial increase of \$87.3 million in new GF spending, \$51.0 million of budget reductions for a net increase of \$36.3 million. Technical adjustments to the budget total about \$560.7 million, mostly distribution of central account funding already contained in Chapter 1 and annualization of costs such as previously authorized salary increases.

MAJOR HIGHER EDUCATION SPENDING PROPOSALS

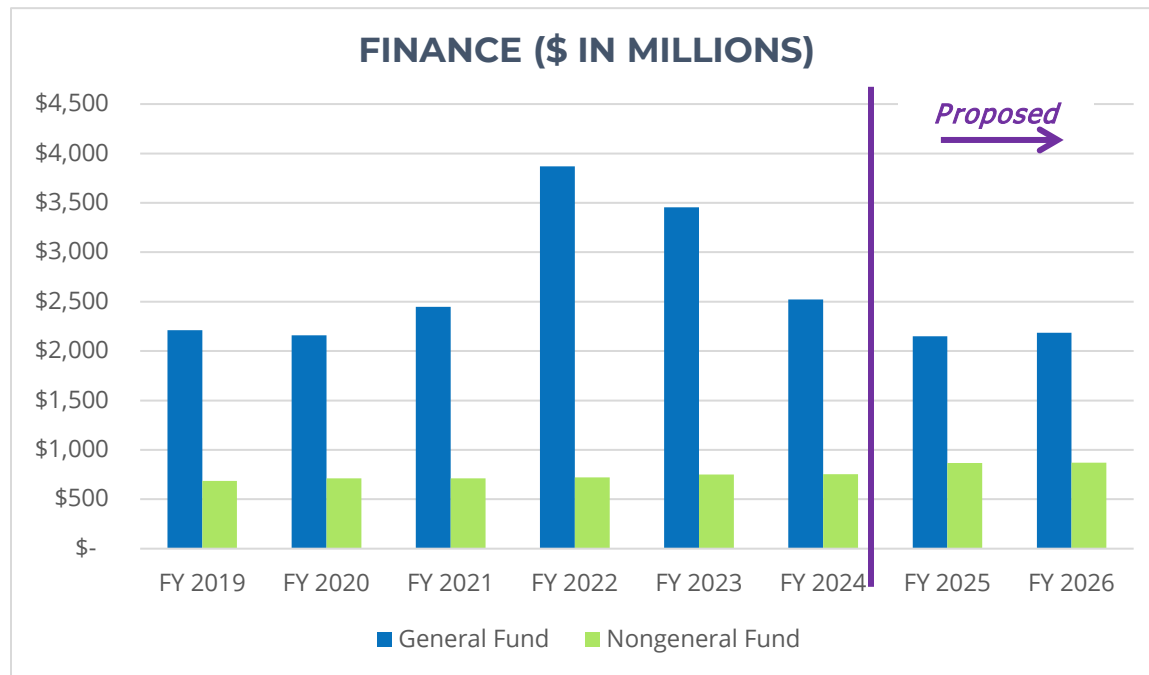
- **ODU / EVMS Merger.** Recommends \$21.0 million the first year and \$16.0 million GF the second year for costs associated with the creation of the Eastern Virginia Health Sciences Center at Old Dominion University.
- **Student Mental Health.** Proposes \$3.0 million GF each year under SCHEV to support mental health services at institutions of higher education participating in a statewide contract.
- **Virginia Military Survivors and Dependents Program (VMSDEP) Stipend.** Proposes \$2.0 million GF each year to maintain the stipend for eligible students. The VMSDEP program has grown significantly since adoption of the 2019 eligibility changes. Tuition waivers have grown from about \$12 million to about \$92 million and the stipends have increased from \$2.1 million to \$9.7 million.
- **Virginia Community College System.** Recommends \$3.9 million GF each year to establish nine career placement centers.
- **Workforce Credential Grant Program.** Proposes \$4.0 million GF in the first year and \$5.3 million in the second year to support increased demand for the credential program and bring the total program funding to \$22.5 million GF in the first year and \$23.8 million GF in the second year.

MAJOR HIGHER EDUCATION SAVINGS PROPOSALS

- **Affordable Access.** Eliminates the \$75.0 million provided in Chapter 1 for affordable access funding. This is equivalent to an average reduction of 3.5 percent in Education and General Program general fund support. Proposes \$75 million GF each year with certain stipulations.
 - First year allocations will be based on performance measures to be established by the Secretary of Education and SCHEV

- Second year funds are allocated at 50% of the first year with the remaining amount based on a to be determined methodology by the Secretary of Education
- In-state tuition and fees is capped at 2.5% in the second year
- **Pell Grant Initiative.** Recommends \$37.5 million GF reduction in the second year eliminating one-time funding.
- **Online Virginia Network.** Proposes elimination of the Online Virginia Network Authority saving \$4.0 million GF each year.
- **New College Institute.** Proposes elimination of the New College Institute in FY 2026 saving \$3.1 million GF.

FINANCE



General Fund spending in the Finance secretariat has averaged 4.6% annual growth from FY 2019 to FY 2026 (proposed). However, expenditure trends include annual fluctuations for recent years with requisite deposits and/or withdrawals from the Revenue Reserve Fund and/or Revenue Stabilization Fund. HB 30 includes a proposed resource gain of \$804.0 million from adhering to the combined balance limit of the Revenue Reserve and Rainy Day Funds at 15% of GF revenues as required by the Code of Virginia, an expenditure of \$83.7 million to meet anticipated debt service obligations on bonds issued for capital projects and equipment, and proposed actions savings of \$3.0 million over the biennium.

DEPARTMENT OF ACCOUNTS

- **Reduce Agency Operational Funding.** Proposes a reduction of \$869,258 GF each year to account for unexpended year-end balances attributable to vacancies resulting from challenges in hiring certified public accountants.

DEPARTMENT OF ACCOUNTS TRANSFER PAYMENTS

- **Adjust Nongeneral Fund Appropriation for Virginia Communications Sales and Use Tax.** Includes a reduction of \$90.0 million NGF each year to more accurately reflect actual collections and distributions made for the Virginia

Communications Sales and Use Tax. With this adjustment, the total annual nongeneral fund appropriation for this tax would total \$350.0 million.

DEPARTMENT OF PLANNING AND BUDGET

- **Reduce Agency Operational Funding and Position Level.** Proposes a reduction of \$113,000 GF and 12 positions each year in agency funds to account for unexpended balances.

DEPARTMENT OF TAXATION

- **Mandate Online Registration for New Businesses.** Includes a savings of \$30,000 GF each year to correspond with language that would require all new businesses in the state to file their registration electronically through the Business iReg application.
- **Authorize One-Time Transfer of Cash Balance in the Court Debt Collection Program.** Proposes a one-time transfer of \$1.0 million in the first year from excess balances in the Court Debt Collection Program. This program is a legal remedy for collecting delinquent debts owed to Virginia's administrative government units and courts.

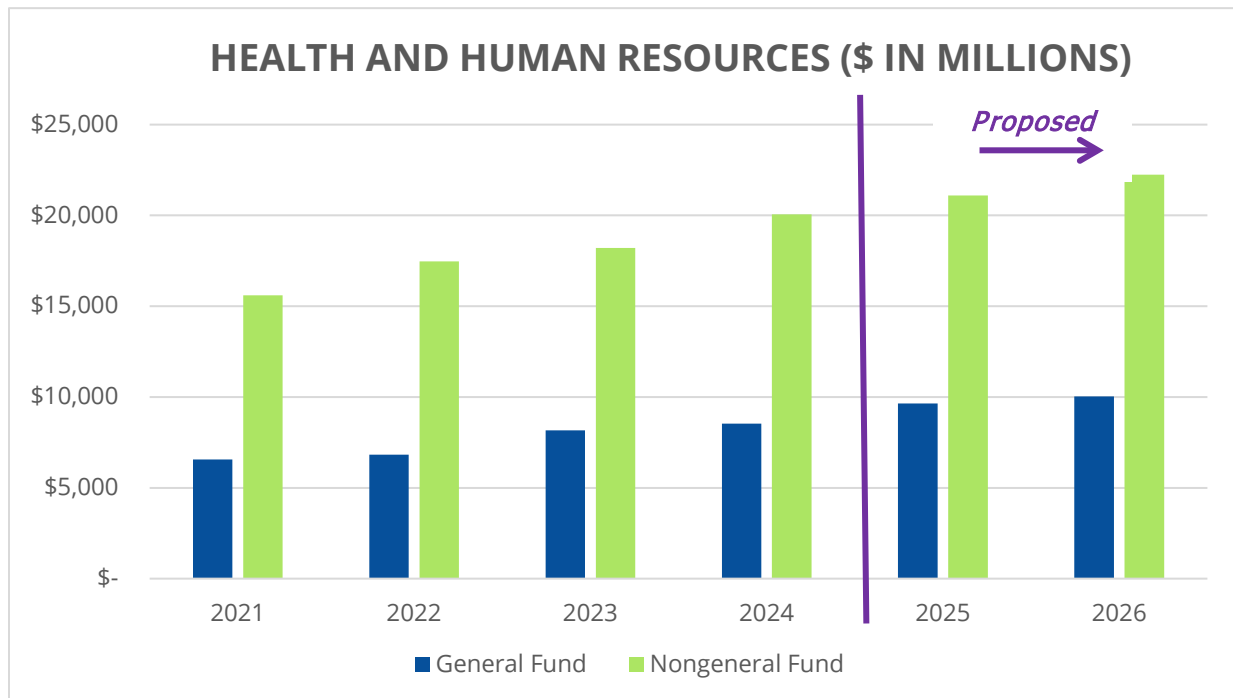
DEPARTMENT OF THE TREASURY

- **Implement New Fee and Indirect Cost Recoveries.** Proposes a reduction of \$71,194 GF the first year and \$96,194 GF the second year to correspond with proposed language to authorize the agency to charge new fees and indirect cost recoveries related to the Virginia College Building Authority and School Authority programs.
- **Fund Increased Cost of Statewide Insurance Programs.** Includes \$15.0 million NGF the first year and \$16.0 million NGF the second year for increased costs associated with the statewide property and general liability insurance programs. Revenues to support these increases are paid via transfer from participating state agencies.

TREASURY BOARD

- **Provide for Debt Service Payments.** Includes \$24.4 million GF and a savings of \$936,312 NGF the first year and \$59.3 million GF and a savings of \$1.5 million NGF the second year for anticipated debt service payments on bonds issued by the Virginia Public and College Building Authorities.

HEALTH AND HUMAN RESOURCES



The introduced budget includes a net increase of \$1.7 billion GF and \$6.5 billion NGF for the 2024-26 HHR biennial budget. The general fund increases are largely from the expenditure forecasts for mandatory programs such as Medicaid, the children’s health insurance programs, and child welfare programs, as well backfilling the estimated declines in revenues from the Virginia Health Care Fund which are used to offset Medicaid expenditures. In addition, the introduced budget proposes a significant increase in funding for behavioral health and developmental services.

Major spending proposals over the 2024-26 biennium include:

- \$714.0 million GF and \$6.5 billion NGF for the Medicaid forecast
- \$508.9 million GF to backfill revenue decline in the Virginia Health Care Fund
- \$150.3 million GF and \$156.4 million NGF to add 3,440 developmental disability waiver slots
- \$101.5 million GF and \$0.6 million NGF in for behavioral health and substance use disorder services
- \$97.0 million GF for mandatory caseload and cost increases in the Children’s Services Act (CSA) program

- \$47.0 million GF for the mandatory Family Access to Medical Insurance Security (FAMIS) program

CHILDREN'S SERVICES ACT

- **Fund Mandatory Caseload and Cost Increases.** Proposes \$48.5 million GF each year to fund projected growth in services provided through the Children's Services Act. Cost increases are expected due to increased caseload and rate increases. Caseload increased by 3.7% in FY 2023 from 14,489 in FY 2022 to 15,032; while expenditures increased 9.2% from FY 2022 to FY 2023. The expenditure forecast projects growth of 7.0% in FY 2024 and 4.2% in FY 2025. No growth is assumed for FY 2026. While growth in children placed in private day special education slowed during the COVID-19 pandemic, the caseload and cost per child are rising again. The expenditure forecast also reflects rate increases in foster care maintenance rates and psychiatric residential treatment facility rates.
- **Fund Services for Kinship Care Alternative Living Arrangements.** Adds \$1.2 million each year over the biennium to fund services to children served through the kinship care and parental agreement program.

DEPARTMENT OF HEALTH

Health Workforce Programs

- **Continue Nursing Education Acceleration Program "Earn to Learn."** The introduced budget proposes \$4.0 million GF each year to continue 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 awards 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. Chapter 1, Special Session 1, Acts of Assembly provided \$5.0 million GF from federal American Rescue Plan Act funds in FY 2024 for this program.
- **Expand the Behavioral Health Loan Repayment Program.** Includes an additional \$5.0 million GF each year over the biennium for the Behavioral Health Loan Repayment Program, serving 100 new recipients. Language increases 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. This action will bring funding to \$8.1 million GF each year for the program.

- **Expand Nursing Scholarships and Loan Repayment Programs.** Proposes an additional \$936,000 million GF each 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. This will bring funding for these programs to \$1.9 million each year over the biennium.

Other General Fund Spending

- **Supplant TANF Funding with GF for Programs Funded through VDH.** Adds \$3.4 million GF the first year and \$7.4 million GF the second year to supplant federal Temporary Assistance to Needy Families (TANF) funds for the following programs:
 - \$4.0 million GF in FY 2026 for access to contraceptives for low-income individuals
 - \$2.4 million GF each year for Families Forward for home visiting, family support, and preventive medical and dental services for low-income, at-risk children
 - \$1.0 million GF each year for Resource Mothers, operated by the agency through local health districts and community partners to improve birth outcomes for teens and care of their infants
- **Provides State Match Funding for Drinking Water Infrastructure Projects.** Recommends \$3.1 million GF each year for the state match to draw down the U.S. Environmental Protection Agency's grant funds for the Drinking Water State Revolving Fund. The state match requirement for these federal funds will increase to 20 percent starting in 2025 as compared to the current 10 percent requirement. Funding of \$3.4 million GF a year was provided in Chapter 1, 2023 Special Session I, Acts of Assembly beginning in FY 2024.
- **Add Funding for Hampton Roads Proton Beam Therapy Institute.** Includes \$2.5 million GF the first year for the Hampton Roads Proton Beam Therapy Institute at Hampton University to support efforts for proton therapy in the

treatment of cancerous tumors. This brings the total funding to \$4.1 million GF the first year.

- **Add Funds to Improve Agency Financial Oversight.** The introduced budget proposes \$1.8 million each year over the biennium to fund additional positions in the Office of Financial Management to improve the compliance and audit processes. The agency has had several financial related audit findings recently.
- **Add Funding for the Amyotrophic Lateral Sclerosis Association.** Proposes \$750,000 GF the first year for the Amyotrophic Lateral Sclerosis.
- **Fund a New Office of Grants Administration.** Proposes \$557,010 each year and three positions to create the Office of Grant Administration to manage grant functions for the agency, including compliance with federal, state and local regulations and statutes. The agency has identified the need to modernize the management of grant funding, which comprises a majority of the agency's annual funding of \$1.1 billion.
- **Add State Matching Funds for Home Visiting Services.** Adds \$333,333 GF each year over the biennium to match additional federal Maternal Infant Early Childhood Home Visiting Programs funds available to support evidence-based home visiting services.
- **Increase Funding for Special Olympics Program.** Provides an additional \$150,000 GF each year for Special Olympics.

Nongeneral Fund Spending

- **Allocate Opioid Settlement Funds for Fentanyl Response Efforts.** Proposes \$5.5 million NGF each year from Commonwealth Opioid Abatement and Remediation fund dollars to support the Naloxone Distribution Program. Funding will support the purchase and distribution of opioid reversal agents as well as administrative costs such as shipping, test strips, and software modifications.
- **Provide Opioid Settlement Funds for Fentanyl and Norfentanyl Wastewater Surveillance Demonstration Project.** Recommends \$400,000 million NGF the first year from the Commonwealth Opioid Abatement and Remediation Fund to support costs of a one-year demonstration program to test for the existence of fentanyl and norfentanyl in wastewater in three geographically diverse localities.
- **Reduce Excess Federal Appropriation.** Recommends reducing \$12.6 million NGF each year in federal appropriation across seven of the agency's programs.

This change aligns the projected federal revenue with the agency's current appropriations.

Language

- **Exempt Part 3 GF Transfer for Emergency Medical Services.** Adds language in Part 3 which exempts a general fund transfer of \$12.5 million in FY 2025 from the additional \$2.00 annual registration fee on motor vehicles imposed during the Great Recession. This funding shall be available for emergency medical services as prescribed by the Code of Virginia and the Appropriation Act. The general fund transfer will resume in FY 2026.

DEPARTMENT OF HEALTH PROFESSIONS

- **Increase Support for Licensing, Investigative and Administrative Staff and Reduce Reliance on Wage Employees.** Recommends \$749,483 NGF and 8.0 positions each year to improve application processing and license issuance, increase the number of investigations completed and to decrease over-reliance on temporary and wage employees. Four positions are new and four positions would be used to convert part-time positions to full-time.

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

Expenditure Forecasts

- **Medicaid Utilization and Inflation.** The introduced budget proposes an increase of \$175.1 million GF the first year and \$538.9 million GF the second year and \$2.7 billion NGF the first year and \$3.8 billion NGF the second year to fund the forecasted costs of utilization and inflation in the Medicaid program. Expenditures in the program are expected to grow by 8.3% in FY 2025 and 6.2% in FY 2026. The growth rates reflect a return to more typical growth post federal Public Health Emergency and are driven largely by increases in managed care rates, utilization of services, and inflation in medical care costs. The increases also reflect the annualized costs of recent budget changes to Medicaid rates and services, changes in the federal match rate, and lower pharmacy rebates. Further, the funding reflects a return to 12 monthly managed care payments in each year. The FY 2024 budget includes only 11 monthly managed care payments, as one monthly payment was pre-paid in FY 2023 to take advantage of more favorable enhanced federal matching rates.

- **Adjust Virginia Health Care Fund Appropriation.** The introduced budget adds \$255.5 million GF the first year and increases \$253.4 million GF the second year with the equivalent offsetting changes in the NGF appropriation each year to reflect the latest revenue estimate for the Virginia Health Care Fund (VHCF). The VHCF revenues are used as a portion of the state’s match for the Medicaid program. As revenues decline, more general fund dollars are needed to provide the state match for the Medicaid program.

In recent years, the VHCF had more revenue to offset GF costs, largely due to managed care organizations’ (MCO) payments for low utilization & excess profits during the Public Health Emergency. However, continued MCO repayments are not expected in FY 2024 nor over the 2024-26 biennium as utilization of services normalizes and profits do not exceed the allowed 3% threshold. In addition, the VHCF is projected to decline by \$49.1 million over the 2024-26 biennium based on the Department of Taxation's revised forecast of tobacco taxes and a projected decline in Medicaid recoveries and pharmacy rebates.

- **Family Access to Medical Insurance Security (FAMIS) Program Utilization and Inflation.** Includes an increase of \$19.6 million GF and \$44.7 million NGF the first year and \$27.3 million GF and \$59.4 million NGF the second year to fund the utilization and inflation costs of the FAMIS program. Expenditures in the program are expected to increase 14.3% in FY 2025 and 5.7% in FY 2026. A portion of the funding reflects a return to 12 monthly managed care payments in each year. The FY 2024 budget includes only 11 monthly managed care payments, as one monthly payment was pre-paid in FY 2023 to take advantage of more favorable enhanced federal matching rates. In addition, it is expected that some children who may lose coverage for the Medicaid Children’s Health Insurance Program (M-CHIP), will be become eligible for the FAMIS 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 (M-CHIP) Utilization and Inflation.** Proposes a reduction of \$11.1 million GF and \$14.7 million NGF the first year and \$4.6 million GF and \$2.1 NGF the second year to fund the utilization and inflation costs of the M-CHIP program. The M-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. The expected savings is projected due to a declining number of children in the program, as Medicaid eligibility redeterminations are complete. A number of 21-

year-old youths were served in the M-CHIP program during the Public Health Emergency and are expected to be moved into other Medicaid eligibility categories, become eligible for the FAMIS Program, or be eligible for health care coverage through the Health Insurance Exchange.

