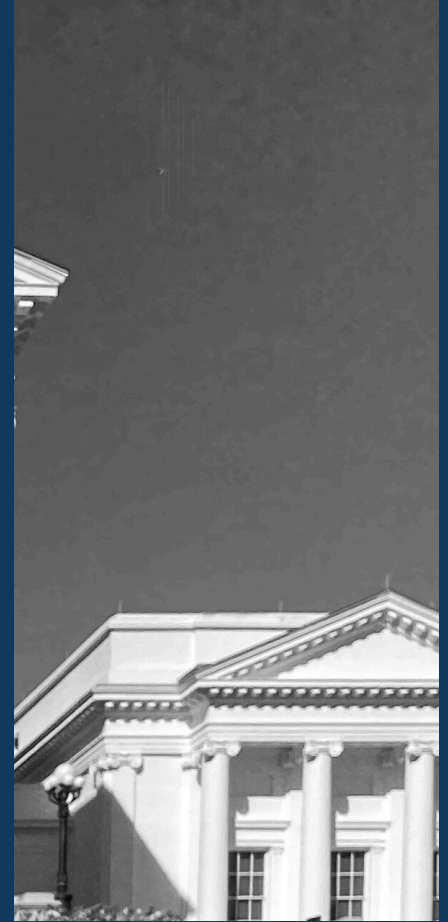


JANUARY 8, 2025



VIRGINIA HOUSE  
APPROPRIATIONS  
COMMITTEE

# OVERVIEW OF VIRGINIA'S BUDGET FOR FY 2024 - 2026

HOUSE BILL 1600, AS INTRODUCED



# Introduction

Last year, the General Assembly adopted a new budget for the FY 2024 – FY 2026 biennium, which consists of fiscal years 2025 and 2026, and adjusted the budget for the prior biennium through the “Caboose” budget bill. Chapter 2, 2024 Special Session I, the state’s current biennial budget, addressed many resource needs with \$6.4 billion in new investments for K-12 education (\$2.5 billion), health and human resources (\$1.3 billion), state building needs (\$1.0 billion), state employee compensation (\$545.2 million), transportation projects (\$490.2 million), and higher education access and affordability (\$205.4 million).

In odd-year sessions, the Governor proposes amendments to the state’s current biennial budget, which are reflected in the budget bill with italics (new money and language) and “strike throughs” (removing existing money and language). This document, *Overview of Virginia’s Budget for FY 2024 – FY 2026*, provides a summary of Governor Youngkin’s proposed changes to Virginia’s current biennial budget in House Bill 1600 to help prepare members for the budget development process during the 2025 Session. One of the first steps in this process is for House members to submit their ideas for spending and budgetary savings to the House Appropriations Committee. These **budget amendment requests for the 2025 legislative session are due by 5:00PM, Friday, January 10, 2025**. The budget amendment request form is available online (fillable form available on iHOD and at [hac.virginia.gov](http://hac.virginia.gov)), but must be printed and hard copies must be delivered to House Appropriations Committee staff on the 12<sup>th</sup> floor.

The Executive Summary includes a discussion of the state’s resources for spending and highlights the top spending proposals from Governor Youngkin included in House Bill 1600. The details on resources, spending, and savings proposed by the Governor follow the Executive Summary and are organized by budget area.



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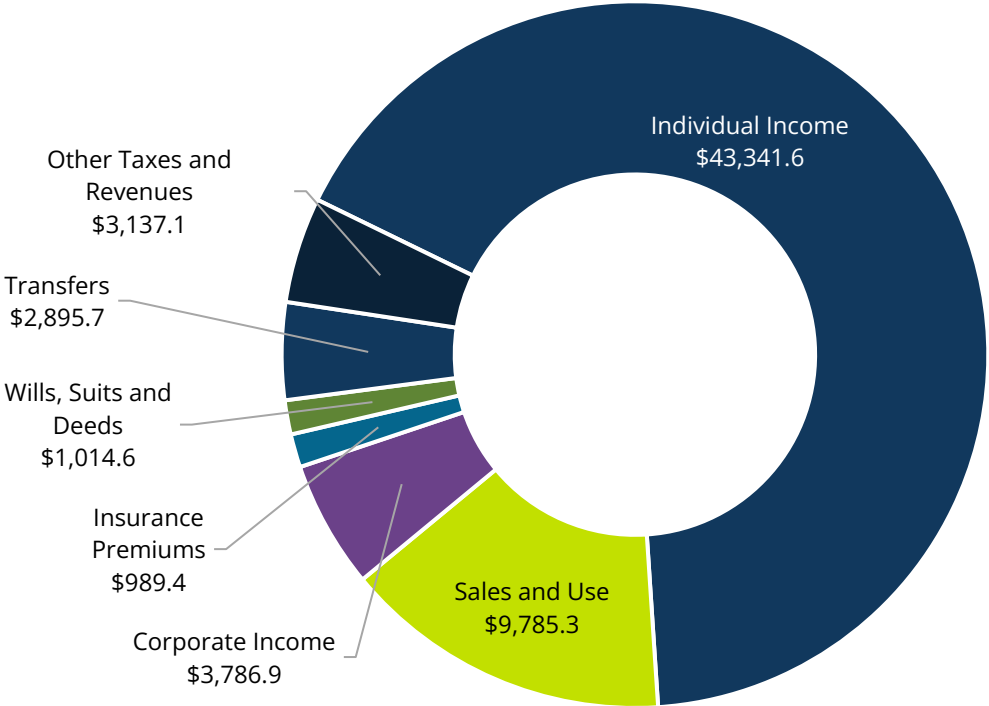


# Executive Summary

## Revenue Overview

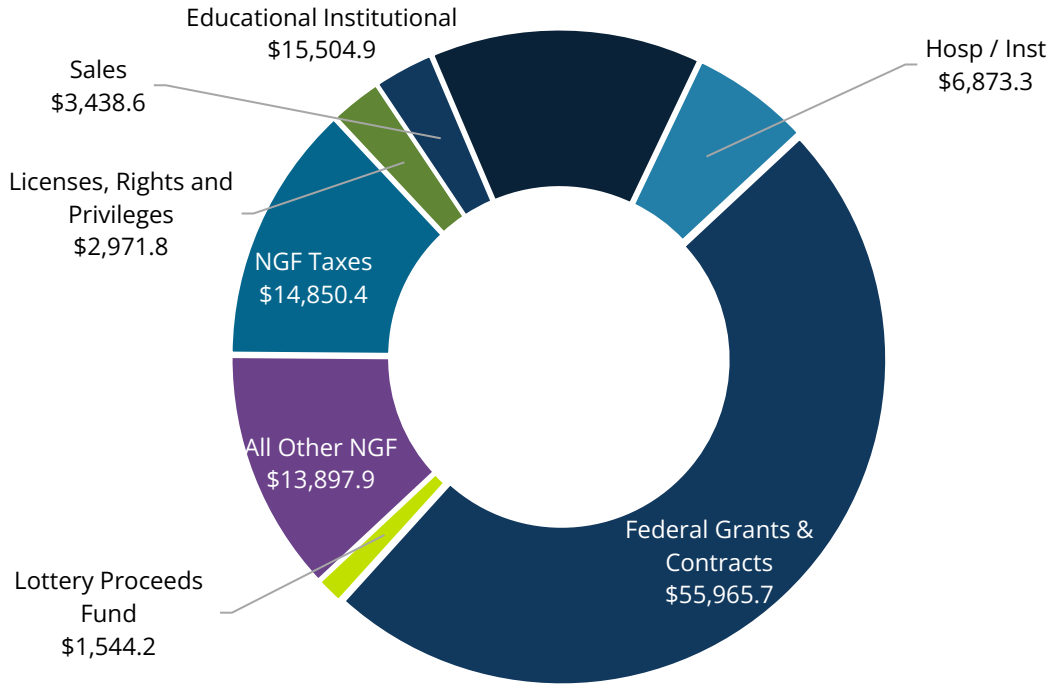
- The introduced budget for the 2024-26 biennium budget includes \$64.9 billion in general fund resources available for appropriation. Resources include a beginning balance of \$12.7 billion offset by an \$8.2 billion reduction in balances, resulting in a net balance of \$4.5 billion. This balance is in addition to the \$62.1 billion in estimated revenues over the 2 years and \$2.8 billion in assumed transfers to the General Fund over the biennium. The chart below shows General Fund resources by source.
- HB 1600, as introduced, includes \$4.73 billion in additional general fund resources above those included in Chapter 2.

**FY 2024-26 GF REVENUES & TRANSFERS = \$64.9 BILLION  
HB 1600, AS INTRODUCED (\$ in millions)**



- Total biennial revenues, including nongeneral funds, are \$177.4 billion. Consistent with recent biennia, the nongeneral fund revenues comprise 2/3s of total resources. The chart on the next page provides a breakdown of nongeneral fund revenues.

**FY 2024-26 NONGENERAL FUND REVENUES = \$115.0 BILLION  
HB 1600, AS INTRODUCED (\$ in millions)**



## GF Forecast Adjustments

- The FY 2024-26 general fund revenue forecast included in HB 1600, prior to any policy adjustments, assumes revenue growth of 4.1% in FY 2025 and 2.6% in FY 2026. The policy adjustments included in the revenue assumptions do not have a material impact on these growth rates.
- Through the first five months of fiscal year 2025, revenue collections are 7.3% ahead of FY 2024 collections.
- The introduced budget has an unappropriated general fund balance of \$14.8 million.

| GF Revenue Adjustments in HB 1600 (\$ in millions) |            |            |
|--|------------|------------|
|  | FY 2025    | FY 2026    |
| Chapter 2 GF Revenues                              | \$28,563.8 | \$30,275.6 |
| GACRE Revenue Forecast Adjustments                 | 1,951.7    | 1,065.4    |
| Post GACRE Forecast Adjustments                    | 147.4      | 111.4      |
| Updated Forecast Based on Current Policy           | 30,662.8   | 31,452.3   |
| <b>Proposed Tax Policy Adjustments</b>             |            |            |
| Increase Tax Staff - Expedite Appeals & Resolution | 0.0        | 2.3        |



| GF Revenue Adjustments in HB 1600 (\$ in millions)  |                   |                   |
|---|-------------------|-------------------|
| Tax Refund Procedures for ISP Exemption             | 0.0               | 2.0               |
| Education Improvement Scholarships Tax Credit       | (4.0)             | (4.0)             |
| Eliminate Tax on Tips                               | 0.0               | (35.0)            |
| Incr. Threshold for Estimated Payments to \$1,000   | (10.4)            | (1.1)             |
| Equalize Virginia's Interest Rate with Federal Rate | 0.0               | (10.0)            |
| <b>Total Introduced Budget Revenue</b>              | <b>\$30,648.4</b> | <b>\$31,406.5</b> |

\* Note: The Budget includes a proposed spending amendment of \$1.1 billion to cover the cost of the first 3 years of the proposal to provide an income tax credit tied to individual's car tax payments.

## Tax Policy Proposals

### Eliminate the Inclusion of Tips in the Calculation of Income Tax

- The 7<sup>th</sup> enactment clause in HB 1600 would exclude income received from tips in the calculation of individual's income beginning in tax year 2026.
- Introduced Budget assumes a \$35.0 million decrease in GF revenues in FY 2026 from the elimination of the tax on tips. The full year cost is estimated to increase to \$70 million annually.

### Increase the Threshold for Estimated Payments from \$150 to \$1,000 on or after Jan. 1, 2026

- It is estimated that this will result in a one-time revenue reduction of \$10.4 million in FY 2026 and an ongoing reduction of \$1.1 million each year beginning in FY 2027.

### Equalize Virginia's Interest Rates for Underpayments and Overpayments with Federal Rates

- Under current law, Virginia pays/charges a rate 2% higher than the IRS rate for noncorporate taxpayers.
- It is estimated that this will result in a reduction in revenues of \$10 million annually beginning in FY 2026 from decreased interest collected for late payments.

### Fund Education Improvement Scholarships Tax Credit up to Statutory Cap

- Reduces assumed revenues by \$4.0 million each year by assuming usage of the Education Improvement Scholarships Tax Credit will reach its statutory cap of \$25.0 million annually. Historically, usage has not reached the cap, but utilization has been increasing.

### Improve Efficiencies Within Tax Department

- Assumes additional revenues of \$2.3 million annually, starting in FY 2026, from hiring additional staff for the error resolution and appeals unit at the Tax Department.
- Assumes \$2.0 million in additional revenues in FY 2026 from streamlining the refund procedures for the internet services provider exemption.

## Spending Overview

House Bill 1600, as introduced, includes general fund spending totaling \$67.1 billion over the biennium with proposed operating expenditures of \$34.4 billion in FY 2025 and \$32.7 billion in FY 2026. Measured against Chapter 2 operating expenses this represents an increase of \$2.6 billion in FY 2025 and \$700.0 million in FY 2026. In addition, capital outlay spending totals \$1.4 billion, bringing total new spending to \$4.7 billion.

### **\$2.6 billion of additional operating spending in FY 2025 is distributed as follows:**

- \$1.1 billion to fund car tax relief for qualifying Virginians,
- \$608.2 million in spending set out as contingent spending in Chapter 2 from the FY 2024 revenue surplus,
- \$337.0 million for Medicaid utilization and inflation forecast increases, and
- Over \$250.0 million new “one-time” spending

FY 2025 spending supported by excess FY 2024 general fund revenue collections includes \$294.5 million for the Revenue Reserve Fund, \$175.0 million for the I-81 improvement project, \$45.0 million for the Virginia Military Dependent and Survivors tuition waiver program, and \$93.7 million for Code-mandated Water Quality Improvement Fund (WQIF) deposits. Normally, the \$93.7 million allocated to the WQIF is directly deposited into the Fund; however, the proposed budget distributes these funds to the Richmond CSO project, the WQIF Reserve Fund and agricultural best management practices, and the Enhanced Nutrient Renewal Credit program.

Significant FY 2025 “one-time” spending includes \$131.0 million to replace the state’s revenue collection system at the Department of Taxation, \$25.0 million to capitalize a new Disaster Assistance Fund, and \$25.0 million for College Partnership Laboratory Schools. It is not a requirement to fund “one-time” initiatives in the first year of the biennium. It only makes “one-time” spending easier to identify for budget development in the next biennium.

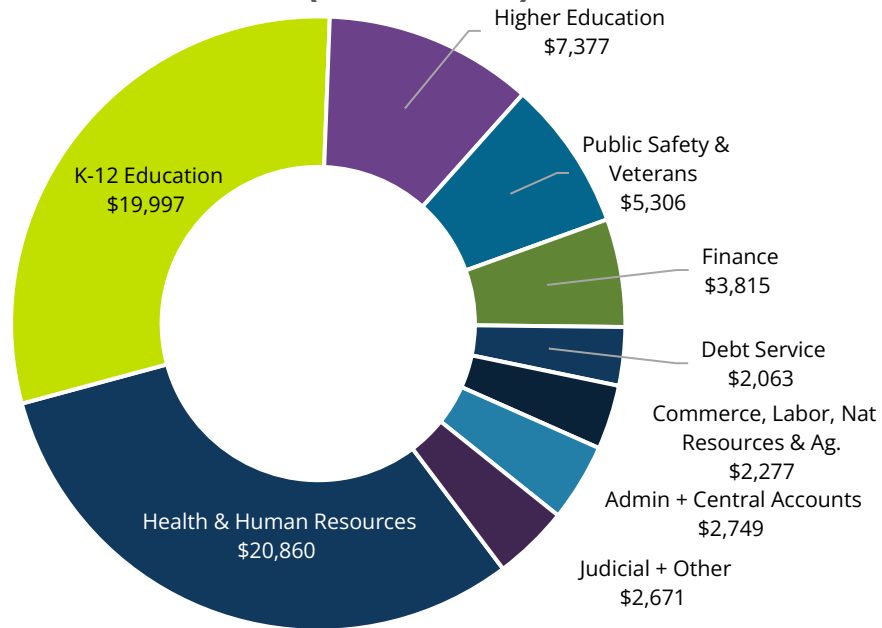
### **\$700.0 million of additional operating spending in FY 2026 is distributed as follows:**

- \$295.2 million in new funding for the state’s Medicaid program to address utilization and inflation (ongoing),
- \$68.3 million to cover the revised forecast for the Children’s Services Act (ongoing),
- \$61.9 million for English Learners in Virginia’s public schools (ongoing),
- \$50.0 million to increase the base budget for the Virginia Business Ready Sites program (proposed as ongoing), and
- \$45.0 million for the Virginia Military Dependent and Survivors tuition waiver program (ongoing)

## Total Biennial Spending by Secretarial Area

The chart below highlights proposed biennial GF spending by secretarial area, which totals \$67.1 billion over the biennium. The state’s mandatory programs, K-12 Education and health and human services continue to dominate total spending with 61% of proposed spending directed to these areas of government.

**FY 2024 - FY 2026 BIENNIAL GENERAL FUND  
SPENDING BY SECRETARIAL AREA, HB 1600**  
\$67.1 billion (\$ in millions)



## Top Spending Items

Major spending items included in House Bill 1600 are detailed in the table below, and total \$4.7 billion over the biennium. Most of this spending is attributed to a new proposal to provide a refundable tax credit for low-income individuals who pay local personal property taxes on motor vehicles, capital outlay improvements and increased costs of the state’s Medicaid program due to utilization and inflation. The table is followed by a description of several of these spending proposals organized by topic area.