- **Medical Services for Involuntary Mental Commitments.** Proposes a reduction of \$2.4 million GF the first year and \$780,525 GF the second year to reflect the estimated cost of hospital and physician services for persons subject to an involuntary mental commitment. The most recent forecast of expenditures projects lower costs than previously estimated.

Policy Changes

- **Add 3,440 Developmental Disability Waiver Slots.** The introduced budget includes \$50.0 million GF the first year and \$100.2 million GF the second year and \$57.2 million NGF the first year and \$104.3 million NGF the second year from federal matching Medicaid funds each year to create 1,720 Developmental disability waiver slots each year over the biennium. Funding would provide an additional 172 Community Living waiver slots and 1,548 Family and Individual Support waiver slots each year.
- **Restrict Medicaid Coverage of Weight Loss Drugs.** Proposes to reduce Medicaid funding by \$4.1 million GF and \$10.0 million NGF the first year and \$4.8 million GF and \$11.6 million NGF the second year by restricting Medicaid coverage of weight loss medications when prescribed for weight loss except in those cases when an individual has a body mass index greater than 40.
- **Fund Modification of DD Waiver Services.** Proposes to add \$549,756 from the general fund and \$597,222 in matching federal Medicaid funding each year for the fiscal impact of Chapter 701, 2023 Acts of Assembly (House Bill 1963), which combines the maximum annual allowable amount for assistive technology and electronic home-based support services for an individual receiving Medicaid Developmental Disability waiver services to provide for greater flexibility to meet an individual's needs. This would provide a maximum of \$10,000 available to an eligible individual for assistive technology and electronic home-based support services each year.
- **Continue Behavioral Health Redesign.** Provides \$500,000 GF and \$500,000 NGF the first year to continue redesigning Medicaid behavioral health services for youth and adults to ensure that services are evidence-based and trauma-informed. Language provides the agency with authority to redesign existing

“legacy” services (that were not included in more recent changes to certain behavioral health services) to provide a comprehensive continuum of behavioral health services which allow the agency to develop and qualify for a new federal waiver program. Language requires that the service changes to be budget neutral and be implemented by June 30, 2026.

- **Add 20 Psychiatric Residency Slots.** Provides \$1.0 million GF and \$1.0 million NGF each year over the biennium to fund 20 new psychiatric residency slots using Medicaid supplemental payments.
- **Provide Authorization and Funding for Managed Care Contract Reprocurement.** Proposes \$516,602 GF and \$1.3 million NGF the first year and \$676,504 GF and \$1.6 million NGF the second year to support the cost of anticipated changes from the reprocurement of the Medicaid managed care contracts and 3.0 FTEs to enhance contract oversight. Proposed language authorizes the agency to make numerous changes to the managed care organization contracts to ensure that cost containment is achieved. Some of the changes include revision of staffing requirements, improving enrollment processes, improvements in screening and care coordination, increases in value-based payment models, revisions in the quality withhold program and underwriting gain requirements, timely processing of clean claims, improvements in the use of quality measures, and reports on network adequacy and access, among others.
- **Improve Access to Peer Recovery Support Services.** The introduced budget proposes language authorizing the agency to amend the Medicaid State Plan to expand provider qualifications for peer recovery support providers to provide Medicaid eligible mental health and substance use disorder peer supported services while individuals are working on their certification through DBHDS. Language also allows the agency to adjust caseload limits for these providers to reflect the need to provide services in a crisis or emergency room setting.

Administrative and Technical Adjustments

- **Fund Replacement of Fiscal Agency Services System.** Proposes \$1.0 million GF and \$8.0 million NGF the first year and \$2.2 million GF and \$19.8 million NGF the second year to fund the replacement of the fiscal agency services system. Future federal funding is dependent on an updated system, and the federal government provides a higher match rate for systems improvements.

- **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.
- **Supplemental Disproportionate Share Hospital (DSH) Pool.** Proposes language authorizing the agency to redistribute excess DSH payments to other eligible hospitals that have not met their uncompensated care costs. Language requires the redistribution to be budget neutral and prohibits the commitment of funds in excess of the appropriation for this purpose.
- **Improve Third Party Liability Recoveries.** Proposes language setting out the administrative funding of \$183,670 GF and \$183,670 NGF each year of the biennium and adds 3.0 FTEs to improve Third-Party Liability (TPL) recoveries. This would bring the total positions used for these efforts to 20 positions. Language requires the agency to use a minimum of 20 positions for these activities and requires reporting on the TPL activities to be included on the agency's website and updated quarterly. The funding for the positions is expected to be offset by a commensurate amount of savings generated from these recovery activities.

DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES

Mental Health and Substance Use Disorder Treatment Services

- **School Based Mental Health Pilot.** Recommends \$7.5 million GF additional funding each year to continue the expansion of school-based mental health programs. In addition to the funding in Chapter 1, 2023 Special Session I, this increase will bring the total funding to \$15.0 million GF per fiscal year.
- **Fund Peer Wellness Stay Programs.** Proposes \$3.4 million GF the first year and \$3.3 million GF the second year to establish and provide ongoing support for two additional peer wellness stay programs in addition to one wellness program that is supported by federal funding through 2025. Peer wellness programs are voluntary, short term recovery housing options for individuals in distress to provide an alternative to inpatient hospitalization.
- **Increase Funding for Part C Early Intervention.** Includes \$2.6 million GF each year for early intervention services for infants and toddlers to address the increasing number of eligible children as well as the increasing cost of services.

- **Expand Funding for Adolescent Substance Use Disorder Services.** Provides \$1.1 million GF the first year and \$610,000 GF the second year to establish and provide ongoing support for two Intermediate Care Facilities. These facilities are for children under the age of 21 with severe substance use and mental health conditions that need inpatient treatment but do not require medically managed acute care from a general hospital. From this amount, \$400,000 GF the second year is provided to support Chesterfield Recovery Academy.

Crisis Services

- **Fund Additional Crisis Services.** Proposes \$33.0 million GF the first year and \$2.6 million GF the second year to continue expanding the state's crisis services system by funding more crisis receiving centers and crisis stabilization units. This proposal is in addition to the \$58.0 million GF approved in Chapter 1, 2023 Special Session I in FY 2024 for the same purpose, which has an ongoing cost of \$39.8 million GF.
- **Fund Hospital Based Psychiatric Emergency Alternatives.** Includes \$10.0 million GF the first year for comprehensive psychiatric emergency programs in emergency departments to quickly assist individuals in crisis and to redirect them to the most appropriate setting. The programs may include both public and private partnerships. Chapter 1, 2023 Special Session I included \$10.0 million GF in FY 2024 for the same purpose.
- **Provide One-Time Funds for Mobile Crisis Units.** Proposes \$10.0 million GF the first year to establish additional mobile crisis teams in addition to the 90 teams currently operating. Virginia has already exceeded the national *Crisis Now* standard, which indicates that the state needs 70 teams for individuals to be covered 24 hours a day, 7 days a week in a one-hour radius. Chapter 1, 2023 Special Session I included \$10.0 million GF in FY 2024 for the same purpose.
- **Fund Crisis Co-Responder Programs.** Recommends \$3.6 million GF the first year and \$4.2 million GF the second year to provide ongoing support for seven crisis co-responder programs pursuant to the MARCUS Alert legislation. Dispatched by 911, co-responder teams of both law enforcement and mental health professionals respond to an individual in crisis.
- **Expand Alternative Transportation and Custody Program.** Recommends \$4.7 million GF the each year for alternative transportation and alternative custody. Proposed language would expand the program by allowing individuals under an involuntary commitment order to be eligible for these services. This

language change also combines the funding and earmarks for alternative transportation and alternative custody.

Workforce and Training

- **Increase Training for First Responders and Hospital Staff.** Proposes \$2.6 million GF each year for an ongoing contract with the Virginia Crisis Intervention Team Coalition. Training will focus on de-escalation and behavioral health laws for law enforcement, fire and emergency services departments, and hospital emergency department personnel.
- **Fund Initiatives to Expand Mental Health Workforce.** Includes \$595,876 GF the first year and \$645,876 GF the second year and 1.0 FTE to expand the mental health workforce by evaluating the licensing process, providing scholarships for behavioral health technicians, and funding a workforce training director.
- **Expand Boost 200.** Recommends \$575,000 GF each year to contract with the Virginia Health Care Foundation to pay for costs of supervisory hours required for licensure in social work or counseling.
- **Fund Grow Your Own.** Includes \$806,628 GF the first year for Grow Your Own at state facilities. This program would pay the educational cost of employees who wish to become LPNs or RNs if the employee signs a tenure agreement that demonstrates their commitment to continue working at the facility.

State Facilities

- **Fund Salary Alignment for Clinical Roles.** Provides \$11.4 million GF each year to increase salaries for clinical roles at state facilities, including psychologists, social workers, counselors, therapists, medical lab technicians, and pharmacists.
- **Fund Salary Alignment for Food and Environmental Services Staff.** Proposes \$8.5 million GF each year to provide targeted salary increases to food services and environmental services staff at state facilities.
- **Fund Temporary Kitchen at Eastern State.** Recommends \$2.3 million GF the first year for temporary kitchen and reimbursement staff space for Eastern State Hospital while the facility's kitchen is undergoing renovations. DBHDS has been using existing agency resources to pay for the temporary kitchen space since January 2022.
- **Fund Clinical Training Sites.** Provides \$741,989 GF the first year and \$711,989 GF the second year for state facilities to partner with academic institutions to allow the facilities to serve as clinical training sites for medical residents, nurses,

nurse practitioners, physician assistants, and other licensed mental health professionals.

Central Office

- **Fund Credentialing Database.** Recommends \$1.0 million GF each year to contract with a vendor for a credentialing database for youth mental health services.
- **Add New Positions in Developmental Disabilities Division.** Proposes \$490,222 GF and \$490,222 NGF each year to fund 8.0 new FTEs in the developmental disabilities division.
- **Fund Peer to Peer Mentoring Program.** Includes \$214,250 GF each year to fund the Peer to Peer Mentoring Program through the ARC of Virginia. This program connects individuals with intellectual or developmental disabilities with self-advocacy mentors to promote independence and inclusion.

DEPARTMENT OF SOCIAL SERVICES

Welfare Programs and Services

- **Sustain Relative Maintenance Payment Program and Fund Supports for Kinship and Alternative Living Arrangements.** Provides \$8.1 million GF the first year and \$7.8 million GF the second year and 1.0 FTE to sustain the current rate of the relative maintenance payment program and to support additional kinship care placements. The relative maintenance payment program provides monthly payments to relative or fictive kin caregivers, with monthly payments averaging to \$430 per month for each eligible child. This proposal also supports more kinship and alternative living arrangement placements by funding training and background checks for relative caregivers, upgrading technological support systems, and providing support to local departments to handle the increased caseload. Local departments of social services will also receive \$250 bonus payments for certain kinship care placements. There are companion amendments to this proposal at Virginia State Police and Office of Children's Services.
- **Fund Foster Care and Adoption Cost of Living Adjustment (COLA).** Includes \$3.5 million GF and \$3.1 million NGF each year for a 7% increase Foster Care and Adoption COLA, which corresponds with the 7% salary increase provided to state employees in 2023 as required by the Appropriation Act. This will also ensure adoption subsidies keep pace with foster family rates.

- **Fund Administration for Summer Electronic Benefits Transfer (EBT) Program for Children.** Recommends \$2.9 million GF and \$2.9 million NGF the first year and \$2.5 million GF and \$2.5 million NGF the second year to fund the administrative portion of the new federally-mandated permanent summer EBT program which provides eligible children meals during the summer. This proposal will fund 1.0 FTE for DSS to hire a program supervisor, modify the existing eligibility call center contract to account for the new program, fund the issuance of benefits to existing and new cards, and support a media campaign to promote the program.
- **Provide Funding for Fatherhood Programs.** Proposes \$1.5 million GF the first year and \$2.5 million GF the second year for a public media campaign to promote responsible and involved fatherhood and to develop educational programming for fathers.
- **Fund Child Welfare Forecast.** Provides \$1.5 million GF the first year and \$1.7 million GF the second year and includes savings of \$6.4 million NGF the first year and \$6.6 million NGF the second year to adjust the funding for adoption subsidy payments and the cost of providing foster care. This forecast is based on recent expenditure trends and the impact of child welfare policy changes.
- **Support the Judge Swett Learning Center.** Recommends \$500,000 GF each year for the Judge Swett Learning Center, which provides vocational and educational classes for ex-offenders.
- **Fund Adult Protective Services Hotline Capacity.** Proposes \$246,548 GF each year to fund the increasing number of Adult Protective Services calls to the Child Protective Services hotline. Legislation in 2013 relocated the Adult Protective Services program to DARS from DSS, but did not establish a separate hotline structure, resulting in DSS continuing to manage hotline operations.
- **Adjust Prevention Services Funding.** Includes a savings of \$5.0 million GF and \$5.0 million NGF each year to reduce unspent appropriations for the federal Family First Prevention Services Act.

Supplemental Nutrition Assistance Program

- **Fund SNAP Overissuance Settlement Agreement.** Includes \$1.4 million GF the first year and \$1.3 million GF the second year to meet the terms of a settlement agreement with the federal government due to a benefits overissuance in fall of 2021.

- **Increase Funding for SNAP Electronic Benefits Transfer Program Contract.** Proposes \$590,889 GF and \$590,889 NGF the first year and \$832,889 GF and \$832,889 NGF the second year to fund the increasing costs of the SNAP Electronic Benefits Transfer (EBT) contract.

Information Technology System Increases

- **Modernize the Child Support Information System.** Includes \$15.5 million NGF the first year and savings of \$4.1 million NGF the second year to update the cost of the child support information system. This funding will allow DSS to replace the system instead of re-platforming to ensure it is fully modernized to meet customer needs.

Local DSS Staffing and Operations

- **Fund Income Verification for Public Benefits Contract Increase.** Recommends \$6.0 million GF and \$6.0 million NGF each year to fund the increasing costs of the renewal of the income verification for benefits contract. This contract is necessary for local departments of social services to review public benefit applications and eligibility determination.

Temporary Assistance for Needy Families (TANF) Funding

- **Update TANF Appropriation to Account for TANF and VIEW Forecast.** Reduces \$1.0 million GF the first year and \$2.6 million GF the second year and increases the federal TANF block grant funding by \$10.6 million the first year and \$12.1 million the second year to account for the forecast of TANF benefits and adjustments to the unemployed parents program.
- **Adjust Funding for TANF Grant Shortfall.** The introduced budget adds \$600,000 GF the first year and \$9.6 million GF the second year and reduces the federal TANF block grant by \$1.0 million NGF the first year and \$11.1 million NGF the second year to address the anticipated TANF grant shortfall in FY 2025 and FY 2026. Despite a decline in TANF income benefits, ongoing discretionary program funding cannot be sustained within the current resources available. The introduced budget proposes general funds totaling \$10.8 million GF over the biennium in the Virginia Department of Health for three programs to reduce and/or eliminate reliance on the TANF block grant for funding over the biennium and beyond:
 - Long Acting Reversible Contraceptives (LARCs) and non-LARC contraceptives

- Families Forward
- Resource Mothers

In addition, the introduced budget proposes \$10.2 million GF over the biennium to reduce and/or eliminate reliance on the TANF block grant over the biennium for two programs funded through DSS:

- Early Impact (home visiting support services)
- Community Employment and Training Programs

Finally, the introduced Budget proposes eliminating TANF funding for the following three programs which have not responded to requests to enter into contracts to receive TANF grants for several years:

- Family Restoration Services in Hampton
- Portsmouth Volunteers for the Homeless
- Menchville House

It also proposes discontinuing funding in FY 2026 for the Two Generation/Whole Family pilot program run by selected Community Action Agencies upon the completion of the pilot program in FY 2025.

TANF BLOCK GRANT FUNDING (NGF UNLESS OTHERWISE NOTED)		
Proposed Funding (Changes in Italics)	FY 2025	FY 2026
<u>TANF Resources</u>		
Annual TANF Block Grant Award	\$157,762,831	\$157,762,831
Carry-Forward from Prior Fiscal Year	24,552,371	739,533
Total TANF Resources Available	\$182,315,202	\$158,502,364
<u>TANF Mandated Services</u>		
<i>TANF Income Benefits</i>	\$31,462,593	\$21,600,339
Emergency and Diversionary Assistance	139,935	139,935
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 BLOCK GRANT FUNDING
(NGF UNLESS OTHERWISE NOTED)**

TANF State/Local Operations (cost allocated activities)	62,995,763	62,995,763
Subtotal VIP/VIEW Benefits and Services	\$107,257,324	\$97,395,070
TANF Programming		
Healthy Families/Healthy Start	\$9,035,501	\$9,035,501
<i>Community Employment & Training Grants (GF FY 2026)</i>	<i>9,000,000</i>	<i>\$9,000,000</i>
Community Action Agencies (CAAs)	9,250,000	9,250,000
<i>CAA Two Generation/Whole Family Pilot</i>	<i>1,125,000</i>	<i>0</i>
Earned Income Tax Credit (EITC) Grants	185,725	185,725
Local Domestic Violence Prevention Grants	3,846,792	3,846,792
<i>Long Acting Reversible Contraceptives (GF FY 2026)</i>	<i>4,000,000</i>	<i>\$4,000,000</i>
Federation of Virginia Food Banks	3,000,000	3,000,000
<i>Families Forward Virginia (formerly CHIP of VA in VDH) (GF both years)</i>	<i>\$2,400,000</i>	<i>\$2,400,000</i>
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	2,000,000	2,000,000
Northern Virginia Family Services mobile service & outreach	500,000	500,000
<i>Resource Mothers (GF both years)</i>	<i>\$1,000,000</i>	<i>\$1,000,000</i>
<i>Early Impact Virginia (home visiting training, monitoring) (GF both years)</i>	<i>\$600,000</i>	<i>\$600,000</i>
Laurel Center	1,250,000	1,250,000
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
Lighthouse Community Center	190,000	190,000
Cornerstones	750,000	750,000
<i>Fund income verification for public benefits contract increase</i>	<i>1,012,724</i>	<i>1,012,724</i>
<i>Appropriate NGF for local staff and operations</i>	<i>5,549,118</i>	<i>5,549,118</i>
<i>Fund background checks for local DSS employees & contractors</i>	<i>11,485</i>	<i>0</i>

**TANF BLOCK GRANT FUNDING
(NGF UNLESS OTHERWISE NOTED)**

Subtotal TANF Programming	\$58,492,845	\$44,356,360
Other Spending (Cost Avoidance)		
Local Staff Support	\$6,405,502	\$6,405,502
Children’s Services Act Transfer	9,419,998	9,419,998
Subtotal Other Spending (Cost Avoidance)	\$15,825,500	\$15,825,500
Total TANF Expenditures and Transfers	\$181,575,669	\$157,576,930

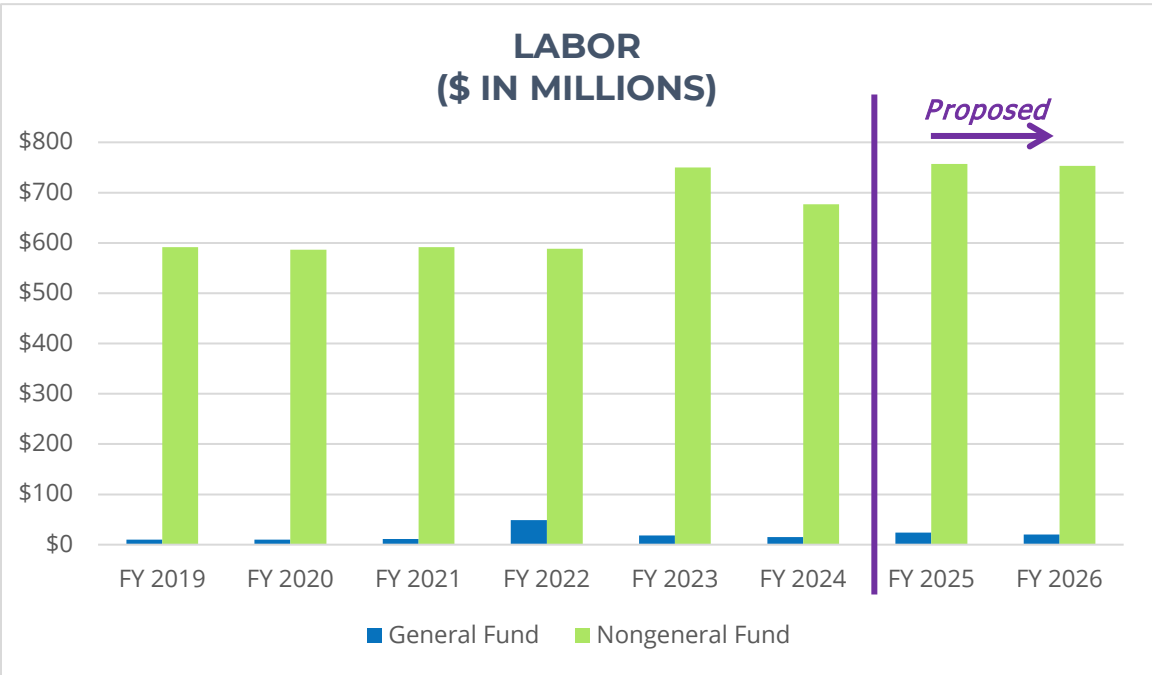
DEPARTMENT OF BLIND AND VISION IMPAIRED

- **Treasury Loan for New Navy Contract.** Proposes language to provide a treasury loan to the agency to finance up to \$3.5 million of the enterprise division’s contract to supply Naval Station Norfolk Ship Stores with commercial products. The treasury loan is limited to financing the cost of procuring wholesale merchandise for retail sale on Navy ships and will be repaid with enterprise revenues.

OPIOID ABATEMENT AUTHORITY

- **Initial Appropriation for the Opioid Abatement Authority.** Provides \$66.1 million NGF the first year and \$76.1 million NGF the second year for the initial base appropriation for the Opioid Abatement Authority (OAA). The OAA was created by the General Assembly in 2021 to abate and remediate the opioid epidemic by distributing grants, loans, and awards to treat, prevent, and reduce opioid use disorder. Financial assistance offered through the OAA comes from settlement funds paid to Virginia by prescription opioid manufacturers.

LABOR



The Secretary of Labor consists of three agencies – the Department of Labor and Industry, the Department of Professional and Occupational Regulation, and the Virginia Employment Commission - which prior to 2021 were the responsibility of the Secretary and Commerce and Trade. Last year, the General Assembly created the Department of Workforce Development and Advancement, adding a fourth agency to this portfolio. Primary funding for these four agencies is derived from federal funds for Virginia’s workforce services and unemployment insurance program and occupation-based licensing fees.

DEPARTMENT OF WORKFORCE DEVELOPMENT AND ADVANCEMENT

- Transfer Funding to New Workforce Agency.** Sets out the Department of Workforce Development and Advancement as authorized in House Bill 2195 and Senate Bill 1470, 2023 Session. It transfers the following amounts to the new workforce agency from the agencies listed in the table below.

ANNUAL FUNDS TRANSFERRED TO NEW AGENCY (\$ IN MILLIONS)

Agency	Amount Transferred
Virginia Employment Commission	\$74.5 NGF
Virginia Community College System	53.9 NGF
Virginia Community College System	2.0 GF
Department of Labor and Industry	2.0 GF
Total	\$132.4

- **Add General Fund Operating Support.** Provides \$3.2 million in FY 2025 to cover start-up costs for the new agency including salaries for agency leadership, information technology costs, furniture and equipment, and branding.
 - Chapter 1, 2023 Special Session 1 provided \$500,000 in FY 2024 to cover these costs, which is being used for the salaries of the agency director and two supporting roles

- **New Apprenticeship Grant Program.** Provides \$4.0 million over the biennium to support a grant program to increase the number of registered apprentices in the Commonwealth.
 - Provides \$2,000 per apprentice to businesses after the apprentice has participated in the company’s registered apprenticeship program for at least 6 months

- **Continue Hampton Roads Strong Investment.** Continues the Hampton Roads Strong initiative focused on workforce training for naval shipbuilding, offshore wind, and road construction industries with \$2.0 million in each year, which is a reduction of \$500,000 from Chapter 1 levels for this program.
 - The Hampton Roads Workforce Council operates this initiative

- **New Healthcare Workforce Program.** Provides \$1.0 million in FY 2025 to launch a new program focused on health care workforce training in Southeastern Virginia.
 - The Hampton Roads Workforce Council will operate this initiative

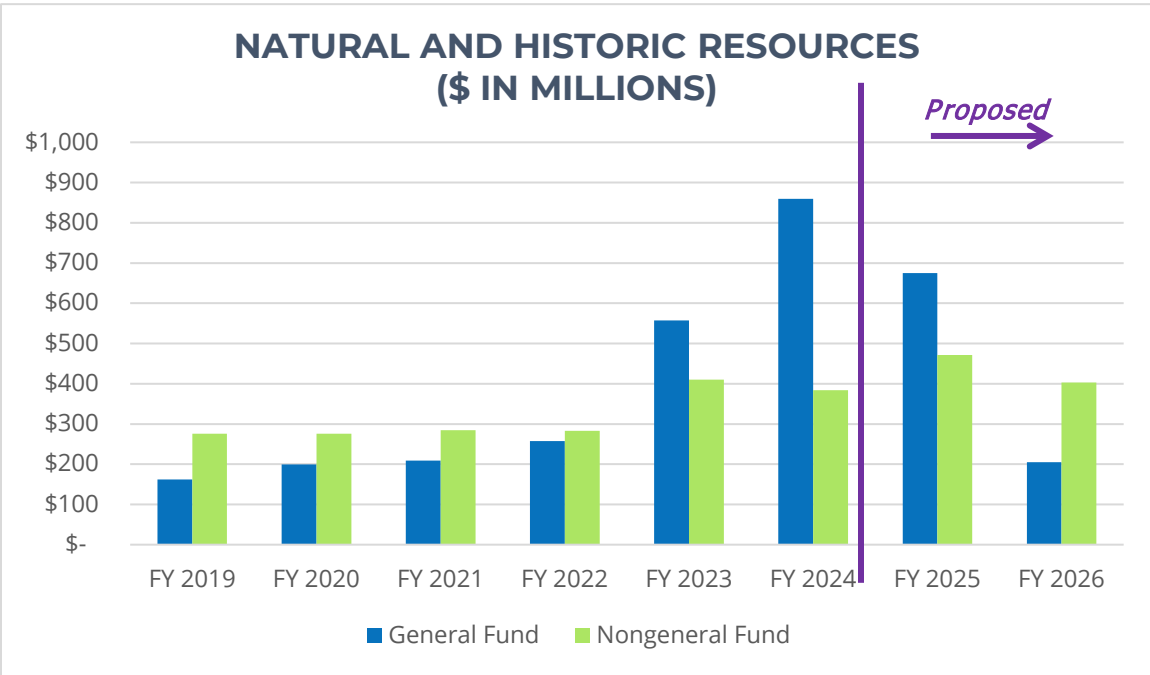
- **Removes Funding for Workforce Training Programs.** Removes funding provided for the Advanced Manufacturing Talent Investment Program and the Network2Work Program funded in Chapter 1, 2023 Special Session I at \$2.5 million in FY 2024 and \$2.0 million in FY 2024, respectively.

- A companion amendment in HB 29 transfers responsibility for the Advanced Manufacturing Talent Investment Program from the Virginia Economic Development Partnership Authority to the Secretary of Labor.
- The General Assembly authorized the transition of Network2Work from the Virginia Community College System to the new agency in House Bill 2195 and Senate Bill 1470 during the 2023 Session.

VIRGINIA EMPLOYMENT COMMISSION

- **Unemployment Insurance Tax Policy for Pandemic Related Claims.** Removes language requiring employer unemployment insurance taxes to be no more than an employer's rate for Calendar Year 2021 to help ensure conformity with federal unemployment law.
 - Retains language requiring the Virginia Employment Commission to remove pandemic related claim activity from calculating an employer's annual unemployment insurance tax rate
- **VEC to Establish an Administrative Fee.** Authorizes VEC to set an administrative fee to support agency costs related to staffing and technology capabilities.
 - Language requires the fee to be revenue neutral for employers and no more than 5% of unemployment insurance taxes collected per year

NATURAL AND HISTORIC RESOURCES



Overall general fund spending in the Natural and Historic Resources secretariat varies greatly from year to year, largely depending upon the size of the required deposit in the Water Quality Improvement Fund. Several large one-time general fund spending proposals drive new spending in the introduced budget. At the Department of Conservation and Recreation the Governor proposes \$138.1 million GF and \$63.0 million NGF for deposit in the WQIF, \$100.0 million GF for deposit in the Community Flood Preparedness Fund, \$73.9 million GF for the City of Norfolk’s flood resiliency project, and \$25.0 million GF for the Resilient Virginia Revolving Loan Fund. At the Department of Environmental Quality, the Governor has proposed \$50.0 million GF to support the City of Richmond’s combined sewer overflow project, and \$35.0 million GF for the City of Bristol to support its landfill remediation efforts. The Governor also proposes \$35.0 million GF at the Department of Historic Resources to establish a grant program supporting capital improvements at Virginia historic and cultural sites expected to host events related to 250th anniversary of the country’s independence.

SECRETARY OF HISTORIC AND NATURAL RESOURCES

- **Cap Water Quality Improvement Fund Reserve Deposits.** Amends existing language within the Appropriation Act to remove the requirement that 15

percent of required deposits to the Water Quality Improvement Fund (WQIF) be deposited in the WQIF Reserve if the total reserve balance is greater than \$100.0 million.

- A separate amendment in DCR reduces the annual deposit of watercraft fuel sales collections deposited in the WQIF reserve from \$2.5 million per year to \$1.5 million per year.
- **Remove Cap on Land Preservation Tax Credit.** The budget as introduced proposes to eliminate language previously found in Part 3 of the Appropriation Act which limits the amount of the Land Preservation Tax Credit that may be claimed by each taxpayer to \$20,000 per taxable year. Removal of the language would increase the annual claim limit to \$50,000 per taxable year, and \$100,000 per year for fee simple donations of land conveyed to the Commonwealth.

DEPARTMENT OF CONSERVATION AND RECREATION

- **Agricultural Best Management Practices.** Includes a total of \$201.1 million in FY 2025 for deposit in the WQIF to support agricultural nonpoint source pollution programs. Of this amount, \$138.1 million is from the general fund and \$63.0 million is from nongeneral funds received pursuant to the Monsanto settlement. This is a supplemental deposit, and not related to the FY 2023 revenue surplus or agency balances. Those amounts were appropriated in FY 2024 by the General Assembly in Chapter 1 (Special Session 1, 2023 General Assembly).
 - From all funds, a total of \$182.9 is deposited for Ag BMP matching grants. Of this amount, \$116.2 million is provided for activities within the Chesapeake Bay Watershed; \$49.8 million is provided for activities outside of the Chesapeake Bay Watershed; and, \$15.8 million is provided for Technical Assistance for Soil and Water Conservation Districts
 - The remaining \$19.2 million is provided for other initiatives (see following table)

OTHER INITIATIVES

	Amount (\$ in millions)
Nonpoint source projects	\$6.0
Virginia Conservation Assistance Program	4.0
Dept. of Forestry – Virginia Trees for Clean Water Program	4.0
Conservation Reserve Enhancement Program	2.0
Verification of agricultural best management practices	1.0
Dept. of Forestry – Water quality grants	1.0
Conservation Application Suite	0.7
Virginia Cooperative Extension – Ag BMP data collection	0.5
TOTAL	\$19.2

- **Community Flood Preparedness Fund.** Includes \$100.0 million GF in FY 2025 for deposit in the Community Flood Preparedness Fund. The Fund is administered by DCR to support community-scale flood resilience projects.
- **Norfolk Coastal Storm Risk Management Project.** Provides \$73.9 million GF in FY 2025 to the City of Norfolk toward the nonfederal funds required to match \$399 million in federal funding provided through the Bipartisan Infrastructure Law for the project.
 - Language authorizes the Secretary of Finance to provide an additional \$21.0 million in support for the project through a treasury loan, contingent upon the City applying revenues generated by a casino gaming establishment towards support of the project
- **Resilient Virginia Revolving Loan Fund.** Proposes \$25.0 million GF in FY 2025 for deposit in the Resilient Virginia Revolving Loan Fund, administered by DCR to support property-scale resilience projects.
- **Dam Safety.** Includes \$5.0 million GF in FY 2025 for deposit in the Dam Safety, Flood Prevention and Protection Assistance Fund. The Fund supports grants for dam remediation projects to local governments and owners of private dam regulated by the Commonwealth.
 - Also included is \$1.2 million GF and \$1.2 million NGF and six positions to support the Department’s dam safety program

- **Culpeper Battlefields State Park.** Includes \$1.3 million GF in FY 2025 and \$965,000 GF in FY 2026 and five positions to develop and operate Culpeper Battlefields State Park. The establishment of the park was authorized by the 2022 General Assembly.
- **Hayfields State Park.** Proposes \$1.1 million GF in FY 2025 and \$783,000 GF in FY 2026 and four positions to support operations at Hayfields State Park. The park was authorized by the 2023 General Assembly.
- **Clinch River State Park.** Provides \$599,092 GF over the biennium and two positions for start-up operations at Clinch River State Park.
- **Additional Law Enforcement Positions.** Proposes \$772,000 GF in FY 2025 and \$662,000 GF in FY 2026 for four additional law enforcement positions.
- **Breaks Interstate Park.** Includes an increase of \$285,000 GF each year to support operations of the Breaks Interstate Park.

DEPARTMENT OF ENVIRONMENTAL QUALITY

- **Richmond CSO.** Includes \$50.0 million GF in FY 2025 to support the City of Richmond’s ongoing Combined Sewer Overflow project.
- **Bristol Landfill.** Proposes \$35.0 million GF in FY 2025 to support the City of Bristol in the ongoing remediation efforts at its landfill. The availability of funding is contingent upon the execution of a memorandum of understanding between the City and DEQ.
- **Dissolved Oxygen Monitoring.** Includes \$4.4 million GF in FY 2025 and \$4.1 million GF in FY 2026 to support ongoing monitoring and evaluation of dissolved oxygen levels in the Chesapeake Bay. The funding would allow DEQ to monitor to assess water quality for all dissolved oxygen criteria in Virginia’s sections of the Bay in order to determine progress toward meeting TMDL requirements.
- **Air and Groundwater Permitting.** Proposes \$1.1 million GF each year to support the Department’s groundwater and air permitting processes.
- **Clean Water Revolving Loan Match.** Assumes savings of \$1.5 million GF each year to reflect the expected state match required for federal Clean Water Revolving Loan Fund activities.

DEPARTMENT OF WILDLIFE RESOURCES

- **Freshwater Mussel Restoration.** Includes \$2.0 million NGF in FY 2025 to support improvements to the Department’s mussel restoration infrastructure. The source of the funds is the Monsanto settlement.

- **Law Enforcement Salary Compression.** Proposes \$685,000 NGF each year to address salary compression issues among the Department’s law enforcement personnel. The salary action is supported by an increase in the transfer of the tax proceeds from hunting and fishing equipment sales to the Department, with a corresponding reduction in general fund revenues reflected on the front page of the bill.

DEPARTMENT OF HISTORIC RESOURCES

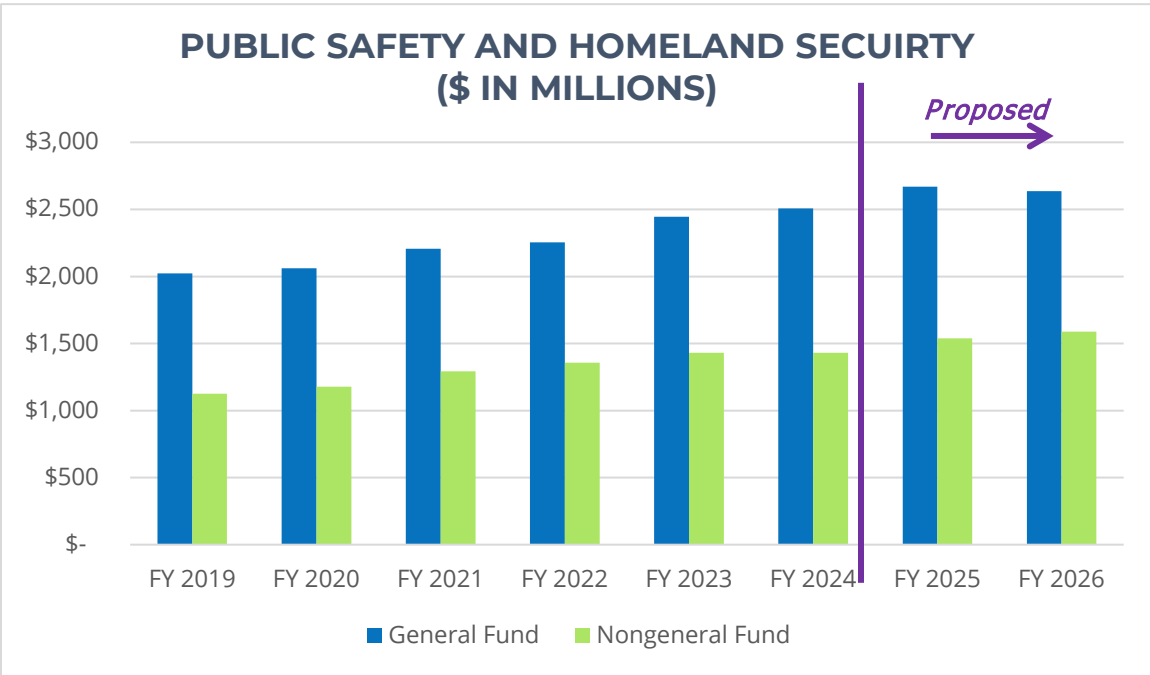
- **Semiquincentennial Capital Improvements.** Proposes \$35.0 million GF in FY 2025 to establish a competitive grant program supporting improvements at significant historic sites in Virginia related to the country’s 250th anniversary. The Department is directed to develop guidelines and procedures for awarding this funding, to include eligibility criteria. The grant program is required to have a one-to-one match from non-state funds.
 - An amendment in the Central Appropriations section of House Bill 30 proposes \$20.0 million GF in FY 2025 to support operational activities of the American Revolution 250 Commission
- **Battlefields Preservation.** Includes \$5.0 million GF in FY 2025 for a one-time increase in the deposit to the Virginia Battlefield Preservation Fund. Total deposits to the fund are \$10.3 million GF in FY 2025 and \$5.3 million GF in FY 2026.
- **Black, Indigenous, and People of Color Preservation (BIPOC) Fund.** Proposes a one-time deposit of \$1.0 million GF in FY 2025 for the BIPOC Fund.
 - A technical change to the language included in House Bill 30 as introduced aligns eligibility within the Bill with the relevant sections of the *Code of Virginia*
- **New Department Positions.** Proposes \$476,000 GF each year and three positions within the Department to address workload increases in its finance operations, and to hire a Deputy Director of Preservation Programs.