| GF Spending Items in HB 1600 (\$ in millions) |   |                |
|---|---|----------------|
| Agency  | Initiative  | Biennial Total |
| Capital Outlay – Various                      | Funding for capital improvements                  | \$1,400.0      |
| Department of Accounts Transfer Payments      | Provide funding for Car Tax Credits               | 1,103.0        |
| Department of Medical Assistance Services     | Medicaid utilization and inflation                | 632.2          |
| Department of Accounts Transfer Payments      | Appropriate required Revenue Reserve Fund deposit | 294.5          |

| GF Spending Items in HB 1600 (\$ in millions)              |  |                  |
|--|--|------------------|
| Department of Transportation                               | Appropriate FY 2024 GF surplus dedicated to I-81   | 175.0            |
| Department of Taxation                                     | Fund replacement of tax collection system  | 131.0            |
| Direct Aid to Public Education                             | Update English Language Learner data   | 110.7            |
| Children's Services Act                                    | Fund forecast for services provided to at risk youth                                       | 105.4            |
| State Council of Higher Education for Virginia             | Appropriate FY 2024 GF surplus to waiver programs  | 90.0             |
| Department of Education                                    | Implement new state assessment contract  | 66.0             |
| Department of Education                                    | Board of Education directed funding for school performance and standards                   | 51.3             |
| Economic Development Incentive Payments                    | Expand the Virginia Business Ready Sites Program   | 50.0             |
| Direct Aid to Public Education                             | Provide Virginia Opportunity Scholarships  | 50.0             |
| Department of Environmental Quality                        | Appropriate funds to support the Richmond CSO  | 50.0             |
| Department of Medical Assistance Services                  | M-CHIP program utilization and inflation   | 47.6             |
| Department of Medical Assistance Services                  | FAMIS utilization and inflation  | 40.7             |
| Central Appropriations                                     | Agency health insurance premium costs  | 40.5             |
| Direct Aid to Public Education                             | Update sales tax revenue for public education  | 38.4             |
| Department of Behavioral Health and Developmental Services | Provide funding for special conservators of the peace at private hospitals                 | 35.2             |
| Virginia Innovation Partnership Authority                  | Support life science efforts in Roanoke, Richmond/Petersburg, and Charlottesville          | 35.0             |
| Direct Aid to Public Education                             | Update Average Daily Membership projections based on actual Fall Membership                | 33.8             |
| Department of Conservation and Recreation                  | WQIF and the Virginia Natural Resources Commitment Fund deposits from FY 2024 surplus      | 26.3             |
| Department of Housing and Community Development            | Establish and capitalize the Disaster Assistance Fund                                      | 25.0             |
| Direct Aid to Public Education                             | Establish new Lab Schools in partnership with Historically Black Colleges and Universities | 25.0             |
| Department of Environmental Quality                        | WQIF to support the Enhanced Nutrient Removal Certainty Program from FY 2024 surplus       | 17.4             |
| Virginia Community College System                          | Expand high school student access to community college dual enrollment                     | 15.0             |
| Department of Housing and Community Development            | Establish a program to build daycare facilities  | 14.0             |
| State Council of Higher Education for Virginia             | Establish grant program to increase the number of nursing graduates                        | 12.0             |
| Central Appropriations                                     | Adjust agency premiums for property insurance  | 10.1             |
| Central Appropriations                                     | Adjust appropriation for higher education credit card rebates and interest earnings        | 10.0             |
| <b>Total</b>   |  | <b>\$4,735.1</b> |

## Health and Human Resources

- **Medicaid Forecast.** Proposes spending of \$337.0 million in FY 2025 and \$295.2 million in FY 2026 for the forecast of utilization and inflation in the Medicaid program.
- **Virginia Health Care Fund.** Proposes a general fund reduction of \$48.8 million in FY 2025 and an increase of \$15.5 million in FY 2026 to account for the latest revenue estimates in the

Fund. Tobacco taxes are expected to be higher than expected in FY 2025 which will offset the general fund amount needed to fund Medicaid program costs. In addition, Medicaid recoveries are expected to be higher in FY 2025 due to the receipt of one additional managed care organization payment for failing to spend at least 85% of its Medicaid capitation payments on medical care and quality improvement activities. In FY 2026, revenue from other tobacco taxes and pharmacy rebates is expected to be less than previously forecasted.

- **Children’s Health Insurance Programs.** Proposes spending of \$40.9 million in FY 2025 and \$47.4 million in FY 2026 for the children’s health insurance programs (FAMIS and M-CHIP).
- **Children’s Services Act (CSA) Forecast.** Proposes \$37.0 million in FY 2025 and \$68.3 million in FY 2026 for estimated caseload and cost increases in CSA.
- **Department of Behavioral Health and Developmental Services.** Includes \$35.2 million GF the second year to provide funding to private hospitals to employ special conservators of the peace (SCOPs) to maintain custody of an individual under an emergency custody or temporary detention order.

## Early Childhood and K-12 Education

- **School Construction.** Proposes an additional \$270.0 million NGF in FY 2025 and \$20.0 million NGF in FY 2026 for school construction assistance grants, increasing the total grants available for the biennium from \$160.0 million to \$450.0 million. Funding is provided from unallocated FY 2024 casino gaming revenues and a \$150.0 million transfer from the Literary Fund.
- **Update English Learner Proficiency Data.** Proposes \$48.8 million in FY 2025 and \$61.9 million GF in FY 2026 to support additional English Learner students identified as requiring intense support.
- **Standards of Learning Assessment Contract.** Proposes \$61.0 million GF in FY 2025 and \$5.0 million GF in FY 2026 to support additional costs of a new assessment contract.
- **Board of Education-Directed Support.** Recommends \$50.0 million GF the first year for the Board of Education to direct toward enhanced systems, technical training, and supports for schools not meeting the Board’s newly-established accreditation benchmarks.
- **Virginia Opportunity Scholarships.** Proposes \$50.0 million GF to provide annual grants of \$5,000 to eligible low-income students to cover qualified expenses of attending a Virginia accredited private school.

## Economic and Workforce Development

- **Virginia Economic Development Partnership Authority (EDIP).** Provides an additional \$50.0 million for the Virginia Business Ready Sites program, which funds characterization and development grants for localities to improve economic development site quality. Since FY 2022, the General Assembly has appropriated \$279.0 million for this program.

- **Virginia Innovation Partnership Authority.** Provides \$35.0 million for life science activities in Roanoke, Charlottesville, and Petersburg, which include lab space construction, drug development, and the creation of a new training center. Budget language requires the review and recommendation of a taskforce and final approval by the Secretary of Commerce and Trade before any funding is released for these projects.
- **Department of Housing and Community Development.** Creates a new state program and fund to provide additional support for communities impacted by a disaster that are not reimbursed through federal, private sector, or insurance related resources. Capitalizes the new program with \$25.0 million GF and 2023 auction proceeds from the Regional Greenhouse Gas Initiative, estimated at \$102.0 million.
- **Department of Housing and Community Development.** Invests \$15.0 million to create a new grant program for the construction of new early childhood care facilities.
- **Virginia Tourism Authority.** Invests \$5.0 million to capitalize a new fund to recruit youth, collegiate, and adult amateur sporting events and tournaments to the state.

## Public Safety and Homeland Security

- **School Resource Officer Incentive Grant Fund.** Proposes an additional \$6.8 million GF in FY 2025 for deposit in the School Resource Officer Incentive Grant Fund administered by the Department of Criminal Justice Services. This would increase the total amount appropriated to the fund to \$30 million in FY 2025.
- **Increased Inmate Medical Costs.** Proposes \$4.1 million GF in FY 2026 to reflect updated projections of Department of Corrections inmate medical spending. The introduced budget also proposes an additional 12 medical positions to replace medical contractors with state employees.
- **TDO and ECO Transportation Reimbursement.** Proposes \$3.5 million GF in FY 2025 at the Department of Criminal Justice Services to reimburse local law enforcement agencies for the time and costs of transporting individuals held under emergency custody orders and temporary detention orders. The language proposes priority for reimbursement be given to State Police Divisions III, IV, and VI, and localities that must travel long distances to transport an individual to a state facility.

## Veterans and Defense Affairs

- **Support Start-Up Costs at New Veterans Care Centers.** Proposes an additional \$4.7 million GF in FY 2025 to support start-up costs at Jones & Cabacoy and Puller Veterans Care Centers. This money would be in addition to the \$19.1 million GF provided in Chapter 2 and would bring the total startup support to \$23.8 million for the year. The expectation is that once full staffing and occupancy levels at the Centers are reached sufficient nongeneral fund revenue will be generated to support ongoing operational costs.

- **Army Aviation Support Facility.** For the Department of Military Affairs, proposes \$2.5 million for a general fund supported capital project to construct two connector roads and the purchase of related wetlands credit at the Army Aviation Support Facility in Sandston.

## Agriculture and Forestry

- **Modernize Regulatory IT Systems.** Proposes \$2.9 million GF in FY 2026 to begin modernization of the first two of VDACS' 21 regulatory systems. VDACS currently estimates the modernization program will last until 2036.
- **EV Charger Inspection.** Proposes \$632,000 GF in FY 2025 for equipment to begin testing of electrical vehicle chargers through VDACS' Weights and Measures program.

## Natural and Historic Resources

- **Richmond Combined Sewer Overflow.** Proposes using \$50.0 million GF the first year from the mandatory WQIF deposit of FY 2024 surpluses to support the City of Richmond's ongoing Combined Sewer Overflow project.
- **Agricultural Best Management Practices.** Proposes \$26.3 million be deposited into WQIF from the mandatory WQIF deposit of FY 2024 surpluses. Of this amount, \$17.4 million is directed to the Natural Resources Commitment Fund to support agricultural best management practices, and \$8.9 million is directed to the WQIF reserve.
- **Enhanced Nutrient Removal Certainty.** Proposes \$17.4 million from the mandatory WQIF deposit of FY 2024 surpluses be provided to support reimbursements for projects identified as part of the Enhanced Nutrient Removal Certainty program.

## Capital Outlay

- **Overall Capital Outlay:** Total of \$1.4 billion GF proposed for capital and includes \$683.5 million for construction and acquisition, \$390.9 million for net zero supplants between GF and NGF, \$125.4 million for improvements, \$90.6 million for planning, and \$76.9 million for supplements and equipment for projects currently under construction.
- **Central Capital:** \$400.0 million over the biennium to supplant debt authorized in Chapter 2 with general fund cash for ENRC projects. This fulfills the General Assembly directive in Chapter 2 for use of FY 2024 surplus revenues.
- **Higher Education Projects.** Proposes \$575.0 million for projects at institutions of higher education, including the purchase of the Altria Building for use by VCU for its medical school, expansions of the Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute and of the Institute of Advanced Learning and Research's Center for Manufacturing Advancement, the renovation of Virginia Hall at VSU, and the completion of VMI's Center for Leadership and Ethics.
- **State Agency Projects.** Proposes \$402.0 million for state agency projects, including planning for a new state agency building at the site of the VDOT Annex and to replace the state

laboratory, funding for State Police to construct a new Training Academy and purchase a new Area 6 headquarters, allocations to make critical repairs to DBHDS facilities and to renovate offices in the Patrick Henry Building, and funds to construct a new State Military Reservation (SMR) Training and Emergency Operations Facility.

## Higher Education

- **State Council of Higher Education for Virginia.** Proposes \$12.0 million GF in the second year to increase the number of nursing graduates in the Commonwealth.
- **Virginia Community College System.** Proposes \$15.0 million GF in the second year at the VCCS to support the College and Career Ready Virginia Program and Fund which supports dual enrollment courses.
- **State Council of Higher Education for Virginia.** Adds \$9.4 million for the Virginia Military Survivors and Dependents Stipend Program to cover projected cost increases. A companion action appropriates \$90.0 million allocated to SCHEV's waiver program during Special Session 1 of the 2024 General Assembly
- **State Council of Higher Education for Virginia.** Provides \$3.5 million to expand support for the New Economy Workforce Credential Grant program.
- **Virginia Commonwealth University.** Increases support for Massey Cancer Center Research by \$4.0 million over the biennium.
- **Old Dominion University.** Proposes \$5.0 million GF in the first year for a new initiative related to student life cycle pathways.

## Compensation and Retirement

- **State Employee Health Insurance Premiums.** Proposes \$40.5 million GF in FY 2026 to support a 6.0% increase in premiums for the state employee health insurance program effective July 1, 2025.

## General Government

- **Funding for Car Tax Credit Fund.** Includes \$1.1 billion to fund the first three years of a proposal to provide an income tax credit tied to car tax payments for qualifying taxpayers equal to the lesser of actual property tax paid or \$150 for single individuals whose federal adjusted gross income does not exceed \$50,000, and \$300 for married persons filing jointly whose federal adjusted gross income does not exceed \$100,000.
- **Department of Taxation:** \$131.0 million in FY 2025 to replace the state's revenue management system (IRMS) and another \$6.8 million GF for other critical agency IT needs
- **Supreme Court:** \$7.6 million for costs to enhance information technology and to support sealing legislation that goes into effect July 1, 2025.
- **Office of the Attorney General:** \$1.0 million and three positions to enhance ratepayer protection and to expand Operation Ceasefire to Northern Virginia.



- **Virginia IT Agency (VITA):** \$4.0 million to establish a new Project Management Center to provide statewide oversight for agency system development and implementation.
- **Department of Accounts:** \$2.7 million and 14 positions to support core operations.

## Transportation

- **VDOT I-81 Improvement Program.** Appropriates \$175.0 million in general fund support for the I-81 Corridor Improvement Program which was authorized in Chapter 2 contingent on the FY 2024 year end surplus.

# Resources

HB 1600, as introduced, includes \$69.4 billion in general fund resources available for appropriation.

| General Fund Resources Available for Appropriation<br>(2024-26 Biennium, \$ in millions) |                   |
|--|-------------------|
| Beginning Balance  | \$12,757.4        |
| Additions to the Balance   | (8,258.2)         |
| Official GF Revenue Estimate   | 62,055.0          |
| Transfers  | 2,895.5           |
| <b>GF Resources Available for Appropriation</b>  | <b>\$69,449.9</b> |

## Available Balances

The amended budget, as introduced, reflects the beginning balance of \$12.8 billion at the close of the 2022-24 biennium, with \$8.3 billion of the balances being removed to reflect outstanding obligations, and \$4.5 billion remaining available for appropriation during the biennium.

## Forecast of General Fund Revenues

The updated 2024-26 general fund revenue forecast included in the introduced budget assumes revenue growth of 4.1% in FY 2025 and 2.6% in FY 2026. These growth rates are calculated off of a much higher FY 2024 base compared to the forecast used in developing the revenue projections for Chapter 2. The actual revenues for FY 2024 were \$1.7 billion ahead of the December 2023 forecast for FY 2024 and \$1.5 billion more than the final revenues assumed for FY 2024 in last year’s budget.

The higher base, along with the stronger expected growth rate of 4.1% in FY 2025, result in an increase in expected revenues in FY 2025 of \$2.1 billion. The strong growth is largely driven by continued growth in net individual income of 6.1%.

The updated forecast for FY 2026 does have a lower growth rate than last year’s forecast, which assumed a mild recession in FY 2025 followed by a strong recovery in FY 2026, and therefore the increase in expected revenues for FY 2026 is \$1.1 billion based solely on the higher FY 2025 base.

The policy adjustments included in the forecast do not materially impact the projected growth rates for the revenues in the current biennium. The budget does include significant proposals related to tax policy that do not impact the current biennium’s revenue projections; 1) The income tax credit for car tax payments is funded through a deposit into the “Car Tax Credit Fund”, 2) Proposal to require multi-state corporations to use Market-Based Sourcing will have an unknown fiscal impact beginning in FY 2027, and 3) The proposal to make the current Standard Deduction levels permanent would have no impact as this is assumed in the forecast.

| Forecast of General Fund Revenues, Projected Growth |                   |             |                   |             |
|---|-------------------|-------------|-------------------|-------------|
| (\$ in millions)                                    |                   |             |                   |             |
|   | FY 2025           | % Growth    | FY 2026           | % Growth    |
| Withholding   | 17,580.8          | 5.2%        | 17,905.3          | 1.8%        |
| Nonwithholding                                      | 6,778.5           | 3.3         | 6,382.7           | (5.8)       |
| Refunds   | (2,811.6)         | (5.4)       | (2,494.1)         | (11.3)      |
| Net Individual                                      | 21,547.7          | 6.1         | 21,793.9          | 1.1         |
| Corporate   | 1,791.5           | (6.1)       | 1,995.4           | 11.4        |
| Sales   | 4,797.9           | 1.9         | 4,987.4           | 3.9         |
| Insurance   | 485.7             | 3.7         | 503.7             | 3.7         |
| Wills (Recordation)                                 | 457.6             | 12.6        | 557.0             | 21.7        |
| All Other Sources                                   | 1,567.9           | (4.8)       | 1,569.1           | 0.1         |
| <b>Total GF Revenues</b>                            | <b>\$30,648.4</b> | <b>4.1%</b> | <b>\$31,406.5</b> | <b>2.6%</b> |

## Proposed Policy Changes Assumed in Revenue Forecast

If adopted, the policy changes assumed in the introduced budget would result in a net decrease in tax revenues of \$14.4 million in FY 2025 and \$45.8 million in FY 2026.

### HB 1600 Proposals

- **Eliminate the Inclusion of Tips in the Calculation of Income Tax.** Proposal would exclude income received from tips in the calculation of an individual's income beginning in tax year 2026. HB 1600 assumes a \$35.0 million decrease in revenues in FY 2026 from the elimination of the tax on tips. The full-year cost is estimated to increase to \$70 million.
- **Increase the Threshold for Estimated Payments from \$150 to \$1,000 on or after January 1, 2026.** Budget assumes a one-time revenue reduction of \$10.4 million in FY 2025 and an ongoing reduction of \$1.1 million each year beginning in FY 2026.
- **Equalize Virginia's Interest Rates for Underpayments and Overpayments with Federal Rates.** Would strike the provision under which Virginia pays/charges a rate 2% higher than the IRS rate for noncorporate taxpayers. Beginning in FY 2026 it is estimated it will result in a reduction in revenues of \$10.0 million annually.
- **Fund Education Improvement Scholarships Tax Credit (EISTC) up to Statutory Cap.** Increases the assumed reduction in revenues for the EISTC by \$4.0 million annually to reflect full usage of the credit up to the Code cap of \$25.0 million each year.
- **Improve Efficiencies Within Tax Department.** Assumes additional revenues of \$2.3 million from hiring additional staff for the error resolution and appeals unit at the Tax Department

and \$2.0 million in additional revenues in FY 2026 from streamlining the refund procedures for the internet services provider exemption.

**The introduced budget also includes 3 tax policy proposals which do not impact the revenues assumed on the front page.**

- **Create Income Tax Credit from Car Tax Credit Fund.** Budget includes \$1.1 billion in FY 2025, under DOA transfer payments, for deposit into the Car Tax Credit Fund to fund the first three years of an income tax credit based on the amount of local tangible personal property tax (“car tax”) paid. Credits for qualifying taxpayers are the lesser of actual property tax paid or \$150 for single individuals whose federal adjusted gross income does not exceed \$50,000, and \$300 for married persons filing jointly whose federal adjusted gross income does not exceed \$100,000. Any such credit is void if paid to a locality that increases its tangible personal property tax by more than 2.5% over the prior year.
- **Require Multi-State Corporations to Use Market-Based Sourcing.** Market-based sourcing would require multi-state corporations to use market-based sourcing to apportion their income across the states they do business beginning in 2026.
  - In Virginia, multi-state corporations currently are required to apportion a percentage of their income to Virginia based on a formula that includes the amount of their total payroll, property, and sales (double weighted) that are in Virginia.
  - Under MBS, both in-state and out-of-state corporations would be required to include sales of services and intangible personal property in their apportionment formula only if the market for such sale was in Virginia.
  - The proposal would have an unknown fiscal impact beginning in FY 2027.
- **Make the Current Standard Deduction Levels Permanent.** Budget includes enactment clause to make the current standard deduction levels – \$8,500 for single filers and \$17,000 married filers – permanent. Without this action the levels will return to 2018 levels – \$3,000 for single and \$6,000 for joint filers – starting in tax year 2026. There is no budgetary impact from this proposal as the forecast assumes the current standard deduction levels will continue.