MARINE RESOURCES COMMISSION

- **Oyster Replenishment Expansion.** Includes \$3.0 million NGF in FY 2025 to support expansion of the Virginia Oyster Replenishment Program. The proposal is funded using resources from the Monsanto settlement.

- **Law Enforcement Salary Compression.** Includes \$710,000 GF each year to address salary compression issues among the Commission's law enforcement personnel.
- **Reduce Oyster Restoration Appropriation.** Proposes to reduce by \$500,000 GF each year the annual appropriation supporting the Commission's oyster restoration activities.

PUBLIC SAFETY AND HOMELAND SECURITY



For the Public Safety and Homeland Security Secretariat, general fund expenditures are proposed to increase 6.5% in FY 2025 and decline 1.3% in FY 2026. The most substantial actions proposed are the closure of four state correctional facilities by DOC, which is anticipated to result in \$118.6 million GF in savings over the biennium. These savings at DOC would be offset by an additional \$42.9 million GF in new spending related to the Department terminating the contract for vendor operation of Lawrenceville Correctional Center and assuming operational responsibility for the facility. At DCJS, \$18.0 million is proposed in FY 2025 to support new law enforcement recruitment and wellness initiatives.

VIRGINIA ALCOHOLIC BEVERAGE CONTROL AUTHORITY

- **Adjust Appropriation for Costs of Goods Sold.** Includes a \$48.9 million NGF increase in FY 2026 to reflect the anticipated costs of purchasing the costs of goods sold in Authority stores. No such increase is provided for FY 2025.
- **New Store Openings.** Increases the Authority's appropriation by \$563,000 NGF in FY 2025 and \$1.7 million NGF in FY 2026 to reflect the costs of opening four additional agency stores over the biennium.
- **Proposed Budget Does Not Provide for 2 Percent Salary Increase.** The proposed budget does not adjust the appropriation for the Authority to reflect

the two percent pay increase authorized for all State agencies and authorities beginning with the December 10, 2023 pay period. The Board exercised its authority as an independent political subdivision to not adopt the increase in compensation for employees of the Authority.

- **Transfer of Net Profits.** Assumes transfers of net profits from the sale of goods in Authority stores totaling \$206.2 million in FY 2025 and \$231.0 million in FY 2026. This represents an increase in net profit transfers of 18.3% the first year and 12.0% the second year relative to the \$174.1 million net profit transfer assumed in FY 2024 in House Bill 29. The increase in profits does not correlate to increased sales. Instead, it reflects assumed efficiency and operational savings at ABC.

VIRGINIA CANNABIS CONTROL AUTHORITY

- **Reduce General Fund Budget by 15.1 Percent.** Proposes savings of \$1.0 million GF each year related to unspecified administrative efficiencies in the Authority's operations.
- **Nongeneral Fund Support for Medical Cannabis Program.** Includes \$909,000 NGF each year to reflect the Authority's assumption of responsibility for administering the Medical Cannabis Program effective January 1, 2024.

DEPARTMENT OF CORRECTIONS

- **Closure of Four Correctional Facilities.** Assumes total savings of \$118.6 million GF over the biennium from the closure of Sussex II State Prison, Augusta Correctional Center, Haynesville Field Unit, and the Stafford Community Corrections Alternative Program.
 - The Department has already closed Sussex II State Prison due to what it has identified as ongoing and severe staffing shortages at the facility. Inmates and staff have been transferred to the co-located Sussex I facility. The Department will continue to maintain the Sussex II facility with the expectation that the facility could be reopened should additional operational capacity be needed in the future. Savings from closure are assumed to total \$52.2 million GF over the biennium.
 - For Augusta Correctional Center, the Department has a target closure date of June 30, 2024. The 502 inmates housed at the facility will be transferred to other facilities within the DOC system depending upon their needs and

security status. Facility staff will be offered the opportunity to transfer to other facilities within the system, but are otherwise eligible to receive Workforce Transition Act benefits. The Department is assuming the closure of Augusta Correctional Center as permanent. Savings are assumed to total \$49.4 million GF over the biennium.

- Savings assumed from the closure of the Haynesville Field Unit and the Stafford Community Corrections Alternative Program total \$10.6 million over the biennium. Both closures are anticipated to be permanent.
- **State Management of Lawrenceville Correctional Center.** Proposes \$24.5 million GF in FY 2025 and \$18.4 million GF in FY 2026 for the Department to transition the contractor operated Lawrenceville Correctional Center to state management on August 1, 2024. This funding is proposed in addition to the \$28.6 million GF currently provided for the cost of contract operation of the facility. The increase in costs is primarily associated with the enhanced pay and benefits provided by the Department to the 422 staff positions at the facility, the assumption of medical services costs by the Department, and the purchase of necessary equipment to provide an enhanced level of treatment and programming to inmates housed in the facility.
- **Career Progression Program for Correctional Officers.** Proposes \$9.5 million GF each year to establish a career progression program for Correctional Officers. The Department proposes to create four correctional officer ranks, two correctional sergeant ranks, and correctional lieutenant ranks. Staff would be eligible for promotion to higher ranks and pay increases based upon demonstrated performance.
- **Offset Increased Operational Costs.** Proposes \$4.0 million GF each year to offset increased operational costs associated with food, utilities, and other mandatory areas.
- **Increase Salaries for Vacant Positions.** Includes \$2.9 million GF each year to provide a salary increase for 218 currently vacant correctional officer positions that were not included in the 2022 targeted salary increases for the Department's correctional officers.
- **Body Scanners at Secure Facilities.** Includes a total of \$4.1 million GF over the biennium for the Department to purchase new scanners and to upgrade existing scanners at 10 secure facilities.

- **Savings from Administrative Efficiencies.** Assumes \$1.0 million GF in savings each year from unspecified administrative efficiencies within the Department.
- **Medical Transport in Sussex County.** Proposes \$500,000 GF each year to offset costs to Sussex County of providing emergency medical transportation services to inmates housed at Department facilities.

DEPARTMENT OF CRIMINAL JUSTICE SERVICES

- **Establish Program Focused on Law Enforcement Recruitment and Wellness.** Proposes one-time funding of \$18.0 million GF in FY 2025 to establish a program to support state and local law enforcement recruitment and wellness efforts. Associated language instructs DCJS to provide no less than \$3.0 million to support wellness and mental health initiatives undertaken by state and local law enforcement agencies. The remainder of the funding is proposed to be used as a state-match for state or local law enforcement recruitment strategies which target law enforcement officers living outside the Commonwealth or employed by the federal government. Eligible uses identified by the amendment include sign-on bonuses up to \$10,000, and relocation expenses up to \$1,000. The Department is required to provide a report on associated expenditures and the number of law enforcement officers hired as a result of the program to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1, 2024.
- **Offset NGF Revenue Declines for Victim-Witness Grant Program.** Includes \$2.4 million GF in FY 2025 and \$4.8 million GF in FY 2026 to backfill projected declines in federal grant awards and special fund revenues used to support victim-witness programs.
- **Offset Decline in Federal Support for Sexual Assault and Domestic Violence Victim Programs.** Proposes \$3.5 million GF in FY 2026 to backfill expected declines in federal grant awards for programs that support victims of sexual assault and domestic violence. ARPA funds have been utilized to offset the decline in federal grant awards for the program in FY 2025.
- **Increase Assistance for Hate Crimes Prevention.** Includes an additional \$2.0 million GF in FY 2025 to support additional competitive grants for security measures and improvements implemented by institutions or nonprofit organizations that have been targets of or at risk of being targeted for hate crimes. A change in the associated language authorizes DCJS to provide grant

awards directly to eligible institutions or non-profit organizations, rather than providing grants to localities in support of eligible entities.

DEPARTMENT OF EMERGENCY MANAGEMENT

- **Disaster Logistics Support and Coordination Center.** Includes \$1.1 million GF each year to reflect the ongoing lease and operating costs associated with VDEM's central disaster warehouse.

DEPARTMENT OF FIRE PROGRAMS

- **Fire Programs Fund.** Increases the nongeneral fund appropriation for the Fire Programs Fund by \$15.0 million in FY 2025 and \$18.3 million in FY 2026 to reflect forecast increases in revenue collections. The Fire Programs Fund receives its revenues through a one percent levy on the total direct gross income generated by licensed insurance companies providing fire, property and casualty, and other specified insurance policies. The Fire Programs Fund is used to provide population-based allocations to Virginia localities to pay for training, construction of training centers, fire fighting equipment, and protective clothing.
- **State Fire Marshall's Office.** Proposes \$434,000 GF each year to address operational cost increases in the State Fire Marshall's Office.

DEPARTMENT OF FORENSIC SCIENCE

- **Additional Staff and Equipment.** Includes \$761,000 GF in FY 2025 and \$851,000 GF in FY 2026 and 7 positions to address workload issues in the evidence receiving and forensic biology sections, to provide trace evidence collection kits to healthcare providers for victims of strangulation, and to purchase software used to unlock cell phones that may contain evidence related to criminal investigations.

DEPARTMENT OF JUVENILE JUSTICE

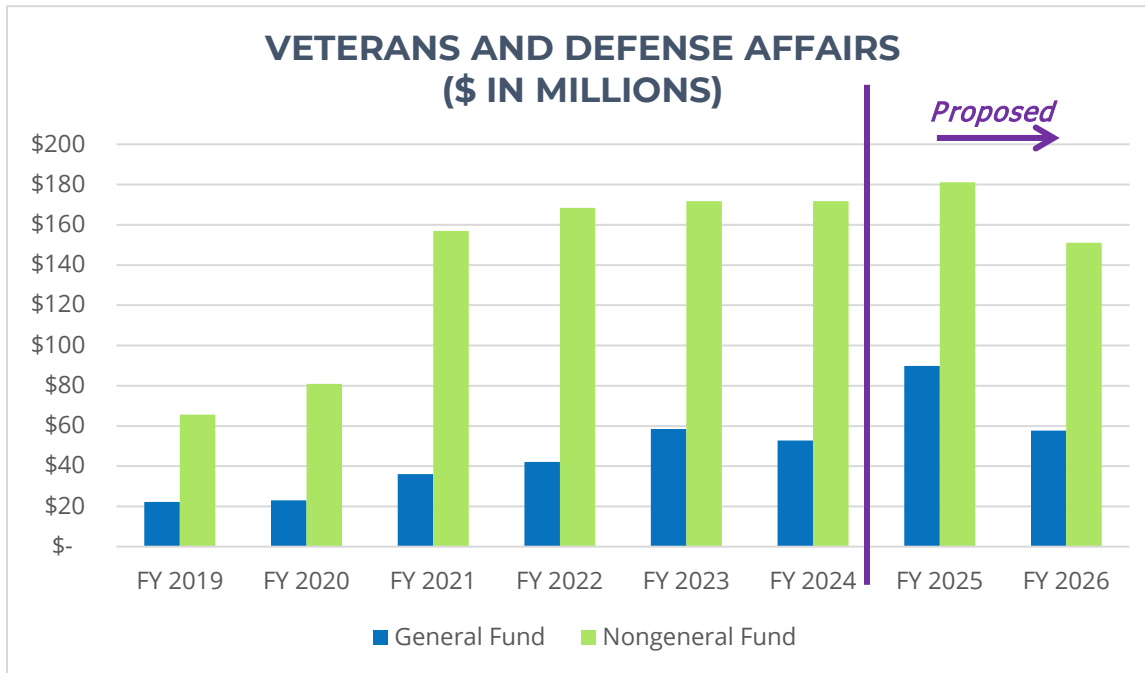
- **Administrative Savings.** Proposes a reduction of \$750,000 GF each year to reflect unspecified administrative efficiencies implemented by the Department.

DEPARTMENT OF STATE POLICE

- **Address Trooper Salary Compression.** Includes \$3.0 million GF each year to implement a 1.4 percent salary increase to address salary compression issues among sworn law enforcement personnel.

- **Purchase of Three New Airplanes.** Proposes \$1.6 million GF each year to support the purchase of three new airplanes to replace existing, damaged airplanes through the Master Equipment Lease Program (MELP). The total purchase price of the airplanes is an estimated \$12.9 million, and the total cost to repay the costs of the purchase through the MELP program is \$16.2 million GF over 10 years.
- **Virginia Criminal Information Network Upgrades.** Includes \$2.0 million NGF from special fund balances for the cost of implementing upgrades to the Virginia Criminal Information Network (VCIN).
- **Support Med-Flight Operations.** Provides \$770,800 GF in FY 2026 for the costs of employing in-flight nurses for the med-flight program. VCU has eliminated its support for the program, and State Police has been defraying these costs with its existing resources to ensure continued operation of the program.
- **Criminal Background Check Legislation.** Includes \$306,000 GF in FY 2025 and \$366,000 GF in FY 2026 and four positions to support two pieces of legislation to be considered by the 2024 General Assembly related to criminal background checks.
- **Increase Fusion Center Staffing.** Proposes \$523,000 GF in FY 2025 and \$589,459 in FY 2026 and six positions to employ additional analysts in the State Police Fusion Center.
- **Campus Safety Coordinator Position.** Includes \$114,000 GF in FY 2025 and \$137,000 GF in FY 2026 to establish a position within the State Police Fusion Center focused on coordinating with institutions of higher education in support of campus safety and security efforts.

VETERANS AND DEFENSE AFFAIRS



Total general fund spending for the Veterans and Defense Affairs Secretariat is proposed to increase \$37.2 million (70.6%) in FY 2025 relative to FY 2024 spending. This is primarily driven by \$30.5 million proposed at the Department of Veterans Services to support the startup costs associated with the commencement of operations at the new Jones & Cabacoy and Puller Veterans Care Centers. Total spending in FY 2026 is proposed to be 5.5% greater than FY 2024 levels, primarily driven by distribution of centrally appropriated compensation increases.

DEPARTMENT OF VETERANS SERVICES

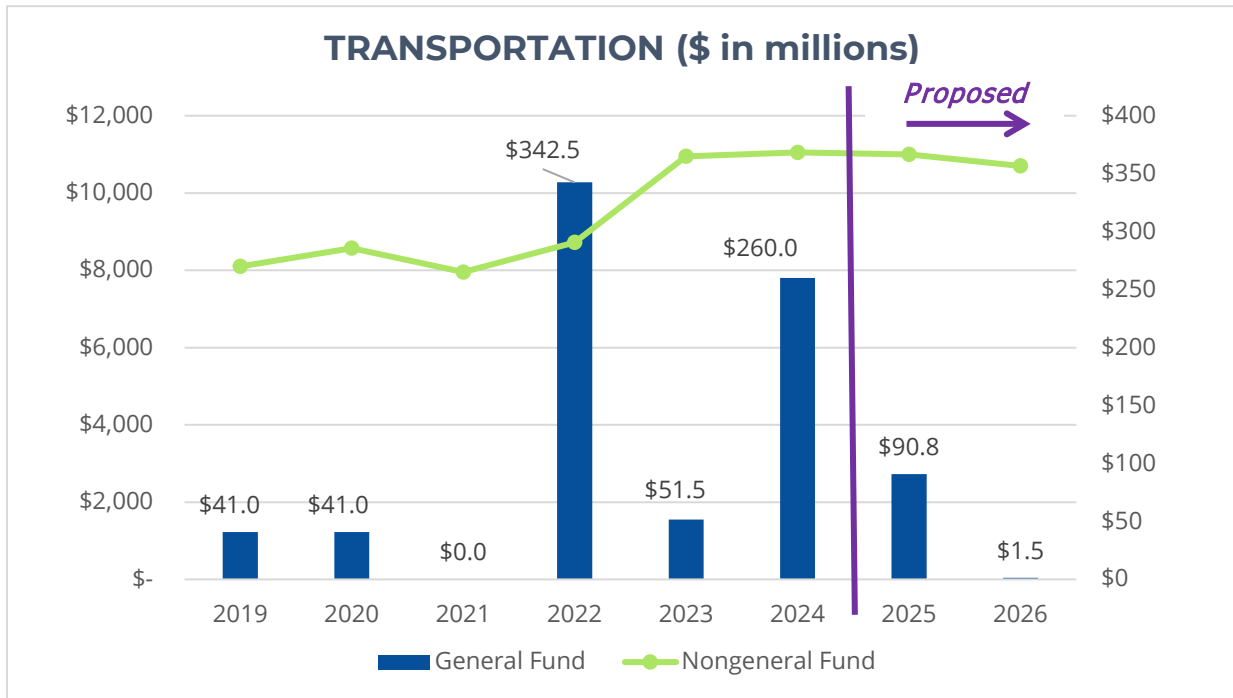
- Start-Up Costs for New Veterans Care Centers.** Proposes \$30.5 million GF in FY 2025 to support operating costs associated with the opening of Jones & Cabacoy and Puller Veterans Care Centers. The funding is provided with the expectation that once full staffing and occupancy levels at the Centers are reached sufficient nongeneral fund revenue will be generated to support ongoing operational costs. Language directs any remaining balances of the first year amount to be carried over into the second year. A companion amendment includes \$3.0 million NGF each year to reflect revenues currently expected to be generated in the course of Care Center operations.

- **Information Technology Improvements.** Includes \$1.7 million GF in FY 2025 and \$486,000 GF in FY 2026 to support procurement and operation of information technology systems by the Department. These include procurement of a veteran self-service portal, creation of a virtual service center, procurement of a digital signature and document software system, and a cloud-based claims management system.
- **Military Women’s Memorial.** Includes \$500,000 GF in FY 2025 to support costs of constructing the Military Women’s Memorial and Education Center in Arlington County.
- **Partnership for Petersburg Initiative.** Proposes \$399,000 GF in FY 2025 and \$405,000 GF in FY 2026 to support the Partnership for Petersburg Initiative. The funding will be used for lease payments related to the Virginia Community Resource Center.

DEPARTMENT OF MILITARY AFFAIRS

- **Cash Management System Software.** Proposes \$845,000 GF in FY 2025 and \$384,000 GF in FY 2026 for the costs of developing and operating a cloud-based cash management system.
- **Line of Credit for Authorized Capital Projects.** Language authorizes a \$20 million line of credit accessible to manage cashflow on authorized capital projects eligible for reimbursement by the federal government.

TRANSPORTATION



Nongeneral Fund appropriations within the Transportation Secretariat are projected to decrease slightly over the biennium based on the updated revenue forecast and updated six-year plan. The NGF appropriations across the Secretariat is projected to decrease by 0.5% in FY 2025 and by 2.7% in FY 2026.

The proposed GF appropriation for the Transportation Secretariat includes \$90.0 million in GF support from 2 one-time spending proposals, \$70.0 million GF to accelerate the widening of I-81 near Salem and \$20.0 million GF for a deposit into the Transportation Partnership Opportunity Fund.

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.

DEPARTMENT OF AVIATION

- **Support Study of Airport Infrastructure Needs and Emerging Technologies.** Provides \$350,000 NGF in FY 2025 to support a study for the implementation of emerging technologies, including Advanced Air Mobility.

DEPARTMENT OF MOTOR VEHICLES

- **Provide Additional Funding for Maintenance Reserve in Capital.** Adds an additional \$2.0 million NGF for DMV in FY 2025 for maintenance reserve in the capital section of the budget.
- **Capital Funding to Renovate the DMV Headquarters.** Provides \$14.8 million NGF in FY 2025 under the capital budget to support the renovation of the DMV headquarters which was last renovated in the 1990s.