## General Fund Transfers

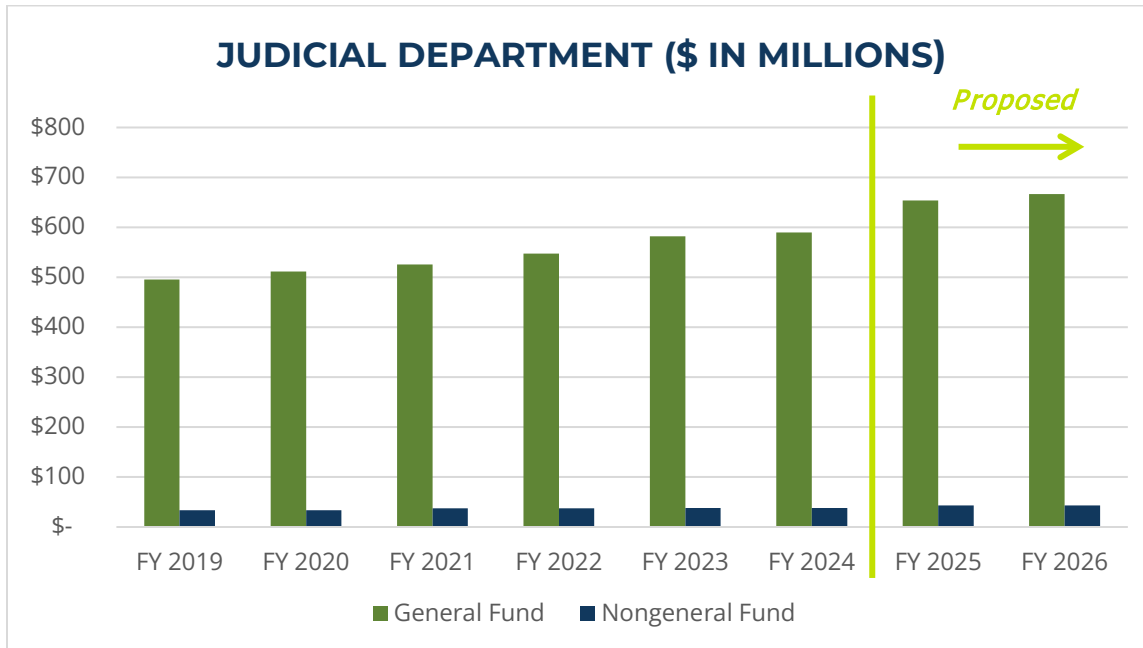
Proposed transfers to the general fund total \$2.9 billion over the biennium. Of this amount, \$1.1 billion represents the standard 0.375% sales tax transferred from the Local Real Estate/SOQ Fund for public education and \$1.0 billion is from transfers out of Virginia’s Revenue Reserve Fund because the balance in the two reserve funds would exceed the statutory cap otherwise.

HB 1600, as introduced, increases transfers to the general fund by \$226.6 million in FY 2025 and decreases transfers by \$173.7 million in FY 2026 compared to Chapter 2. The reduction in FY 2026 is

tied to a decrease in assumed ABC profits and the elimination of revenue assumed from Games of Skill as that legislation was vetoed.

| <b>Proposed GF Transfers, as Introduced</b><br><b>(2024-26 biennium, \$ in millions)</b> |                  |
|--|------------------|
| 0.375% Sales Tax – Public Education  | \$1,194.8        |
| Transfer to GF From Revenue Reserve Fund   | 1,008.0          |
| ABC Profits  | 317.2            |
| ABC/Wine to DBHDS for Substance Abuse Treatment  | 149.0            |
| Transfer From Unclaimed Property for Teacher Retirement                                  | 115.0            |
| DMA Special Revenue Fund   | 30.0             |
| NGF Indirect Costs (SICAP)   | 29.2             |
| Revert Go Virginia Balances  | 28.0             |
| Other Miscellaneous Transfers  | 24.5             |
| <b>Total Net Transfers</b>   | <b>\$2,871.2</b> |

# Judicial



The Governor’s proposed amendments to the 2024-2026 budget for Judicial branch agencies increase the biennial general fund appropriation by less than 1% as compared to the current appropriation. All proposed new GF spending is for the Supreme Court and includes \$4.5 million over the biennium for technology expenses and \$3.0 million in the second year to implement criminal record sealing laws that go into effect July 1, 2025. Nongeneral fund appropriation increases are proposed for the Indigent Defense Commission to reflect additional funds contributed to the agency from localities and the award of an Opioid Abatement Grant.

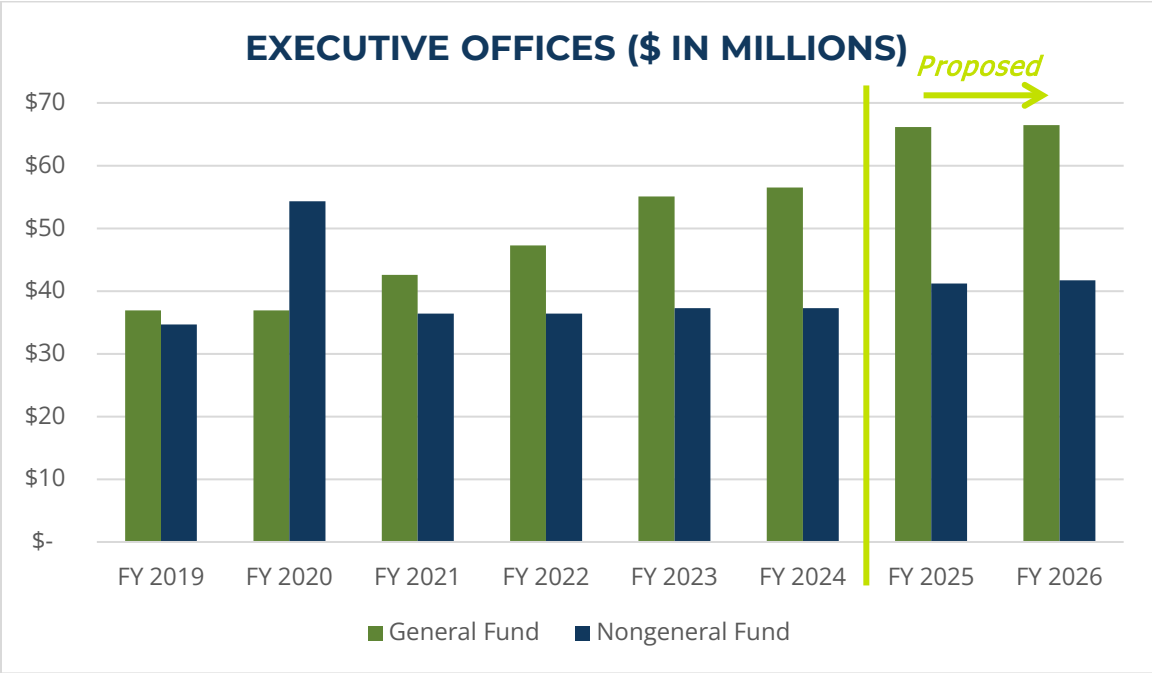
## Supreme Court

- **Support Costs to Implement Criminal Sealing Legislation.** Proposes \$3.0 million GF and 3 positions the second year to support agency costs related to the implementation of legislation to seal criminal records that goes into effect at the start of fiscal year 2026. Sealing of criminal records is anticipated to result in additional costs to local constitutional offices; final amounts will be based on legislative recommendations to be considered during the 2025 Session.
- **Enhance Agency Technology and Access Management Solutions.** Includes \$718,000 GF the first year and \$3.8 million GF the second year to support IT contracts, address security risks, and implement an enterprise-wide access management solution.

## Indigent Defense Commission

- **Reflect Nongeneral Fund Support.** Proposes an increase in the agency's nongeneral fund appropriation of \$1.7 million each year to reflect contributions from localities for supplemental pay and interpreter and paralegal positions. Also includes a grant from the Opioid Abatement Authority for additional reentry and recovery specialists.

# Executive Offices



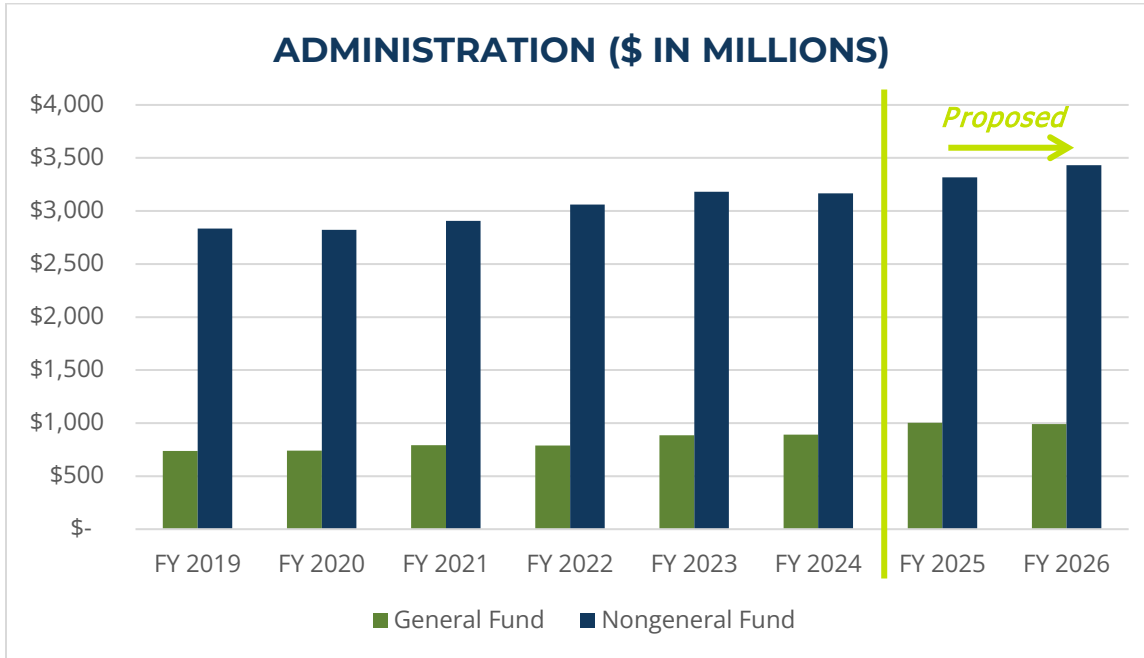
The Governor’s proposed amendments to the 2024-26 budget for Executive Offices are minor and amount to less than a 1% increase in total GF appropriation for the biennium. All proposed new spending is for initiatives in the Office of the Attorney General, a proposed increase spend of \$1.0 million over the biennium, including \$500,000 in additional GF appropriation and expanded authority to retain \$500,000 in collected revenues that would otherwise be transferred to the general fund.

## Attorney General and Department of Law

- **Provide New Ratepayer Advocacy Positions.** Includes \$277,077 GF and 2 positions the second year to provide enhanced consumer support services tied to utility rate-setting.
- **Increase Staffing for Operation Ceasefire.** Proposes \$192,260 GF and 1 position in the second year to hire an additional attorney to expand the Operation Ceasefire program to the Northern Virginia area.
- **Support Start-Up Costs for the Electronic Nicotine Delivery System (ENDS) Directory.** Proposes a one-time allocation of \$90,000 GF the first year to cover program start-up costs until fee revenue is collected after July 1, 2025. The directory is statutorily required to be fully operational by the end of calendar year 2025.
- **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.



# Administration



The Governor’s proposed amendments to the 2024-2026 budget for the Administration secretariat increase overall GF spending for the biennium by less than 1% as compared to the current budget. Notable GF spending proposals for this secretariat include \$4.0 million over the biennium to establish a new project management initiative at the Virginia IT Agency (VITA), as well as \$1.9 million for the state match to draw down federal cybersecurity funds. HB 1600 also proposes \$1.4 million in the second year to support a 9.3% salary increase for sheriffs’ dispatchers and dispatcher supervisors, and \$1.3 million GF in the first year for the Department of Elections for information technology initiatives. Nongeneral fund appropriations increase slightly in HB 1600 due to proposed spending for IT services provided by VITA in exchange for service charges paid by state agencies.

## Compensation Board

- **Increase Pay for Sheriffs’ Dispatchers.** Includes \$1.4 million GF the second year for a 9.3% salary increase for sheriffs’ dispatchers and dispatcher supervisors, effective July 1, 2025.

## Department of General Services

- **Adjust Appropriation to Reflect Rate Changes.** Proposes \$6.1 million NGF the second year to reflect changes in the state rent plan from a new rate methodology to align with the private sector, updates to agency space utilization, and anticipated tenant moves from the Monroe Building. Also proposes updates to labor rates to account for recent statewide salary and fringe benefit rate increases. A companion amendment in Central Accounts proposes \$7.5 million GF the second year for the general fund share of these costs.

## Department of Human Resource Management

- **Fund New Commonwealth Leadership Academy.** Includes \$150,000 GF each year for the agency to establish a new cabinet nomination-based executive development program. This program would be in addition to leadership trainings currently available to state employees.

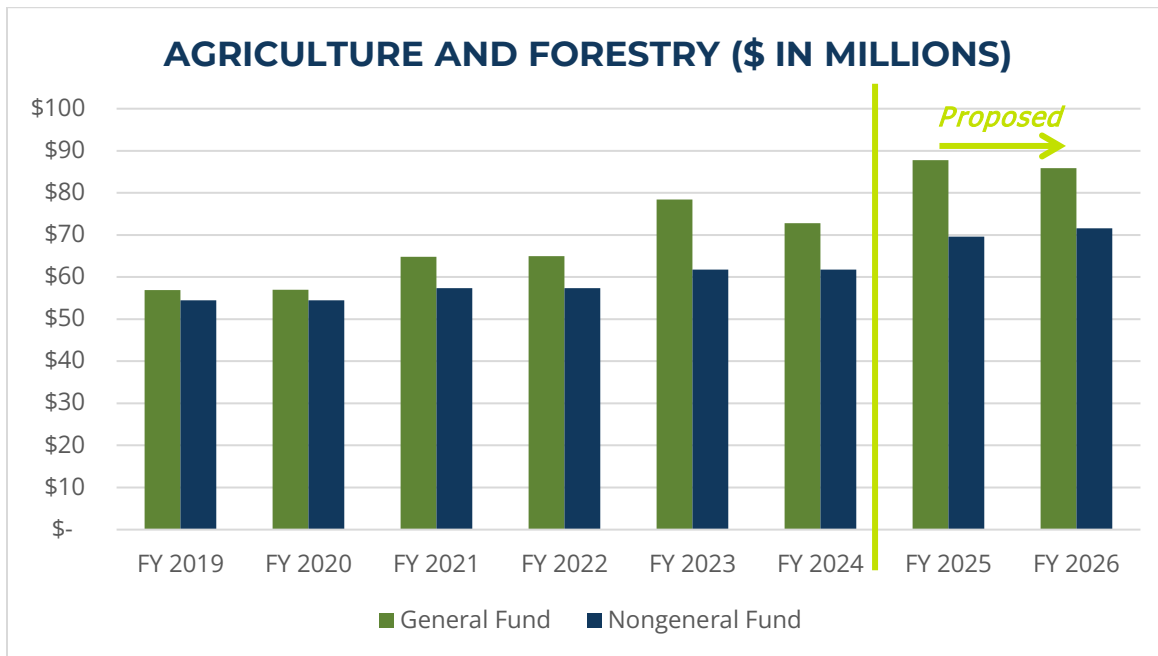
## Department of Elections

- **Replace Campaign Finance Systems.** Provides \$750,000 in FY 2025 for the agency to begin the replacement of the Committee Electronic Tracking (COMET) and Campaign Finance Management (CFM) systems. Proposed budget language requires ELECT to develop a plan for the replacement of these systems but does not require them to provide a cost estimate for this information technology project.
- **Continue Transition to the Cloud.** Adds \$500,000 in FY 2025 for the agency to continue to transition its information and systems to a cloud platform.

## Virginia Information Technologies Agency

- **Establish a Project Management Center.** Includes \$2.0 million GF each year and 1 position to establish a Project Management Center of Excellence to provide uniform standards and oversight to support state agency efforts to develop and/or update IT applications.
- **Provide State Match for Federal Cybersecurity Grant.** Includes \$1.9 million GF the first year as an increase in state match for federal funds allocated via the State and Local Cybersecurity Grant Program. \$4.9 million GF has already been provided for requisite state matches for this program, the need for additional funding reflects a corresponding unanticipated increase in federal funds allocated to Virginia.
- **Enhance Agency IT Capabilities Statewide - GF Impact.** Proposes \$8.8 million NGF and 3 positions the second year to implement a single sign-on and verification system for agency websites and to enhance statewide platform cybersecurity and accessibility. A corresponding amendment in Central Appropriations provides a net of \$4.2 million GF over the biennium to assist with agencies' GF share of these costs.
- **Enhance Agency IT Capabilities Statewide - No GF Impact.** Includes \$865,225 NGF the first year and \$12.6 million NGF the second year for optional IT services requested by state agencies. Includes 23 positions, of which 10 convert current contractors to full-time status.
- **Update NGF Appropriations for Increased Services.** \$23.2 million NGF the second year to true-up the internal service fund appropriation to reflect the latest agency usage projections.
- **Transfer the Office of Data Governance and Analytics (ODGA) to VITA.** Includes a net-zero transfer of appropriation and positions to move ODGA from its current location within the Secretary of Administration (SOA), to VITA. All funding for ODGA, except the Director's salary which would remain in the SOA budget, is generated from fees charged to state agencies.

# Agriculture and Forestry



HB 1600 proposes a modest increase in general fund spending for the Agriculture and Forestry Secretariat, totaling 0.1% growth in FY 2025 and 4.2% in FY 2026. The largest single general fund spending item is \$2.9 million for regulatory information system upgrades at the Department of Agriculture and Consumer Services.