VIRGINIA PASSENGER RAIL AUTHORITY

- **Adjust NGF Appropriations to Reflect Updated Revenue Projections.** Includes technical amendment which increases the NGF appropriations for the Virginia Passenger Rail Authority by \$97.7 million in FY 2025 and \$109.9 million in FY 2026 to reflect updated NGF revenue projections.

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

- **Language Regarding Additional Support for WMATA.** Includes language amendment allowing the total Virginia operating assistance provided to the Washington Metropolitan Area Transit Authority (WMATA) to exceed the cap set in the Code contingent on the WMATA completing and providing a corrective action which includes measures to reduce total costs and overhead costs going forward.
- **Adjust DRPT NGF Appropriations to Reflect Updated Revenue Projections.** Includes technical amendment which increases the NGF appropriations for DRPT by \$44.2 million in FY 2025 and \$94.7 million in FY 2026 to reflect updated NGF revenue projections.

DEPARTMENT OF TRANSPORTATION

- **Provide GF Support for I-81 Corridor Project.** Provides \$70.0 million GF in FY 2025 to expedite the widening of I-81 in the Salem area (between mile marker 116 and 128).

- **Deposit Into the Transportation Partnership Opportunity Fund.** Includes \$20.0 million GF in FY 2025 to be deposited into the Transportation Partnership Opportunity Fund (TPOF).
- **Direct Additional Deposits Into the TPOF.** Includes language instructing the Commonwealth Transportation Board to deposit into the TPOF \$200 million from the transportation funds over the next 6 years.
- **Direct Additional Transportation Sales Tax Revenues to the TPOF & I-81.** Language is included within the tax policy language related to expanded sales tax to include “new economy” products which earmarks the portion of the additional sales tax that would be deposited into the Commonwealth Transportation Fund to the TPOF (50% of the new revenue) and to the I-81 Corridor Improvement Fund (50% of the new revenue until total deposits equals \$400 million).
- **Adjust VDOT NGF Appropriations to Reflect Revenue Projections and 6 Year Spending Plan.** Includes technical amendments which reduces the NGF appropriations for VDOT by \$269.7 million in FY2025 and \$717.2 million in FY 2026 to reflect updated NGF revenue projections and the updated 6-year expenditure plan.

PORT OF VIRGINIA

- **GF Funding for the Virginia Port Volume Support Program.** Includes \$500,000 GF in FY2025 and \$1.0 million GF in FY 2026 for the Virginia Port Volume Support Program which is replacing the Virginia Port Volume Tax Credit which is set to expire January 1, 2025.
- **GF Funding for the Virginia Barge and Rail Usage Grant Program.** Includes \$250,000 GF in FY2025 and \$500,000 GF in FY 2026 for the Virginia Barge and Rail Usage Grant Program which is replacing the Barge and Rail Usage Tax Credit which is set to expire January 1, 2025.
- **Capital Outlay Authorization for the Port.** Part 2 (capital outlay) includes proposals to authorize a total of \$458.2 million in NGF capital outlay expenditures at the Port.
 - \$223.0 million NGF over the biennium for improvements to cargo handling facilities
 - \$223.0 million NGF over the biennium to expand an empty yard
 - \$12.2 million NGF to maintain berths and wharfs

CENTRAL APPROPRIATIONS

General Fund appropriations within central appropriations are mostly provided for employee compensation or benefit changes, which are spread across the agencies in the out years, or for one times expenditures.

Below is a summary of the major funding initiatives.

EMPLOYEE COMPENSATION ACTIONS

- **Bonus for State and State-Supported Local Employees.** Includes \$54.2 million GF in FY 2025 and \$54.7 million GF in FY 2026 for a 1% bonus for full time state employees and state supported local employees in on December 1 of each year of the biennium.
- **Across the Board Salary Increase for State and State-Supported Local Employees.** Provides \$59.6 million GF in FY 2026 to fund a 1% salary increase for state employees, adjunct faculty, graduate teaching assistants and state supported local employees at the beginning of FY 2026.
 - HB 30, as introduced, also includes \$122 million GF the second year within Direct Aid to Education (Item 137) to provide a full-year 2% increase for teachers and other Standards of Quality-funded instructional positions. Also includes \$53.0 million GF in first year for a 1% bonus for SOQ funded positions in FY2025
- **Targeted Salary Increases.** The budget also includes amendments within individual agencies to provide \$73.8 million GF, and \$1.4 million NGF, in targeted salary adjustments as shown in the table below.

PROPOSED TARGETED COMPENSATION ACTIONS (\$ IN MILLIONS)

DBHDS - Clinical Roles at State Facilities	\$22.7
DBHDS - Food and Environmental Services Employees at State Facilities	17.0
DOC - Career progression plan	18.9
DOC - Raises for vacant CO positions	5.8
State Police - Pay plan	6.0
MRC - Law enforcement compression	1.5
DWR - Law enforcement compression	1.4 (NGF)
School for the Deaf and the Blind	1.9
Total	\$75.2

- **Provide Funding to Support Cost of Increasing the Minimum Wage.** Includes \$1.0 million GF in FY 2025 and \$3.3 million GF in FY 2026 to support the cost of increases in the minimum wage. The funding assumes a 3.84% increase in the minimum wage.

EMPLOYEE BENEFIT PLAN FUNDING ACTIONS

- **Adjust Funding State Employee Health Insurance Premium.** Includes \$39.6 million GF in FY 2025 and \$66.7 million GF in FY 2026 to support the cost of increases in the health care premiums for the state employee health insurance program. Funding assumes a 6.3% increase in FY2025 and a 4.0% increase in FY 2026 in for the self-funded plan.
- **Reflect Savings From Updated VRS Retirement Rates.** Captures savings of \$8.3 million GF the first year and \$6.9 million GF the second year to reflect the reduction in the new VRS Board Certified Rates for the retirement systems.
- **Capture Savings From Contribution Rates for Other Post-Employment Benefit Programs.** Captures savings of \$2.7 million GF the first year and \$2.8 million GF the second year to reflect the reduction in the new VRS Board Certified Rates for the OPEB rates.

SPECIAL EXPENDITURES

- **Funding to Improve State IT Infrastructure.** Includes \$150.0 million GF in FY 2025 to support the upgrading and modernization of critical IT infrastructure and systems.

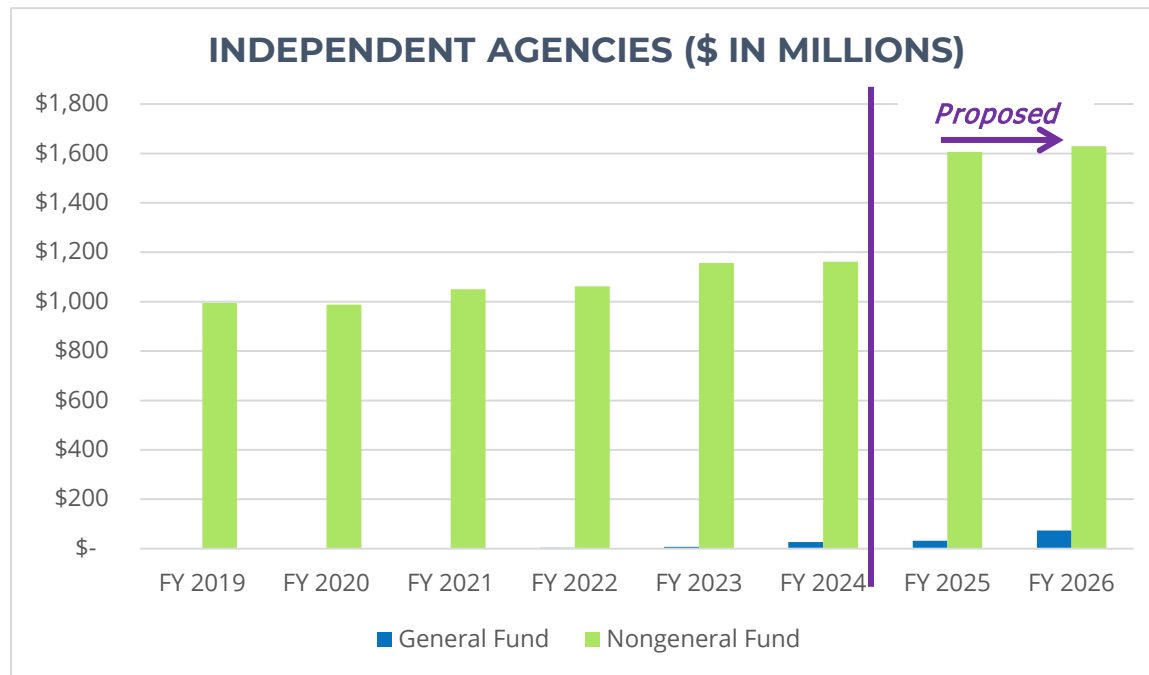
- **Support for American Revolution 250 Commission Operations.** Includes \$20.0 million to support the operational activities of the Commission contingent on the Commission submitting an operation plan to the Chairs of the House Appropriations and Senate Finance & Appropriations Committees, and the Governor.
- **Funding to Support Potential Relocation of Sports Teams.** Includes \$500,000 GF in FY 2025 for the Secretary of Finance to evaluate economic development incentives that could aid in the relocation of professional sports teams to Virginia.

OTHER CENTRAL BUDGET ADJUSTMENTS (\$ IN MILLIONS)		
	FY 2025	FY 2026
Funding for Agency IT Cost	(\$5.1)	(\$0.8)
Cardinal Financial System	(\$3.8)	(\$2.0)
Cardinal HCM Charges	(\$3.5)	(\$1.0)
Workers Comp Premiums	(\$1.5)	(\$1.7)
Line of Duty Act	\$1.7	\$1.7
Agency Rent Costs	\$2.1	(\$0.8)
Performance Budgeting Cost	(\$0.1)	\$0.1
Charges for Risk Management Premiums	(\$0.4)	(\$0.4)
Higher Education Interest Earnings and Credit Card Rebates (GF Portion)	\$3.2	\$3.2
Total	(\$7.4)	(\$1.7)

ALLOCATIONS OF FEDERAL PANDEMIC RESPONSE FUNDS

- **Reversion of American Rescue Plan Funding (ARPA) to Transfer to Supplement Child Care Subsidy Program.** Includes budget language providing that any remaining unobligated balance as of June 30, 2024, in ARPA State and Local Fiscal Relief Funds, allocated to state agencies, shall be transferred to the Child Care Subsidy Program at the Department of Education. This would supplement funding for that program and must be obligated by December 30, 2024.

INDEPEDENT AGENCIES



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 \$106.4 million GF proposed for independent agencies over the 2024-2026 biennium, \$92.0 million is proposed for the State Corporation Commission as the state share of the Commonwealth Health Reinsurance Program, including \$20.5 million funded in the base each year and an additional \$52.0 million proposed over the biennium. Other GF spending includes \$13.0 million in the base budget of the Workers' Compensation Commission to administer the Sexual Assault Forensic Exam (SAFE) Payment program.

STATE CORPORATION COMMISSION

- Provide Appropriation for the Reinsurance Program.** Proposes \$5.0 million GF and \$331.9 million NGF the first year and \$47.0 million GF and \$354.1 million NGF the second year to reimburse individual health insurance market carriers for eligible expenses. The Reinsurance Program is supported through federal funding provided through the Patient Protection and Affordable Care Act Section 1332 State Innovation Waiver and state funds.
- Provide Appropriation and Staff for the State Health Benefit Exchange.** Also includes \$22.3 million NGF and 27 positions the first year and \$25.1 million NGF

and 29 positions the second year to transition the federally-supported health benefit exchange to a state-supported platform. The start-up and implementation costs of the state-based health benefit exchange are supported through a working capital advance. The nongeneral fund revenue source to operate the exchange is from a fee the health insurers pay on plans sold on the exchange.

- **Right-Size Agency Nongeneral Fund Appropriation and Positions.** Includes \$6.0 million NGF and 54 positions both years for the agency to address an increase in regulatory work, fulfill cybersecurity requirements and initiatives, and continue statutory requirements for railroad and pipeline safety. The nongeneral fund resources are from fees charged by the agency to the entities regulated by the Commission.

VIRGINIA LOTTERY

- **Establish Base Budget Appropriation for Casino Payments to Localities.** Proposes \$50.0 million NGF each year to distribute casino gaming tax revenues to localities on a quarterly basis. Provides ongoing legislative appropriation for these payments that have been administratively appropriated to date.

VIRGINIA COLLEGE SAVINGS PLAN

- **Provide NGF for Cybersecurity and Other Operational Purposes.** Includes \$4.5 million NGF the first year and \$5.5 million NGF the second year to strengthen the agency's cyber security and for positions tied to the agency's customer service initiatives, information technology operations, and risk management programs.

CAPITAL OUTLAY

HB 30 CAPITAL OUTLAY FUNDING FOR FY 2024-2026 (\$ IN MILLIONS)	
General Fund Cash	\$916.6
General Fund Bonds	334.9
9(c) Revenue Bonds	124.3
9(d) Revenue Bonds	9.3
Nongeneral Fund Cash	749.9
Total	\$2,135.0

The Introduced Budget proposes more than \$2.1 billion for capital outlay, of which \$1.3 billion is funded with GF cash and/or tax-supported debt, and \$883.5 million is supported by NGF cash and/or NGF supported debt.

Of the \$1.3 billion of GF-supported spending, \$824.4 million is for projects to address the estimated \$9.0 billion backlog of deferred maintenance of state-owned facilities, including \$420.0 million for targeted improvement projects and another \$404.0 million in maintenance reserve allocations.

The proposed budget also includes \$353.5 million GF to address obligations for previously-authorized projects. Specifically, \$250.0 million for deposit to the supplement pool, bringing the total available to \$800.0 million to address cost increases resulting from pandemic-induced market compression, and \$103.5 million for existing project equipment needs. Remaining GF capital outlay spending includes \$28.5 million for land acquisition and planning for three pool projects.

HB 30 also proposes new policies that would set minimum and maximum GF capital spending requirements, as well as require Tier III institutions of higher education to contribute 25% of the cost of traditionally state-funded projects.

CAPITAL OUTLAY FUNDING CATEGORIES					
(\$ IN MILLIONS)					
Major Category	GF Cash	GF Debt	NGF Cash	NGF Debt	Total
Improvements/Deferred Maintenance	\$135.1	\$281.4	\$647.1	\$38.2	\$1,101.8
Maintenance Reserve	404.0				404.0
Supplements	250.0	50.0			300.0
New Construction			30.0	95.4	125.5
Equipment	103.5				103.5
Planning	24.0		57.2		81.2
Acquisition		3.5	15.7		19.2
Total	\$916.6	\$334.9	\$749.9	\$133.6	\$2,135.0

SUPPLEMENTS

Includes \$250.0 million GF the first year for deposit to the existing capital Supplement Pool. When combined with the \$550.0 million GF already allocated to the pool, this proposal would increase total monies available for supplement to \$800.0 million. Monies in this pool are designated for allocation by the Six-Year Capital Outlay Plan Advisory Committee to address ongoing pandemic-induced capital cost increases.

Also proposes the issuance of \$50.0 million in GF-supported Virginia Public Building Authority (VPBA) debt to supplement a previously-authorized project to build a training academy for Virginia State Police. Includes language to allow flexibility for the project size and scope within a total project funding limit of \$100.0 million.

EXISTING FACILITY IMPROVEMENTS

Includes \$416.5 million GF (\$135.0 million GF cash, \$281.4 million GF debt) for projects to make improvements and address targeted deferred maintenance on existing state-owned facilities. Projects in this category are grouped into one of three categories: (i) umbrella deferred maintenance projects, (ii) targeted stand-alone projects, (iii) or included in one of two construction pools (higher education or state agency).

- **Issue Debt for Deferred Maintenance Umbrella Projects.** Proposes the issuance of \$87.0 million in Virginia College Building Authority (VCBA) bond proceeds for general deferred maintenance umbrella projects at the following state entities:

DEFERRED MAINTENANCE UMBRELLA PROJECTS (\$ IN MILLIONS)	
Project Owner	GF Debt (VCBA) Total
Virginia Community College System	\$24.0
George Mason University	12.0
Old Dominion University	12.0
University of Virginia	12.0
Virginia Commonwealth University	12.0
Radford University	8.0
University of Mary Washington	5.5
University of Virginia-Wise	1.5
Total	\$87.0

- **Fund Stand-Alone Improvement Projects.** Includes \$216.0 million GF (\$135.0 million GF cash, \$81.0 million GF debt) for 11 stand-alone projects:

STAND ALONE IMPROVEMENT PROJECTS (\$ IN MILLIONS)			
Agency	Project Title	GF Cash	GF Debt
Fort Monroe Authority/Dept. of General Services	Renovate & Repair Fort Monroe	\$50.0	\$0.0
Dept. of General Services	Renovate Office Space for Monroe Building Tenants & Demolish Monroe	50.0	0.0
Dept. of Beh. Health & Dev. Svcs.	Renovate, Repair, & Upgrade Facilities	35.0	0.0
Dept. of Beh. Health & Dev. Svcs.	Improve Safety & Security at Eastern State Hospital	0.0	24.3

STAND ALONE IMPROVEMENT PROJECTS (\$ IN MILLIONS)			
Dept. of Corrections	Capital Infrastructure Fund	0.0	15.0
Norfolk State University	Improve Campus Infrastructure	0.0	14.1
Virginia State University	Improve South Entrance & Campus Security	0.0	12.0
Virginia Tech	Improve Campus Accessibility	0.0	8.0
Dept. of Conservation & Recreation	Replace Underground Storage Tanks- Phase I	0.0	3.0
Dept. of Military Affairs	Improve Readiness Centers	0.0	3.0
Dept. of Conservation & Recreation	Address Climate Control in State Park Yurts	0.0	1.6
Total		\$135.0	\$81.0

- **Fund a 2024 Higher Education Construction Pool.** Includes \$70.6 million GF debt, and \$9.6 million NGF for six improvement projects in a Higher Education Construction Pool:

2024 HIGHER EDUCATION CONSTRUCTION POOL	
Project Owner	Project Title
College of William & Mary	Renovate Historic Campus
Virginia Military Institute	Replace Windows in Barracks
Longwood University	Replace Steam Distribution Systems
James Madison University	Improve East Campus Infrastructure
Richard Bland College	Replace HVAC in Statesman Hall
Christopher Newport University	Replace Integrated Science Center Fume Hoods & Pressurization

- **Fund a 2024 State Agency Construction Pool.** Proposes \$42.9 million GF debt for four projects in a State Agency Construction Pool:

2024 STATE AGENCY CONSTRUCTION POOL

Project Owner	Project Title
Jamestown-Yorktown Foundation	Replace Walkways & Improve Lighting
Jamestown-Yorktown Foundation	Replace Roofs at Jamestown Settlement and Emerson Central Support Complex
Department of Behavioral Health & Developmental Services	Address Heating & Water at Hiram Davis and Central State Hospital Building 94
Department of Juvenile Justice	Renovate Bon Air & Oak Ridge Juvenile Correctional Facilities

CAPITAL EQUIPMENT

- **Fund Project Equipment Costs.** Proposes \$81.3 million GF the first year for furniture, fixtures, and equipment (FF&E) for capital projects anticipated to be complete within the next 18 months.
- **Provide for Existing Tech Talent Obligations.** Includes \$22.2 million GF for payments owed to institutions of higher education for workforce development projects associated with the Tech Talent initiative.

MAINTENANCE RESERVE

Proposes \$404.0 million GF the first year for allocation to state agencies and institutions of higher education to address an estimated statewide deferred maintenance need totaling over \$9.0 billion. Includes language allocating \$4.0 million to build out first floor retail space in the new parking deck at Broad and 9th St. in Richmond. Maintenance reserve funding is provided in the first year only, deviating from standard practice of allocating such funding in each year of a biennium.

PLANNING

The Introduced Budget includes funding and authorization for five projects to initiate planning and enter the capital outlay pipeline. Of the five, two are authorized as stand-alone projects and three are included in a planning pool.

- **Authorize Three Projects in a Planning Pool.** Includes \$24.0 million GF cash and \$2.6 million NGF cash for three projects to start the planning process:

Detailed Planning Pool	
Project Owner	Project Title
Dept. of General Services	Renovate the State Library <i>(through schematics)</i>
University of Virginia-Wise	Renovate Darden Hall <i>(through schematics)</i>
Dept. of Behavioral Health & Dev. Services	Construct Child & Adolescent Psychiatric Treatment Center

- **Authorize Planning for Two Stand Alone Projects.** Proposes \$54.5 million NGF cash for two stand-alone projects to start the planning process:

Stand Alone Planning Authorizations (\$ IN MILLIONS)		
Project Owner	Project Title	NGF Cash
VA Commonwealth University	Construct New School of Dentistry <i>(through schematics)</i>	\$5.2
Dept. of Military Affairs	Construct Emergency Backup Generator at the State Military Res.	49.3
Total		\$54.5

NEW CONSTRUCTION AND ACQUISITIONS

Includes \$3.5 million GF debt for a state natural area preserve acquisition. Also proposes \$141.2 million in NGF cash/debt for two new construction projects (a 9(c) revenue-supported housing project at Virginia State University and a federally funded indoor small arms firing range at the State Military Reservation), and three land acquisitions in the Natural Resources Secretariat.

OTHER CAPITAL ACTIONS

- **Authorize Projects Funded With NGF Cash.** Proposes \$749.9 million in projects supported with NGF cash, of which \$458.2 million are improvement projects at the Virginia Port Authority. Other NGF cash-funded capital projects include \$96.7 million in federal funding for five projects at properties owned by the Departments of Veteran Services and Military Affairs, \$82.6 million is for projects supported by higher education operating funds, and \$56.8 million worth of projects at the Departments of Motor Vehicles and Transportation supported by Commonwealth Transportation funds.

- **Establish New Capital Policies.** Includes language in Part IV of the budget to establish new capital outlay funding mandates, to include:
 - Mandate that 1% of GF revenues be targeted to address deferred maintenance at existing state facilities
 - Limits annual GF-supported capital spending (GF cash + GF debt) to 1% of the total of: annual GF revenue plus annual debt capacity plus any non-reappropriated prior-year unexpended GF balances
 - Requires Tier III institutions of higher education to contribute 25% of the cost of projects that support Education and General (E&G) programs
 - Would not apply to projects that (i) address maintenance, life safety, security, or infrastructure, or (ii) are for the Virginia Institute of Marine Science (VIMS), UVA-Wise, or Virginia Co-op Extension and Agricultural Experiment Station
 - Current practice is to fund E&G projects for Tier III institutions with GF cash/debt, with exceptions that include a 50/50 split of GF/NGF for research space, and NGF contributions from an institution for any auxiliary-use space, for project design components outside of state-approved scope, and for other purposes as determined on a project-specific basis as set-out in a project's funding authorization

9(C) AND 9(D) BONDS

- **Authorizes Debt for Capital Outlay.** Includes \$334.9 million in GF debt issued by the Virginia Public Building Authority (VPBA) or Virginia College Building Authority (VCBA), all of which is proposed to support improvement projects to existing state facilities. Also proposes \$133.6 million in NGF debt, mainly for renovation and/or construction of student housing at institutions of higher education.

APPENDIX A

HB 30, As Introduced: 2024-2025 Direct Aid to Public Education Estimated Distribution - FY 2025

School Division	Key Data Elements		FY 2024 Appropriation	Remove FY 2024 One-Time Spending	2024-26 Base Budget	Technical & Rebenchmarking Costs See Appendix C	Proposed Policy Changes							FY 2025 Estimated Distribution (HB 30)
	2024-26 Comp. Index	FY 2025 Projected ADM					Eliminate Grocery Tax Hold Harmisses	Sales Tax Base Expansion	Remove VPI LCI Cap	1% Bonus	Grade 4-8 Reading Specialists	Specific Local Initiatives		
ACCOMACK	3487	4,582	\$47,692,090	(4,929,630)	\$42,762,460	\$2,601,200	\$65,092	\$0	\$248,472	\$137,087	\$667,256	\$46,169,220		
ALBEMARLE	6904	13,302	78,409,945	(4,091,622)	74,318,323	(6,289,633)	454,524	(421,335)	311,074	0	0	66,361,261		
ALLEGHANY HIGHLANDS	2737	2,583	30,598,442	(1,661,614)	28,936,828	1,703,019	31,383	0	164,342	82,632	0	30,767,609		
AMELIA	3758	1,488	15,340,324	(921,847)	14,418,477	(928,011)	28,000	0	70,854	38,259	0	13,493,226		
AMHERST	3015	3,713	39,165,330	(2,717,821)	36,447,509	2,826,214	255,170	0	213,180	116,133	0	39,401,068		
APPOWATTOX	2822	2,262	22,757,277	(1,585,361)	21,171,916	1,265,084	28,612	0	123,824	69,399	0	22,921,542		
ARLINGTON	8000	6,675	109,171,860	(3,746,046)	105,425,814	2,750,080	935,833	(1,486,369)	455,108	239,594	0	103,929,460		
AUGUSTA	3888	9,691	85,270,886	(4,279,555)	80,991,331	4,746,664	172,130	0	458,453	268,476	0	85,803,086		
BATH	8000	488	2,478,194	(179,435)	2,298,759	150,501	15,696	(23,923)	10,022	4,482	0	2,380,218		
BEDFORD	3132	8,665	80,021,209	(4,878,943)	75,142,266	3,413,492	143,951	0	435,546	261,038	0	78,705,542		
BLAND	3046	749	7,197,419	(425,666)	7,371,753	140,577	8,319	0	43,225	24,842	0	7,548,798		
BOTETOURT	4068	4,312	34,774,265	(1,597,172)	33,177,093	2,817,281	79,656	0	197,886	110,892	0	36,000,583		
BRUNSWICK	4379	1,311	16,820,100	(1,075,761)	15,744,339	976,309	30,899	0	73,434	34,697	0	16,313,411		
BUCHANAN	2557	2,168	25,787,024	(1,802,032)	23,984,992	902,620	25,689	0	138,817	75,130	0	25,003,977		
BUCKINGHAM	3379	1,753	20,089,259	(1,731,606)	18,357,653	(97,328)	30,050	0	94,269	54,039	0	18,294,487		
CAMPBELL	2877	7,482	71,152,553	(4,300,101)	66,852,452	3,754,222	452,076	0	396,595	231,499	0	70,876,904		
CAROLINE	3501	4,344	39,041,410	(2,582,809)	36,458,601	3,726,665	71,706	0	210,518	128,583	0	39,249,994		
CARROLL	2804	3,200	35,514,418	(2,405,577)	33,108,841	667,858	(204,030)	0	193,363	104,704	0	33,913,256		
CHARLES CITY	6669	4,465	4,492,161	(236,130)	4,256,031	(445,999)	16,118	(31,610)	7,558	52,303	0	3,732,498		
CHARLOTTE	2470	1,592	17,347,790	(1,405,434)	15,942,356	1,802,312	16,803	0	102,012	52,303	0	17,835,155		
CHESTERFIELD	3563	62,809	534,600,305	(30,170,131)	504,430,174	15,126,613	947,083	0	2,911,671	1,726,506	0	520,897,459		
CLARKE	6032	1,871	12,116,195	(551,101)	11,565,094	(218,317)	53,505	(31,427)	57,841	28,837	0	11,198,789		
CRAIG	3629	439	5,235,239	(434,046)	4,801,193	145,433	6,665,770	0	26,828	12,879	0	4,950,271		
CULPEPER	3617	8,140	71,370,206	(4,280,350)	67,089,856	6,665,770	135,823	0	407,987	233,591	0	73,881,278		
CUMBERLAND	3323	1,098	16,603,041	(1,240,985)	15,362,056	(1,706,300)	18,882	0	74,766	33,419	0	13,892,217		
DICKENSON	2157	1,751	21,669,734	(1,631,340)	20,038,394	1,706,300	17,134	0	116,722	66,480	0	20,753,661		
DINWIDDIE	2978	4,060	43,099,558	(2,814,878)	40,284,680	888,870	(248,250)	0	226,647	128,789	0	41,332,470		
ESSEX	4189	1,068	10,092,662	(732,671)	9,360,000	(80,223)	22,964	0	52,366	29,849	0	10,007,755		
FAIRFAX	6579	172,353	1,008,832,068	(43,752,001)	965,080,067	25,573,703	4,982,066	(5,129,892)	5,136,118	2,668,277	0	972,393,859		
FAUQUIER	6006	10,540	68,122,777	(4,215,905)	64,506,872	2,534,866	297,500	(135,819)	340,890	180,916	0	66,297,365		
FLOYD	4096	1,582	15,908,972	(963,531)	14,945,441	(1,246,190)	76,476	0	38,595	76,476	0	13,882,188		
FLUVANNA	3934	5,791	30,096,829	(1,596,066)	28,500,763	171,706	63,925	0	164,070	83,697	0	28,688,678		
FRANKLIN	4596	4,774	52,727,443	(4,678,782)	48,048,661	(1,685,347)	133,224	0	239,021	141,507	0	46,237,793		
FREDERICK	4151	14,139	111,158,313	(6,055,184)	105,103,129	11,754,371	257,292	0	615,801	371,357	0	116,867,334		
GILES	2117	3,470	35,404,658	(2,608,917)	32,795,741	1,863,647	20,100	0	202,517	166,618	0	34,952,172		
GLoucester	3999	4,774	39,739,760	(3,005,130)	36,734,630	3,236,583	90,277	0	218,131	128,829	0	39,975,276		
GOOCHLAND	8000	2,461	10,693,421	(337,108)	10,356,313	26,317	500,105	(143,539)	38,052	20,768	0	9,902,027		
GRAYSON	3196	1,504	16,251,411	(974,742)	15,276,669	1,500,213	22,772	0	90,190	47,862	0	16,828,435		
GREENE	3411	2,702	28,388,722	(1,374,047)	27,014,675	3,180,575	46,253	0	147,681	77,969	0	26,395,207		
GREENSVILLE	3898	1,054	10,736,992	(794,110)	9,942,882	215,660	18,589	0	53,608	30,268	0	10,171,809		
HALIFAX	3012	4,083	48,117,096	(4,984,227)	43,132,869	2,071,081	58,126	0	246,490	124,287	0	45,343,934		
HANOVER	4894	16,242	117,412,079	(5,333,189)	112,078,890	(1,310,304)	363,174	0	609,031	363,045	0	110,399,132		
HENRICO	4273	49,010	393,460,235	(23,891,592)	369,586,643	36,633,428	906,386	0	2,094,663	1,227,628	0	406,101,447		
HENRY	2247	6,584	76,264,087	(5,404,965)	70,859,122	2,946,369	61,973	0	418,250	232,422	0	74,220,759		
HIGHLAND	8000	199	2,591,860	(198,051)	2,393,809	35,352	3,424	0	5,723	4,218	0	2,426,094		
ISLE OF WIGHT	3704	5,367	45,556,451	(2,572,352)	42,984,099	2,534,463	94,817	0	250,660	141,293	0	45,550,354		
JAMES CITY	5403	10,107	67,704,025	(3,515,046)	64,188,979	1,169,894	246,731	(55,034)	347,325	193,258	0	64,907,210		
KING GEORGE	3693	4,379	35,592,145	(2,356,927)	33,235,218	3,226,687	74,090	0	204,261	123,868	0	36,508,751		
KING QUEEN	3968	769	8,472,045	(520,219)	7,951,826	(62,987)	13,127	0	16,555	0	0	7,814,778		
KING WILLIAM	3146	2,056	19,670,357	(1,196,005)	18,474,352	1,153,203	27,875	0	121,377	55,165	0	19,698,215		
LANCASTER	8000	930	4,825,014	(232,049)	4,592,965	12,391	36,151	(113,635)	17,494	8,890	0	4,380,784		
LEE	1712	2,723	34,289,237	(2,281,147)	32,008,090	5,283,143	21,104	0	223,441	108,086	0	37,542,593		
LOUDOUN	5518	81,475	521,695,987	(22,511,941)	499,184,046	24,010,852	1,891,479	(541,563)	2,889,435	1,664,504	0	500,022,477		
LOUISA	5041	4,971	35,226,716	(1,801,052)	33,425,664	3,038,352	114,530	(5,588)	183,517	106,194	0	36,313,131		
LUNENBURG	2614	1,483	16,883,330	(1,617,206)	14,966,124	2,819,685	86,157	0	96,703	47,918	0	17,962,227		
MADISON	4746	1,600	12,773,982	(895,201)	11,878,781	272,714	39,290	0	65,007	35,417	0	12,102,674		
MATHEWS	5904	761	6,843,585	(351,464)	6,494,121	(297,773)	28,423	(27,934)	171,878	15,711	0	6,127,345		
MECKLENBURG	3893	3,641	33,229,579	(2,642,414)	30,587,165	2,364,420	60,760	0	171,878	100,478	0	32,993,143		
MIDDLESEX	6389	1,132	8,568,001	(513,462)	8,054,539	(374,614)	29,669	(44,306)	40,921	17,993	0	7,581,834		

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	2024-26 Comp. Index	FY 2025 Projected ADM					Eliminate Grocery Tax Hold Harmless	Sales Tax Base Expansion	Remove VPI LCI Cap	1% Bonus	Grade 4-6 Reading Specialists	Specific Local Initiatives	
MONTGOMERY	4041	9,287	75,448,979	(3,987,202)	71,461,777	5,812,756	(883,709)	184,164	0	418,079	241,981	0	77,233,047
NELSON	6645	1,360	9,033,715	(576,882)	47,412	(278,070)	(227,505)	40,226	(52,472)	40,226	19,346	0	8,882,652
NEW KENT	4391	3,522	25,682,999	(1,194,963)	24,487,996	1,616,379	(297,901)	62,082	0	138,626	82,578	0	26,065,760
NORTHAMPTON	5253	1,251	13,482,885	(1,354,068)	12,138,817	(553,801)	(157,232)	32,767	(13,114)	13,114	132,744	0	11,665,575
NORTHUMBERLAND	7672	1,078	6,866,134	(367,010)	6,499,124	(1,129,448)	(177,370)	36,964	(111,865)	20,461	11,318	0	5,145,184
NOTTOWAY	2696	1,692	19,697,984	(1,454,336)	18,243,648	576,891	(106,376)	22,169	0	103,098	57,529	0	18,896,959
ORANGE	4382	4,825	39,033,006	(2,289,919)	37,033,087	2,250,401	(470,743)	98,102	0	202,888	123,936	0	39,237,673
PAGE	3396	2,816	28,766,277	(1,937,966)	26,828,311	406,112	(214,505)	44,702	0	146,668	78,625	0	27,289,913
PATRICK	2642	2,235	25,615,918	(1,598,484)	24,017,434	96,301	(108,531)	22,581	0	134,945	65,372	0	24,228,281
PITTSFORD	7365	1,058	81,108,151	(7,460,671)	73,647,480	1,975,531	(422,815)	88,114	0	423,553	247,407	0	75,959,271
POWHTAN	4704	4,058	27,110,514	(1,304,931)	25,805,583	3,603,882	(431,672)	89,959	0	161,033	91,239	0	29,320,025
PRINCE EDWARD	3776	1,655	18,306,987	(1,425,374)	16,881,613	(110,392)	(174,833)	36,435	0	83,835	50,873	0	16,767,541
PRINCE GEORGE	2321	5,979	56,839,785	(3,651,095)	53,188,690	8,107,224	(268,993)	36,658	0	336,646	210,845	0	61,630,469
PRINCE WILLIAM	3631	87,881	807,356,127	(41,448,611)	765,907,516	45,596,481	(6,482,304)	1,350,901	0	4,623,539	2,712,009	0	813,708,142
PULASKI	3303	4,172	36,166,496	(2,714,380)	33,472,116	6,914,303	(273,936)	57,088	0	222,805	123,514	0	40,515,890
RAPPAHANNOCK	8000	728	3,386,541	(196,734)	3,429,807	36,284	(62,329)	17,157	(65,789)	12,604	1,779,197	0	5,126,347
RICHMOND	3110	1,339	13,319,945	(828,626)	12,491,319	932,222	(70,380)	14,667	0	72,639	40,389	0	13,480,856
ROANOKE	3635	13,289	111,528,572	(9,222,740)	105,605,832	6,718,294	(1,000,488)	208,500	0	639,430	376,432	0	112,547,999
ROCKBRIDGE	4847	1,178	18,042,334	(982,791)	17,059,543	691,231	(279,305)	58,206	0	93,544	47,164	0	17,670,384
ROCKINGHAM	4349	11,071	96,986,875	(5,163,624)	91,733,251	(3,061,337)	(1,100,715)	229,388	0	474,889	276,995	0	88,552,470
RUSSELL	2285	3,135	36,899,448	(2,476,664)	34,422,784	1,260,221	(153,522)	204,484	0	204,484	106,334	0	35,872,294
SCOTT	1,872	3,999	49,002,004	(2,837,067)	46,164,937	7,443,667	(105,215)	113,573	0	338,677	177,612	0	54,041,604
SHENANDOAH	4248	5,425	47,687,075	(2,738,727)	44,948,348	1,810,841	(544,979)	113,573	0	241,011	142,340	0	46,711,134
SMYTH	2225	3,598	42,873,501	(2,737,586)	40,135,915	2,495,787	(175,162)	36,503	0	238,127	120,084	0	42,851,254
SOUTHAMPTON	2987	2,335	25,019,515	(1,826,608)	23,192,907	563,585	(146,875)	30,609	0	129,071	74,532	0	23,964,468
SPOTSYLVANIA	3702	23,180	210,874,759	(13,648,651)	197,226,108	6,934,322	(1,856,876)	386,969	0	1,135,447	653,795	0	204,499,765
STAFFORD	3312	31,153	262,807,498	(15,310,444)	247,297,064	25,871,960	(2,034,291)	423,942	0	1,580,175	885,864	0	274,024,704
SURRY	8000	653	3,724,447	(197,028)	3,527,449	(6,716)	(115,943)	24,163	(58,818)	13,600	6,082	0	3,391,816
SUSSEX	3434	936	11,883,982	(936,254)	10,949,738	324,481	(72,838)	15,179	0	52,614	32,210	0	11,301,385
TAZEWELL	2461	5,036	55,989,796	(3,572,785)	52,417,011	2,739,787	(259,293)	54,037	0	300,049	162,134	0	55,413,725
WARREN	4517	4,964	40,255,931	(2,900,874)	38,165,057	1,324,496	(550,212)	114,663	0	208,884	114,472	0	39,377,359
WASHINGTON	3459	6,361	60,907,556	(3,558,039)	56,539,517	4,566,328	(473,650)	98,708	0	342,358	190,942	0	61,264,204
WESTMORELAND	5065	1,482	16,334,377	(1,086,183)	15,248,194	119,993	(173,491)	36,155	(3,823)	65,466	31,563	0	15,324,059
WISE	2020	5,393	59,938,412	(3,896,252)	55,042,160	3,617,910	(193,596)	40,337	0	331,958	187,470	0	59,026,279
WYTHE	3243	3,608	36,137,306	(2,332,220)	33,804,086	1,900,862	(248,810)	51,851	0	192,672	108,783	0	35,800,444
YORK	3554	12,966	99,107,025	(4,863,014)	94,147,011	19,306,655	(861,728)	179,583	0	697,137	372,798	0	113,741,456
ALEXANDRIA	8000	15,650	71,213,136	(3,039,964)	68,173,172	1,322,669	(2,733,546)	569,666	(1,826,661)	262,947	148,569	0	66,116,816
BRISTOL	2977	2,006	23,579,976	(1,395,382)	22,184,594	1,876,480	(137,323)	28,618	0	127,920	65,917	0	24,146,206
BUENA VISTA	1803	763	10,194,686	(610,510)	9,584,176	897,285	(32,102)	6,689	0	62,011	27,500	0	10,545,560
CHARLOTTESVILLE	7702	4,086	26,284,504	(1,484,781)	24,799,723	(2,555,787)	(805,416)	167,848	(377,070)	72,860	39,725	0	24,352,980
COLONIAL HEIGHTS	4026	2,824	24,273,612	(1,676,033)	22,547,579	1,776,896	(228,186)	47,553	0	130,113	79,025	0	21,841,910
DANVILLE	2411	5,252	64,108,204	(4,695,816)	59,422,386	6,088,789	(291,134)	60,671	0	330,022	204,064	0	65,804,808
FALLS CHURCH	8000	2,554	9,828,415	(322,153)	9,506,262	596,316	(408,008)	85,028	(38,524)	41,866	22,491	0	9,805,431
FREDERICKSBURG	6163	3,311	25,863,164	(2,240,000)	23,623,164	(1,822,519)	(444,750)	92,685	(34,237)	102,395	56,917	0	21,573,656
GALAX	2661	1,357	13,972,783	(958,405)	13,014,378	965,040	(985,173)	11,536	0	76,892	49,325	0	14,061,819
HAMPTON	2579	18,814	189,424,527	(12,384,309)	177,040,218	10,185,378	(2,733,546)	201,140	0	1,043,877	637,640	0	188,143,079
HARRISONBURG	3335	6,505	66,268,104	(5,400,476)	60,817,628	3,814,025	(427,902)	89,174	0	339,779	212,771	0	64,845,406
HOPWELL	1870	3,574	41,690,986	(3,013,764)	38,677,222	2,920,062	(136,098)	163,072	0	228,388	141,695	0	41,857,633
LYNCHBURG	3872	7,161	74,128,263	(5,845,979)	68,282,284	1,619,931	(734,518)	347,163	0	347,163	195,478	0	69,963,410
MARTINSVILLE	2229	1,664	20,234,809	(2,141,434)	18,093,375	2,351,682	(66,614)	18,050	0	103,524	64,452	0	20,544,469
NEWPORT NEWS	2468	2,468	268,276,548	(20,927,950)	247,348,598	9,356,539	(1,452,863)	302,778	0	1,374,750	805,079	0	247,734,861
NORFOLK	3212	24,762	260,378,802	(16,094,541)	244,284,261	4,077,443	(1,802,773)	375,984	0	1,306,429	765,958	0	247,027,012
NORTON	2412	742	8,032,073	(523,173)	7,508,900	503,373	(30,126)	6,279	0	45,110	25,409	0	8,058,945
PETERSBURG	2075	4,099	50,503,929	(4,234,441)	46,269,488	5,000,502	(172,451)	35,939	0	252,601	166,894	0	51,552,973
PORTSMOUTH	2369	12,408	139,109,928	(10,673,927)	128,436,001	7,811,014	(659,473)	137,433	0	712,330	456,270	0	136,893,574
RADFORD	1698	3,059	33,506,749	(2,146,119)	31,360,630	720,478	(50,150)	10,452	0	201,760	122,291	0	32,365,461
RICHMOND CITY	5740	19,537	184,141,681	(14,190,169)	169,951,512	(5,14,259)	(2,640,769)	550,332	(636,576)	707,726	424,495	0	163,242,460
ROANOKE CITY	3388	12,813	139,667,703	(14,037,814)	125,629,889	15,243,576	(937,794)	195,434	0	682,173	420,221	0	141,633,499
STAUNTON	3767	2,510	23,645,503	(1,373,871)	22,271,632	2,429,733	(246,477)	51,365	0	115,239	63,293	0	24,284,785
SUFFOLK	3493	13,897	123,326,085	(8,100,642)	115,225,443	6,346,854	(1,091,901)	227,580	0	653,004	391,170	0	121,752,120
VIRGINIA BEACH	4138	62,658	494,773,904	(29,305,582)	465,468,322	13,027,216	(5,529,824)	1,152,405	0	2,628,789	1,568,737	0	478,315,645
WAYNESBORO	3633	2,821	26,571,870	(1,562,262)	25,009,608	1,094,938	(228,943)	47,711	0	141,216	77,995	0	26,142,525