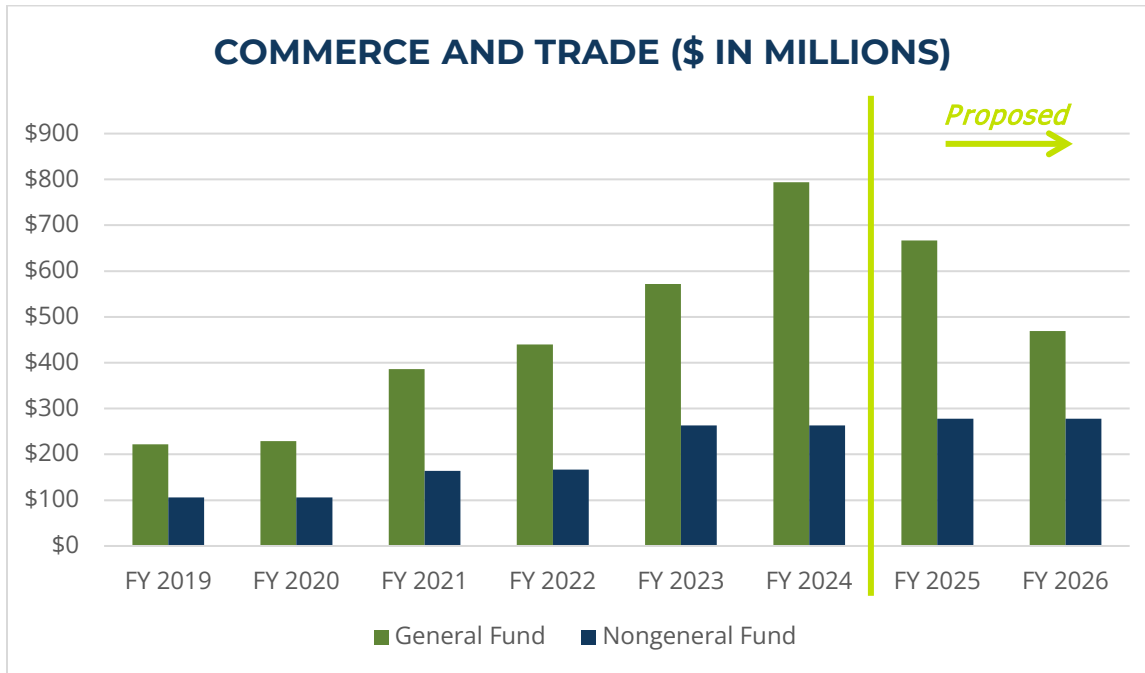
## Department of Agriculture and Consumer Services

- Modernize Regulatory IT Systems.** Proposes \$2.9 million GF in FY 2026 to begin modernization of the first two of VDACS' 21 regulatory systems. VDACS currently estimates the modernization program will last until 2036.
- EV Charger Inspection.** Proposes \$632,000 GF in FY 2025 for equipment to begin testing of electrical vehicle chargers through the Department's Weights and Measures program.
- Pasture-Rangeland, and Forage Insurance Premium Assistance Program.** Proposes \$250,000 GF in FY 2026 to establish the Pasture, Rangeland, and Forage Insurance Premium Assistance program to reimburse a portion of the annual federal premium paid by livestock producers enrolled in the USDA Risk Management Agency's Insurance Rainfall Index program. The USDA program insures livestock producers against rainfall totals far below historic averages, as average rainfall is highly correlated with forage production and therefore livestock production.

## Department of Forestry

- **Forest Resource Information System.** Proposes \$270,000 GF in FY 2025 and \$232,000 GF in FY 2026 for software upgrades to the Department's two-decade old Integrated Forest Resource Information System.

# Commerce and Trade



Most of the funding provided through the Commerce and Trade Secretariat is discretionary in nature with initiatives designed to drive state revenues through job growth or visitation, or develop community infrastructure and assets, such as housing and broadband. Spending growth in this area tends to correspond with state revenue growth since initiatives like Virginia Business Ready Sites program, the Virginia Housing Trust Fund, and the Virginia Telecommunications Initiative can easily be scaled to accommodate one-time infusions of cash. For example, FY 2024 included a \$179.5 million investment in the Virginia Business Ready Sites program and \$75.0 million for the state to acquire an economic development site, causing record levels of general fund spending in this area.

## Virginia Isreal Advisory Board

- Increase Funding for the Legislative Virginia-Israel Advisory Board.** Includes \$57,553 in additional GF the second year in operational support for the Virginia-Israel Advisory Board (VIAB). The VIAB is a state agency within the legislative branch with a mission to help Israeli companies build and grow their U.S. operations in Virginia. This amendment marks a change in practice, as Governors traditionally do not propose amendments to legislative budget items.

## Department of Housing and Community Development

- **New Disaster Assistance Fund.** Creates a permanent Disaster Assistance Fund to aid communities in addressing life, safety, and housing disaster-related needs not reimbursed by federal or private funding. Proposed budget language requires the General Assembly to authorize distributions of the fund. It does not provide details on program requirements, qualifying entities, or define key terms such as “disaster,” leaving room for broad interpretation on the use of monies in the fund for future General Assemblies. No legislation is expected in the 2025 Session to codify this program.

Capitalizes this new program with \$25.0 million GF and the 2023 December auction proceeds from the Regional Greenhouse Gas Initiative, which is estimated to be \$102.0 million. § 10.1-1330, Code of Virginia requires the Department of Treasury to distribute funds received from the sale of carbon allowances to separate accounts related to flood mitigation and low-income energy efficiency without further appropriation from the General Assembly. Money received from the December 2023 sale of allowances was not transferred to the appropriate accounts, leaving a significant balance in the Regional Greenhouse Gas Initiative Fund.

- **Early Childhood Facility Grant Program.** Creates a competitive grant program for localities and higher education institutions with \$15.0 million designated to construct new childcare facilities in the state. This initiative includes \$14.0 million in new resources and repurposes \$1.0 million invested by the General Assembly last session to create a daycare facility for state employees at the Reynolds Community College downtown campus. Budget language directs DHCD, the State Council of Higher Education for Virginia, and the Virginia Department of Education to design the program and prioritize projects that are sustainable after 2 years, retrofit existing space, and target areas of the state without adequate access to daycare facilities.

## Fort Monroe Authority

- **Reimbursement for the Department of General Services.** DGS serves as the fiscal agent and project manager for the Fort Monroe Authority. The FMA has not received approvals from DGS for infrastructure upgrades, deferred maintenance and improvement projects on the property in a timely manner. To address these concerns, budget language allows DGS to recover up to \$60,000 a year from FMA’s capital authorizations to help expedite financial requests and capital outlay related reviews.

## VA Economic Development Partnership Authority and Economic Development Incentive Payments

- **Virginia Business Ready Sites.** Proposes an additional \$50.0 million for the Virginia Business Ready Sites Fund to change the base budget for this program from \$20.0 million to \$70.0 million. This program was initially capitalized with \$5.0 million in FY 2022 and has benefited from one-time investments since its creation. To date, the General Assembly has invested \$279.0 million in site development through this program.
- **Reimburse Wythe County for Blue Star Manufacturing Project.** Includes \$3.9 million to reimburse Wythe County for infrastructure upgrades at Progress Park, an economic development site in the County. The General Assembly approved \$8.5 million in FY 2022 for site improvements as a part of the economic development incentive package for Blue Star Manufacturing. House Bill 30, 2024 General Assembly Session, reverted these funds to the general fund due to the unmaterialized federal funding that Blue Star Manufacturing needed for its operations. This amendment reimburses the County for the work it completed at Progress Park prior to the stalling of this economic development project. The Commonwealth is obligated to reimburse Wythe County for these upgrades through an Infrastructure Improvement Agreement between the County and VEDP and may recover these funds from Blue Star Manufacturing.
- **Micron MEI Project.** Provides \$1.4 million in FY 2026 for anticipated incentive payments to Micron, which plans to create 340 jobs and invest \$2.2 billion in the expansion of its facility in Manassas. The company recently received a \$275.0 million grant from the U.S. Department of Commerce to help relocate the production of its automobile microchip technologies, from Tawain to the U.S.

## Virginia Tourism Authority

- **New Tourism Grant for Sporting Events and Tournaments.** Invests \$5.0 million to capitalize a new fund to recruit youth, collegiate, and adult amateur sporting events and tournaments to the state. This program builds on the \$1.0 million ARPA funded program initiated by the Tourism Authority to aid in pandemic related recovery. The 2025 General Assembly will consider legislation to codify this initiative. Budget language directs \$500,000 to support the MLB Speedway Classic in Bristol.