HB 30, As Introduced: 2024-2025 Direct Aid to Public Education Estimated Distribution - FY 2025

School Division	Key Data Elements		FY 2024 Appropriation	Remove FY 2024 One-Time Spending	2024-26 Base Budget	Technical & Rebenchmarking Costs See Appendix C	Proposed Policy Changes						FY 2025 Estimated Distribution (HB 30)
	2024-26 Comp. Index	FY 2025 Projected ADM					Eliminate Grocery Tax Hold Harmless	Sales Tax Base Expansion	Remove VPI LCI Cap	1% Bonus	Grade 4-6 Reading Specialists	Specific Local Initiatives	
WILLIAMSBURG	7426	1,104	7,090,944	(382,624)	6,708,320	538,083	(170,278)	35,485	(70,129)	23,068	12,992	0	7,077,532
WINCHESTER	4151	3,964	37,145,585	(2,413,454)	34,732,131	1,100,097	(332,744)	69,343	0	184,935	112,501	0	35,866,263
FAIRFAX CITY	8000	2,918	11,517,141	(373,159)	11,143,982	614,404	(497,708)	103,721	(163,726)	50,368	26,898	0	11,271,938
FRANKLIN CITY	2884	927	12,243,774	(802,528)	11,441,246	(194,970)	(71,815)	14,966	0	58,144	31,924	0	11,279,494
CHESAPEAKE CITY	3273	39,452	355,432,942	(20,448,820)	334,984,122	19,902,790	(2,731,875)	569,318	0	1,952,021	1,157,766	0	355,834,141
LEXINGTON	3987	654	5,172,170	(211,857)	4,960,313	41,344	(45,869)	9,565	0	29,794	18,095	0	5,013,212
EMPORIA	2340	820	9,479,918	(602,986)	8,876,932	864,929	(43,508)	9,068	0	52,510	29,551	0	9,789,481
SALEM	3632	4,163	29,112,009	(1,596,051)	27,555,958	7,730,954	(239,534)	49,918	0	195,073	117,508	0	35,409,876
POQUOSON	3466	2,007	15,921,806	(979,814)	14,941,992	1,629,222	(147,362)	30,710	0	98,488	50,422	0	16,603,472
MANASSAS CITY	3371	7,201	76,182,764	(4,325,042)	71,857,722	3,177,582	(486,374)	101,359	0	407,187	245,740	0	75,903,216
MANASSAS PARK	2716	3,161	38,946,160	(2,636,673)	34,309,487	4,119,778	(162,675)	33,901	0	204,075	110,754	0	38,615,319
COLONIAL BEACH	3675	566	5,852,883	(384,115)	5,468,778	748,461	(36,975)	7,705	0	34,770	19,096	0	6,241,835
WEST POINT	2489	816	7,459,802	(471,133)	6,988,669	845,701	(32,108)	6,690	0	45,494	24,760	0	7,879,206
TOTAL:		1,212,152	\$10,004,450,688	(\$597,481,254)	\$9,406,959,434	\$472,414,629	(\$114,475,090)	\$23,856,394	(\$11,642,748)	\$53,012,817	\$30,467,964	\$2,579,197	\$9,863,172,598

APPENDIX B

HB 30, As Introduced: 2024-2025 Direct Aid to Public Education Estimated Distribution - FY 2026

School Division	Key Data Elements		FY 2024 Appropriation	Remove FY 2024 One-Time Spending	2024-26 Base Budget	Technical & Rebenchmarking Costs (HB 30) See Appendix D	Proposed Policy Changes						FY 2026 Estimated Distribution (HB 30)
	2024-26 Comp. Index	FY 2026 Projected ADM					Eliminate Grocery Tax Hold Harmsless	Sales Tax Base Expansion	Remove VPL/CI Cap	2% Salary Increase	Grade 4-8 Reading Specialists	Specific Local Initiatives	
ACCOMACK	3487	4,581	\$47,692,090	(\$4,929,630)	\$42,762,460	\$2,668,104	(\$312,348)	\$168,683	\$0	\$569,474	\$140,499	\$668,480	\$46,665,351
ALBEMARLE	6904	13,244	78,409,945	(4,091,622)	74,318,323	(5,991,603)	(2,181,036)	1,177,861	(419,437)	702,881	172,844	0	67,779,833
ALLEGHANY HIGHLANDS	2737	2,544	30,988,442	(1,661,614)	28,936,828	771,114	(150,596)	81,329	0	369,407	81,388	0	30,109,470
AMELIA	3758	1,427	15,340,324	(921,847)	14,418,477	(1,133,384)	(134,354)	72,557	0	163,015	36,543	0	13,422,855
ANHARST	3015	3,686	39,165,330	(2,717,821)	36,447,509	2,627,374	(255,139)	137,786	0	487,882	118,152	0	39,563,564
APPOMATTOX	2822	2,259	22,757,277	(1,565,361)	21,171,916	1,319,106	(137,294)	74,146	0	289,619	71,080	0	22,788,573
ARLINGTON	8000	26,783	109,171,860	(3,746,046)	105,425,814	4,372,890	(4,490,599)	2,425,133	(1,492,790)	1,053,844	251,409	0	107,545,701
AUGUSTA	3888	9,680	85,270,886	(4,279,555)	80,991,331	4,971,404	(625,968)	446,061	(20,933)	1,067,946	288,163	0	86,918,937
BATH	8000	460	2,478,194	(179,435)	2,298,759	141,718	(75,319)	40,675	0	22,355	4,217	0	2,411,472
BEDFORD	3132	8,622	80,021,209	(4,878,943)	75,142,266	3,261,131	(690,761)	373,037	0	1,022,218	253,494	0	79,361,396
BLAND	3046	734	7,797,419	(425,666)	7,371,753	52,294	(39,918)	21,557	0	99,085	24,349	0	7,529,120
BOTETOURT	4068	4,293	34,774,265	(1,597,172)	33,177,093	2,803,708	(382,224)	206,419	0	459,556	107,769	0	36,372,321
BRUNSWICK	4379	1,287	16,820,100	(1,075,761)	15,744,339	416,954	(148,287)	80,071	0	191,928	33,802	0	16,318,828
BUCHANAN	2557	2,126	25,787,024	(1,802,032)	23,984,992	455,021	(123,272)	66,572	0	311,326	73,650	0	24,768,289
BUCKINGHAM	3379	1,705	20,089,259	(1,731,606)	18,357,653	(464,600)	(144,196)	77,873	0	220,100	54,956	0	18,101,785
CAMPBELL	2877	7,487	71,152,553	(4,300,101)	66,852,452	3,891,617	(452,076)	244,142	0	915,966	231,638	0	71,683,739
CAROLINE	3501	4,445	38,041,410	(2,582,809)	35,458,601	4,763,834	(344,078)	165,818	0	503,323	129,525	0	40,697,022
CARROLL	2804	3,158	35,514,418	(2,405,577)	33,108,841	3,096,647	(204,029)	110,185	0	440,892	108,338	0	33,873,875
CHARLES CITY	6669	4,455	4,492,161	(236,130)	4,256,031	(476,115)	(87,923)	47,482	(31,610)	38,359	7,243	0	4,753,467
CHARLOTTE	2470	1,580	17,347,790	(1,405,434)	15,942,356	1,869,338	(80,632)	43,545	0	232,215	54,533	0	17,881,355
CHESTERFIELD	3563	62,926	534,600,305	(30,170,131)	504,430,174	17,896,839	(4,544,587)	2,454,289	0	6,761,584	1,729,722	0	528,728,021
CLARKE	6032	1,890	12,116,195	(551,101)	11,565,094	(39,367)	(256,745)	138,654	(32,476)	136,127	29,911	0	11,541,198
CRAIG	3629	425	5,235,239	(434,046)	4,801,193	46,833	(45,565)	60,372	0	60,372	12,209	0	4,899,654
CULPEPER	3617	8,145	71,370,206	(4,280,350)	67,089,856	7,134,526	(651,749)	351,974	0	951,655	239,395	0	75,115,657
CUMBERLAND	3323	1,062	16,603,041	(1,240,985)	15,362,056	(2,077,252)	(90,607)	48,932	0	189,526	33,854	0	13,446,509
DICKENSON	2157	1,714	21,696,734	(1,631,340)	20,065,394	212,258	(82,217)	44,401	0	257,807	62,393	0	20,560,036
DINWIDDIE	2978	4,022	43,099,558	(2,814,878)	40,284,680	686,972	(248,250)	134,066	0	527,805	124,506	0	41,518,779
ESSEX	4151	1,037	10,825,662	(732,671)	10,092,991	(309,050)	(110,191)	59,509	0	113,975	29,695	0	9,876,928
FAIRFAX	6579	172,560	1,006,832,068	(43,752,001)	963,080,067	33,782,085	(23,906,581)	12,910,615	(5,136,651)	11,853,003	2,661,368	0	995,244,008
FAUQUIER	6006	10,523	68,722,777	(4,215,905)	64,506,872	2,837,790	(1,427,937)	771,153	(134,797)	797,279	180,870	0	67,531,230
FLOYD	4056	1,550	15,908,972	(963,531)	14,945,441	(1,486,840)	(163,172)	88,120	0	169,964	39,773	0	13,643,285
FLOYD	3934	3,196	30,096,629	(1,596,066)	28,500,763	130,668	(292,519)	374,749	0	86,365	86,365	0	28,938,000
FRANKLIN	4596	5,731	52,727,443	(4,678,782)	48,048,661	(1,854,594)	(639,273)	345,238	0	549,317	143,123	0	46,592,472
FREDERICK	4151	14,302	111,158,313	(6,055,184)	105,103,129	13,524,606	(1,234,617)	666,751	0	1,488,909	375,644	0	119,924,422
GILES	2117	3,476	35,404,658	(2,608,917)	32,795,741	1,943,621	(96,451)	52,088	0	454,140	166,690	0	35,315,829
GLoucester	3999	4,749	39,739,780	(3,005,130)	36,734,650	3,196,522	(433,194)	233,945	0	504,998	131,016	0	40,367,936
GOOCHLAND	8000	2,452	10,693,421	(337,108)	10,356,313	143,321	(500,105)	270,080	(143,539)	88,305	21,711	0	10,236,086
GRAYSON	3196	1,507	16,251,411	(974,742)	15,276,669	1,573,366	(108,270)	59,011	0	210,506	50,151	0	17,060,433
GREENE	3411	2,685	24,388,722	(1,314,047)	23,074,675	3,143,447	(221,946)	119,861	0	331,961	77,570	0	26,525,568
GREENSVILLE	3898	1,032	10,736,992	(794,110)	9,942,882	47,711	(89,197)	48,171	0	19,010	30,266	0	10,098,843
HALIFAX	3012	4,028	48,117,096	(4,994,227)	43,122,869	1,657,928	(278,919)	150,628	0	564,327	125,830	0	45,342,664
HANOVER	4894	16,137	117,412,079	(5,333,189)	112,078,890	(1,401,424)	(1,694,706)	915,220	0	1,377,179	352,280	0	111,627,440
HENRICO	4273	49,025	393,480,235	(23,891,592)	369,588,643	39,024,981	(4,349,301)	2,348,825	0	4,907,538	1,227,989	0	412,748,686
HENRY	2247	6,552	76,264,087	(5,404,965)	70,859,122	2,688,044	(297,376)	160,597	0	957,311	242,744	0	74,610,442
HIGHLAND	8000	196	2,591,860	(198,051)	2,393,809	7,102	(16,432)	8,875	0	13,076	4,402	0	2,410,832
ISLE OF WIGHT	3704	5,321	45,556,451	(2,572,352)	42,984,099	2,313,613	(454,978)	245,709	0	578,692	143,603	0	45,810,738
JAMES CITY	5403	10,089	67,704,025	(3,515,046)	64,188,979	1,493,314	(1,183,944)	639,385	(65,034)	799,467	207,041	0	66,089,209
KING GEORGE	3633	4,396	35,592,145	(2,356,927)	33,235,218	3,485,095	(355,333)	191,897	0	475,828	121,453	0	37,154,158
KING QUEEN	3998	7,958	8,472,045	(520,219)	7,951,826	(217,099)	(62,986)	34,015	0	95,356	16,772	0	7,817,864
KING WILLIAM	3146	2,071	19,670,357	(1,196,005)	18,474,352	30,883	(133,757)	72,335	0	268,162	57,149	0	19,667,538
LANCASTER	8000	921	4,825,014	(232,049)	4,592,965	3,083	(173,472)	93,683	(113,635)	38,952	9,420	0	4,478,796
LEE	1712	2,700	34,289,237	(2,281,147)	32,008,090	5,006,837	(101,272)	54,592	0	509,423	110,038	0	37,587,807
LOUDOUN	5518	81,459	521,695,987	(22,511,941)	499,184,046	27,249,032	(9,076,275)	4,901,612	(541,563)	6,640,799	1,701,255	0	530,058,906
LOUISA	5041	4,989	35,226,716	(1,801,052)	33,425,664	3,353,792	(549,567)	296,792	(5,599)	430,416	109,054	0	37,060,553
LUNENBURG	2614	1,476	16,583,330	(1,617,206)	14,966,124	2,786,936	(88,157)	46,529	0	228,927	50,022	0	17,992,380

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School Division	Key Data Elements		FY 2024 Appropriation	Remove FY 2024 One-Time Spending	2024-26 Base Budget	Technical & Rebenchmarking Costs (HB 30) See Appendix D	Proposed Policy Changes						FY 2026 Estimated Distribution (HB 30)
	2024-26 Comp. Index	FY 2026 Projected ADM					Eliminate Grocery Tax Hold Harmless	Sales Tax Base Expansion	Remove VPI LCI Cap	2% Salary Increase	Grade 4-8 Reading Specialists	Specific Local Initiatives	
MADISON	4746	1,596	12,773,982	(895,201)	11,878,781	293,682	(188,535)	101,817	0	148,831	37,108	0	12,271,684
MATHEWS	5904	729	6,845,985	(351,464)	6,494,521	(461,260)	(107,632)	58,126	(27,033)	62,427	15,787	0	6,034,536
MECKLENBURG	3893	3,613	33,229,579	(2,642,414)	30,587,165	2,107,056	(291,557)	101,917	0	393,925	101,917	0	33,155,960
MIDDLESEX	6389	1,121	8,568,001	(513,462)	8,054,539	(414,723)	(142,368)	76,886	(44,306)	94,055	18,209	0	7,642,292
MONTGOMERY	4041	9,216	75,448,979	(3,987,202)	71,461,777	5,803,940	(683,708)	477,244	0	967,907	240,584	0	78,067,743
NELSON	6645	3,348	9,610,997	(576,982)	9,033,715	(376,698)	(227,505)	122,863	(49,192)	93,081	19,375	0	8,615,640
NEW KENT	4391	1,598	25,662,959	(1,194,963)	24,467,996	2,199,270	(297,901)	160,880	0	338,773	82,355	0	26,951,373
NORTHAMPTON	5253	1,237	13,492,885	(1,354,068)	12,138,817	(563,319)	(157,232)	84,913	(13,114)	131,005	29,387	131,520	11,781,977
NORTHUMBERLAND	7672	1,064	6,866,134	(367,010)	6,499,124	(1,128,585)	(177,370)	95,788	(109,201)	48,076	11,444	0	5,239,276
NOTTOWAY	2696	1,673	19,697,984	(1,454,336)	18,243,648	(474,629)	(106,376)	57,449	0	239,563	57,933	0	18,966,846
ORANGE	4382	4,853	39,333,006	(2,299,919)	37,033,087	2,610,759	(470,743)	254,223	0	490,051	124,674	0	40,042,051
PAGE	3356	2,760	28,766,277	(1,937,966)	26,828,311	45,048	(214,505)	115,843	0	337,036	81,074	0	27,192,807
PATRICK	2475	2,196	25,615,918	(1,598,484)	24,017,434	(257,276)	(108,351)	58,515	0	309,916	64,256	0	24,084,494
PITTSYLVANIA	4704	4,025	81,108,151	(7,460,671)	73,647,480	1,188,950	(422,815)	228,340	0	963,939	250,695	0	75,856,588
POWhatan	4204	7,279	27,110,514	(1,304,931)	25,805,583	3,517,535	(431,671)	233,123	0	370,791	92,707	0	29,588,068
PRINCE EDWARD	3776	1,609	18,306,997	(1,425,374)	16,881,623	(449,983)	(174,834)	94,418	0	187,661	48,269	0	16,387,143
PRINCE GEORGE	2321	5,991	56,839,785	(3,651,095)	53,188,690	8,335,944	(268,993)	145,269	0	786,071	216,219	0	62,403,199
PRINCE WILLIAM	3631	87,837	807,336,127	(41,448,611)	765,907,516	47,802,440	(6,482,304)	3,500,746	0	10,711,175	2,710,250	0	824,149,823
PULASKI	3303	4,172	36,186,496	(2,714,380)	33,472,116	7,080,988	(273,936)	147,938	0	504,639	123,515	0	41,065,261
RAPPANNOCK	8000	729	3,586,541	(156,734)	3,429,807	103,221	(82,330)	44,462	(65,789)	29,722	1,447	1,740,790	5,201,330
RICHMOND	3110	1,358	13,319,945	(828,626)	12,491,319	1,143,676	(70,380)	38,008	0	171,801	42,936	0	13,817,360
ROANOKE	3635	13,255	111,528,572	(5,922,740)	105,605,832	6,919,957	(1,000,488)	540,310	0	1,473,653	375,480	0	113,914,744
ROCKBRIDGE	4847	2,154	18,042,334	(982,791)	17,059,543	593,354	(279,306)	150,838	0	220,371	47,822	0	17,792,622
ROCKINGHAM	4349	11,113	96,896,875	(5,163,624)	91,733,251	(2,157,918)	(1,100,715)	1,106,204	0	1,106,204	284,327	0	90,459,586
RUSSELL	2265	3,109	36,899,448	(2,476,664)	34,422,784	1,296,435	(153,253)	82,910	0	480,454	102,032	0	36,231,091
SCOTT	1872	3,999	49,002,004	(2,837,067)	46,164,937	6,673,723	(105,216)	58,821	0	750,891	180,272	0	53,721,428
SHENANDOAH	4248	5,403	47,687,075	(2,738,727)	44,948,348	1,824,068	(544,978)	294,313	0	578,103	138,431	0	47,238,285
SMYTH	2225	3,516	42,873,501	(2,737,586)	40,135,915	1,620,517	(175,163)	94,596	0	538,514	120,398	0	42,334,777
SOUTHAMPTON	2987	2,298	25,019,515	(1,826,608)	23,192,907	299,679	(146,876)	79,320	0	208,884	70,033	0	23,793,947
SPOTSYLVANIA	3702	22,978	210,874,759	(13,648,651)	197,226,108	6,641,896	(1,856,876)	1,002,800	0	2,629,865	633,629	0	206,277,422
STAFFORD	3312	31,336	262,607,498	(15,310,444)	247,297,054	28,551,927	(2,034,291)	1,098,612	0	3,653,004	890,739	0	279,457,044
SURRY	8000	654	3,724,477	(197,028)	3,527,449	33,396	(115,943)	62,615	(56,818)	32,266	6,383	0	3,469,348
SUSSEX	3434	929	11,885,992	(936,254)	10,949,738	314,389	(72,838)	39,336	0	127,720	31,997	0	11,390,343
TAZEWELL	2461	4,990	55,989,796	(3,572,785)	52,417,011	2,282,117	(259,293)	140,930	0	697,263	164,100	0	55,441,229
WARREN	4517	4,963	60,255,931	(2,090,874)	58,165,057	1,550,230	(550,211)	297,140	0	487,924	117,335	0	40,067,475
WASHINGTON	3459	6,311	60,097,556	(3,558,039)	56,539,517	4,445,204	(473,650)	255,794	0	793,826	185,299	0	61,145,990
WESTMORELAND	5065	1,502	16,334,377	(1,086,183)	15,248,194	287,980	(173,491)	93,693	(3,888)	181,976	34,070	0	15,668,533
WISE	2020	5,367	58,938,412	(3,896,252)	55,042,160	3,896,826	(193,556)	104,529	0	769,406	195,700	0	59,505,065
WYTHE	3243	3,564	36,137,306	(2,333,220)	33,804,086	1,572,702	(248,809)	134,368	0	446,136	110,064	0	35,818,546
YORK	3554	13,026	99,010,025	(4,863,014)	94,147,011	20,112,611	(661,727)	465,373	0	1,478,607	365,780	0	115,707,655
ALEXANDRIA	8000	15,742	71,213,136	(3,039,964)	68,173,172	2,690,539	(2,733,546)	1,476,243	(1,842,712)	614,849	149,441	0	68,527,985
BRISTOL	2977	1,976	23,579,976	(1,395,382)	22,184,594	1,311,984	(137,323)	74,161	0	283,788	67,881	0	23,785,084
BUENA VISTA	1803	741	10,194,686	(610,510)	9,584,176	626,840	(32,102)	17,337	0	139,692	29,385	0	10,365,328
CHARLOTTESVILLE	7702	4,047	26,284,504	(1,484,781)	24,799,723	(2,348,987)	(605,416)	434,962	(374,376)	171,471	41,525	0	21,918,902
COLONIAL HEIGHTS	4026	2,859	24,223,612	(1,676,033)	22,547,579	2,130,690	(228,186)	123,231	0	308,281	83,798	0	24,965,393
DAWSON	5202	2,502	64,108,204	(4,695,918)	59,412,286	5,809,557	(291,135)	157,227	0	762,891	206,942	0	66,057,869
FALLS CHURCH	8000	2,588	9,828,415	(322,153)	9,506,262	816,201	(408,007)	220,342	(41,734)	102,666	22,789	0	10,218,540
FREDERICKSBURG	6163	3,279	25,863,164	(2,240,000)	23,623,164	(1,767,732)	(444,750)	240,186	(34,237)	247,300	89,016	0	21,922,947
GALAX	2661	1,377	13,972,783	(958,405)	13,014,378	1,187,642	(55,351)	29,892	0	182,215	53,239	0	14,412,015
HAMPTON	2579	18,835	189,424,527	(12,384,309)	177,040,218	10,639,494	(965,172)	521,238	0	2,400,292	633,860	0	190,289,929
HARRISONBURG	3335	6,604	66,268,104	(5,450,476)	60,817,628	4,908,738	(427,902)	231,087	0	803,330	216,025	0	66,548,906
HOPEWELL	1870	3,639	41,690,996	(3,013,764)	38,677,232	2,616,622	(136,097)	73,498	0	520,311	140,279	0	41,891,834
LYNCHBURG	3872	7,074	74,128,263	(5,845,979)	68,282,284	1,279,509	(734,510)	396,674	0	804,869	193,339	0	70,222,157
MARTINSVILLE	2229	1,652	20,234,809	(2,141,434)	18,093,375	2,282,566	(86,614)	46,775	0	237,766	65,581	0	20,639,450
NEWPORT NEWS	2729	24,220	268,276,548	(20,927,950)	247,348,598	8,050,030	(1,452,863)	784,625	0	3,134,726	833,893	0	258,696,989
NORFOLK	3212	24,459	260,378,801	(18,094,541)	242,284,261	2,830,611	(1,802,771)	973,581	0	2,938,319	776,229	0	248,000,229
NORTON	2412	727	8,032,073	(523,173)	7,508,900	383,778	(30,126)	16,270	0	101,877	25,505	0	8,006,204
PETERSBURG	2075	4,196	50,503,929	(4,234,441)	46,269,488	6,245,461	(172,451)	93,132	0	611,551	178,200	0	53,225,361

HB 30, As Introduced: 2024-2025 Direct Aid to Public Education Estimated Distribution - FY 2026

School Division	Key Data Elements		FY 2024 Appropriation	Remove FY 2024 One-Time Spending	2024-26 Base Budget	Technical & Rebenchmarking Costs (HB 30) See Appendix D	Proposed Policy Changes						FY 2026 Estimated Distribution (HB 30)
	2024-26 Comp. Index	FY 2026 Projected ADM					Eliminate Grocery Tax Hold Harmless	Sales Tax Base Expansion	Remove VPI LCI Cap	2% Salary Increase	Grade 4-8 Reading Specialists	Specific Local Initiatives	
PORTSMOUTH	2369	12,313	139,109,928	(10,673,927)	128,436,001	6,967,549	(659,472)	356,146	0	1,637,344	472,987	0	137,710,555
RADFORD	1658	3,059	33,506,749	(2,146,119)	31,360,630	1,059,984	(50,160)	27,083	0	461,987	119,739	0	32,979,283
RICHMOND CITY	5740	19,256	184,141,881	(14,190,169)	169,951,512	(5,924,611)	(2,640,770)	1,426,139	(627,725)	1,694,548	438,377	0	164,317,470
ROANOKE CITY	3388	12,819	139,667,703	(14,037,814)	125,629,889	16,230,263	(937,794)	506,453	0	1,602,133	430,333	0	143,461,267
STAUNTON	3767	2,512	23,645,503	(1,373,871)	22,271,632	2,607,891	(246,477)	133,110	0	274,802	66,608	0	25,107,565
SUFFOLK	3493	13,899	123,326,085	(8,100,642)	115,225,443	6,919,162	(1,091,901)	599,677	0	1,527,127	400,277	0	123,569,786
VIRGINIA BEACH	4138	62,376	494,773,904	(29,305,582)	465,468,322	13,100,885	(5,529,824)	2,986,363	0	6,031,031	1,561,673	0	483,618,449
WAYNESBORO	3633	2,818	26,571,870	(1,562,262)	25,009,608	1,505,882	(228,944)	123,640	0	337,033	76,654	0	26,823,873
WILLIAMSBURG	7426	1,139	7,090,944	(382,624)	6,708,320	755,741	(170,277)	91,957	(72,547)	54,970	13,702	0	7,381,866
WINCHESTER	4151	3,966	37,145,585	(2,413,454)	34,732,131	1,272,300	(332,745)	179,697	0	433,268	109,935	0	36,394,586
FAIRFAX CITY	8000	2,941	11,517,141	(373,159)	11,143,982	826,480	(497,708)	268,785	(166,936)	118,177	27,108	0	11,719,887
FRANKLIN CITY	2884	924	12,243,774	(802,528)	11,441,246	(211,166)	(71,815)	38,784	0	135,165	32,608	0	11,364,821
CHESAPEAKE CITY	3273	39,275	355,432,942	(20,448,820)	334,984,122	19,596,904	(2,731,875)	1,475,340	0	4,571,579	1,180,236	0	359,076,306
LEXINGTON	3987	660	5,172,170	(211,857)	4,960,313	82,842	(45,900)	24,788	0	68,514	19,046	0	5,109,603
EMPORIA	2340	815	9,479,918	(602,986)	8,876,932	875,296	(43,508)	23,496	0	121,449	28,633	0	9,882,298
SALEM	3632	4,163	29,112,009	(1,586,051)	27,525,958	7,794,881	(239,534)	129,359	0	462,228	125,820	0	35,828,712
POQUOSON	3466	1,996	15,921,806	(979,814)	14,941,992	1,573,605	(147,362)	79,583	0	219,514	54,081	0	16,721,413
MANASSAS CITY	3371	7,122	76,182,764	(4,325,042)	71,857,722	2,716,434	(486,374)	262,664	0	954,112	243,045	0	75,547,603
MANASSAS PARK	2716	3,113	36,946,160	(2,636,673)	34,309,487	3,715,711	(162,675)	87,852	0	479,846	116,844	0	38,547,065
COLONIAL BEACH	3675	562	5,852,893	(364,115)	5,488,778	728,308	(36,976)	19,968	0	80,773	19,029	0	6,279,880
WEST POINT	2489	821	7,459,802	(471,133)	6,988,669	893,718	(32,109)	17,340	0	106,797	26,833	0	8,001,248
TOTAL:		1,209,773	\$10,004,450,688	(\$597,491,254)	\$9,406,959,434	\$493,846,408	(\$114,473,092)	\$61,821,891	(\$11,657,672)	\$122,851,949	\$30,713,413	\$2,540,790	\$9,992,801,121

APPENDIX E

DETAIL OF HB 30- CAPITAL OUTLAY

Total Proposed for the 2024-2026 Biennium

Title	General Fund	General Fund Bonds	Nongeneral Fund	Nongeneral Fund Bonds	Total
GENERAL CONDITIONS					
Technical Changes					Language
Amend Transfer Authorization Between Capital Pools					Language
Amend Six-Year Capital Outlay Plan Advisory Committee Meeting Requirements					Language
Change Six-Year Capital Outlay Plan to a Report					Language
ADMINISTRATION					
Dept of General Services					
Renovate and Repair Fort Monroe	50,000,000				50,000,000
Construct Commonwealth Courts Building					Language
Renovate Office Space to Relocate Tenants & Demolish Monroe Building	50,000,000				50,000,000
Total: Administration	100,000,000				100,000,000
EDUCATION					
College of William & Mary – Renovate Dormitories					
George Mason University – Address Deferred Maintenance		12,000,000		5,000,000	5,000,000
James Madison University			3,000,000		3,000,000
Blanket Property Acquisition				23,820,000	23,820,000
Renovate Spotswood Hall		14,064,327			14,064,327
Norfolk State University – Improve Campus Infrastructure		12,000,000			12,000,000
Old Dominion University – Address Deferred Maintenance		8,000,000			8,000,000
Radford University – Address Deferred Maintenance		5,500,000			5,500,000
University of Mary Washington – Address Deferred Maintenance		12,000,000			12,000,000
University of Virginia – Address Deferred Maintenance		1,500,000			1,500,000
University of Virginia- Wise – Address Deferred Maintenance					
Virginia Commonwealth University			5,200,000		5,200,000
Construct New School of Dentistry		12,000,000			12,000,000
Address Deferred Maintenance		24,000,000			24,000,000
Virginia Community College System – Address Deferred Maintenance					
Virginia Military Institute					
Renovate Crozet Hall			46,851,725		46,851,725
Renovate Patchin Field Soccer & Lacrosse Stadium and Paulette Hall			21,706,757		21,706,757
Virginia Tech – Improve Campus Accessibility					
Virginia State University		8,000,000			8,000,000
Construct New Student Housing				95,465,000	95,465,000
Improve South Entrance and Campus Security		12,000,000			12,000,000
Cooperative Extension and Agricultural Research Services					
Renovate Wilder Cooperative Extension Building		121,064,327	5,875,000	124,285,000	5,875,000
Total: Education		121,064,327	82,633,482	124,285,000	327,982,809
HEALTH & HUMAN RESOURCES					
Dept of Behavioral Health & Developmental Services					
Improve safety and security at Eastern State Hospital		24,340,860			24,340,860
Renovate, Repair, and Upgrade State-Operated Facilities	35,000,000				35,000,000
Total: Health and Human Resources	35,000,000	24,340,860			59,340,860
NATURAL RESOURCES					
Dept of Conservation & Recreation					
Acquisition of Land for State Parks			2,660,000		2,660,000
Acquisition of Land for Natural Area Preserves					Language
Replace Underground Storage Tanks- Phase I		3,000,000			3,000,000
Address Climate Control in State Park Yurts		1,600,000			1,600,000
Protect & Expand Buffalo Mountain Natural Area Preserve		3,500,000			3,500,000
Department of Wildlife Resources – Acquire Land and Property			10,000,000		10,000,000
Total: Natural Resources		8,100,000	12,660,000		20,760,000
PUBLIC SAFETY & HOMELAND SECURITY					

DETAIL OF HB 30- CAPITAL OUTLAY

Total Proposed for the 2024-2026 Biennium

Title	General Fund	General Fund Bonds	Nongeneral Fund	Nongeneral Fund Bonds	Total
Corrections - Central Office					
CoffeeWood Water Treatment Plant Upgrade					Language
DOC Capital Infrastructure Fund		15,000,000			15,000,000
Total: Public Safety & Homeland Security		15,000,000			15,000,000
TRANSPORTATION					
Department of Motor Vehicles					
Maintenance Reserve			2,000,000		2,000,000
Renovate DMV Headquarters			14,844,060		14,844,060
Department of Transportation					
Maintenance Reserve			10,000,000		10,000,000
Acquire, Design, Construct and Renovate Agency Facilities	94,840		70,000,000		70,094,840
Virginia Port Authority					
Cargo Handling Facilities			223,000,000		223,000,000
Expand Empty Yard			223,000,000		223,000,000
Maintain Berths and Wharfs			12,200,000		12,200,000
Total: Transportation			555,044,060		555,138,900
VETERANS AFFAIRS & PUBLIC SAFETY					
Department of Veterans Services - Expand Suffolk Veterans Cemetery (\$5.0M TRS Loan)					
Department of Military Affairs					
Maintenance Reserve			2,000,000		2,000,000
Improve Readiness Centers			9,000,000		9,000,000
Convert SW VA Readiness Center to Regional Field Maintenance Shop		3,000,000	6,367,100		6,367,100
Construct Microgrid Emergency Backup Generate at the State Military Reservation (Planning)			49,343,135		49,343,135
Construct Indoor Small Arms Firing Range & Military-Owned Vehicle Parking Lot at the State Military Reservation			30,000,000		30,000,000
Total: Veterans Affairs & Homeland Security		3,000,000	96,710,234		99,710,234
CENTRAL APPROPRIATIONS - Central Capital Outlay					
Central Maintenance Reserve	404,000,000				404,000,000
Central Reserve for Capital Equipment Funding	81,341,000				81,341,000
Central Planning Pool for Capital Projects	24,000,000		2,623,000		26,623,000
Capital Supplement Pool	250,000,000				250,000,000
2024 Public Educational Institution Capital Account		70,527,745	222,285	9,332,955	80,082,985
2024 State Agency Capital Account		42,910,836			42,910,836
2022 State Agency Construction Pool- Supplement for Virginia State Police Training Academy		50,000,000			50,000,000
Workforce Development Projects	22,153,969				22,153,969
Capital Lease Authorization					Language
Capital Project Balance Transfers					Language
VPBA & VPBA Bond Authorizations					Language
9(c) and 9(d) Revenue Bond Authorizations					Language
Total: Central Appropriations	781,494,969	163,438,581	2,845,285	9,332,955	957,111,790
Part 4: New Capital Policy: Cap Annual GF-Supported Spending on Capital Outlay					Language
Part 4: New Capital Policy: Direct 1% of GF Revenues to Address Deferred Maintenance					Language
Part 4: New Capital Policy: Require Tier III Institutions of Higher Education to Contribute 25% of the Cost of Construction for Education and General Programs (with exceptions)					Language
Total: Capital Outlay HB 30	\$916,589,809	\$334,943,768	\$749,893,062	\$133,617,955	\$2,135,044,593