## Virginia Innovation Partnership Authority

- **Life Sciences Activities.** Provides \$35.0 million to create additional lab space and a training center for life science companies in Roanoke, Charlottesville and Petersburg and to help develop a new fast-acting insulin to reduce the cost of this drug for consumers. Budget language creates a taskforce consisting of representatives from the VIPA, VEDP, Office of the Secretary of Finance, HAC and SFAC. Prior to the release of funds, the taskforce must review

and recommend each initiative to the Secretary of Commerce and Trade for final approval. The \$35.0 million includes:

- \$5.0 million for the City of Roanoke to develop lab and business incubation space for new cell/gene therapy companies. The General Assembly has previously provided Roanoke with \$15.0 million for lab and business incubation space
- \$12.5 million for the University of Virginia to create advanced laboratory space for life science companies
- \$12.5 million for Virginia State University to create a life sciences training center
- \$5.0 million to help with the development of a fast-acting insulin to reduce the cost of and improve access to this critical drug

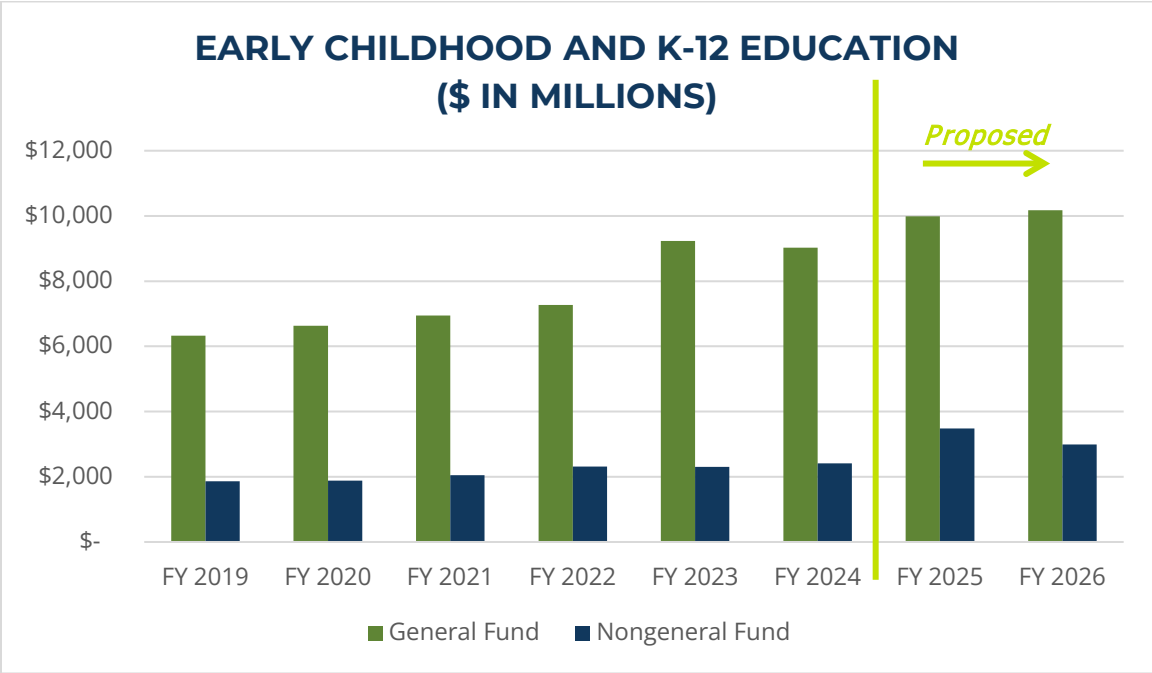
Last year, the General Assembly invested \$90.0 million GF in 4 university life science initiatives.

- \$46.5 million from the general fund and \$15.0 million from HEETF for the Manning Institute for Biotechnology at UVA
- \$26.5 million from the general fund and \$4.0 million from HEETF for Virginia Tech's Patient Research Center
- \$13.0 million from the general fund and \$5.0 million from HEETF for VCU's Medicines for All Institute
- \$4.1 million for Old Dominion University's Digital Patient Model

The budget adopted last year assumed continuing these investments over the course of 5 years based on the ability of each institution to recruit high quality research scientists to the state. The introduced budget changes the structure of this initiative to a one-time investment by moving all the funding to the first year of the biennium.



# Early Childhood and K-12 Education



General fund spending on Early Childhood and K-12 Education has grown an average of 7.7% annually between FY 2019 and FY 2024. This area now comprises 31.2% of all state general fund operating spending.

The Governor’s proposed amendments to the 2024-26 budget for Early Childhood and K-12 Education result in a net increase of \$286.5 million GF, or 1.4% when compared to the Chapter 2 appropriation. In addition, the bill proposes expending \$368.6 million NGF from state sources above the current appropriation.

The proposed amendments also include an increase of \$728.1 million NGF from federal sources. This reflects updating the federal funding in the budget bill to match actual current federal appropriations, which has not occurred in several budget cycles – it does not indicate a sudden influx of federal funds.

## K-12 Education (Direct Aid)

### Technical Updates

Routine technical updates increase Direct Aid to Public Education costs by \$21.0 million GF in FY 2025 and \$68.1 million GF in FY 2026. Major factors contributing to these increases include:

- **Sales Tax Revenues.** Additional sales tax revenues reduce the state’s share of SOQ Basic Aid, resulting in a net increase of \$20.0 million in FY 2025 and \$18.4 million GF in FY 2026.

- **Enrollment Projections.** The Average Daily Membership (ADM) forecast has been updated, taking into consideration Fall 2024 school enrollment counts. This reforecast anticipates 2,140 more students in FY 2025 and 3,873 more students in FY 2026 than projected in Chapter 2, resulting in additional costs of \$13.3 million GF in the first year and \$20.5 million GF in the second year.
- **English Learner Proficiency.** English Learner (EL) student proficiency data has been updated, resulting in increases of \$48.8 million GF in FY 2025 and \$61.9 million GF in FY 2026. School divisions have been required to screen English Learner students annually to determine their level of English proficiency. Following the passage of 2024 legislation incorporating student proficiency levels into EL teacher staffing standards, compliance with screening requirements improved, identifying more EL students needing intense support.
- **Lottery Revenues.** The lottery forecast increased by \$40.9 million in FY 2025 and \$22.4 million in FY 2026. These additional funds reduce general funds needed for public education by a like amount.
- **Other Program Data Updates.** Several data points used to calculate K-12 funding for non-SOQ programs have been updated with current data, in aggregate saving \$17.2 million GF in FY 2025 and \$8.7 million GF in FY 2026. Most significantly, fewer students were identified as needing literacy support, reducing Early Reading Intervention Program costs by \$11.0 million over the biennium. In addition, school division non-participation in the K-3 Class Size Reduction Program saves \$8.2 million over the biennium.

## Policy Proposals

- **School Construction.** Proposes an additional \$270.0 million NGF in FY 2025 and \$20.0 million NGF in FY 2026 for school construction assistance grants, increasing the total grants available for the biennium from \$160.0 million to \$450.0 million. This increase is supported by appropriating \$111.3 million from School Construction Fund balances accumulated during FY 2024, a \$28.7 million increase in projected casino gaming revenues, and a \$150.0 million transfer from the literary fund in FY 2025. Based on these proposed actions, the projected unappropriated balance at the end of the biennium for the School Construction Fund is \$26.1 million, and for the Literary Fund is \$30.0 million.
- **Virginia Opportunity Scholarships.** Proposes \$50.0 million GF to establish the Virginia Opportunity Scholarship Program to provide annual grants of \$5,000 to eligible low-income students to cover qualified expenses of attending a Virginia accredited private school.
- **College Partnership Laboratory Schools.** Recommends a \$25.0 million GF deposit in the first year to the College Partnership Laboratory School Fund. These funds would be designated to assist with establishing lab schools at Virginia public or private historically Black colleges or universities.

## Department of Education

- **Standards of Learning Assessment Contract.** Proposes \$61.0 million GF in FY 2025 and \$5.0 million GF in FY 2026 to support additional costs of a new assessment contract. Proposed language requires these funds to remain unallotted until after the agency reports on the cost of transitioning to this new contract based on the responses to a request for proposals. Language also provides that if these funds are not expended during the fiscal year, they may be carried forward to the following year for the same purpose.
- **Board of Education-Directed Support.** Recommends \$50.0 million GF the first year for the Board of Education to direct toward enhanced systems, technical training, and supports for schools not meeting the Board's newly established accreditation benchmarks. Language provides that the Board would oversee the use of these funds, with priority given to several specified purposes, including leadership development, grants to school divisions to support school improvement efforts and middle school advanced course access, implementation of state-level systems to assist with academic and career planning, absenteeism tracking and Individualized Education Plan (IEP) development. Language also provides that if these funds are not expended during the fiscal year, they may be carried forward to the following year for the same purpose.
- **Virginia's Visualization and Analytics Solution (VVAAS).** Provides \$1.9 million GF in FY 2025 and \$3.1 million GF in FY 2026 to continue support of the VVAAS academic performance analytics tool that was originally established using federal pandemic relief funding.
- **Regional Academic Support Specialists.** Proposes \$250,000 GF in FY 2025 and \$1.0 million GF in FY 2026 to establish six positions through the end of the biennium to serve as regional specialists to provide support in schools identified as not meeting the Board of Education's newly established accreditation benchmarks.
- **Staffing Level Adjustments.** Proposes increasing the agency's maximum employment level by 32 positions. This would align the agency's authorized number of employees with the actual number employed.

## Early Childhood Care and Education

The recommended budget does not include additional funding for early childhood care and education; however, several policy actions are proposed to reduce waitlists for families seeking access to these programs. Note that Chapter 2 provides an additional 2,440 Child Care Subsidy Program (CCSP) slots in FY 2026 above those provided in FY 2025.

- **Family Copayments.** Proposes increasing family copayments for CCSP and mixed delivery (MD) slots, allowing an additional 3,000 slots to be established in FY 2026. For families with income below the federal poverty level, a \$5 per month copayment is proposed, whereas no copayment is currently required. For all other families, the current copayment scale is based

on a copayment averaging about 2% of family income. Copayments for these families would increase to a maximum of 7% of family income.

- **Eliminate Virginia Preschool Initiative (VPI) Composite Index Cap.** Proposes redirecting \$7.9 million GF in the second year to support an additional 687 CCSP slots by eliminating the .5000 local composite index (LCI) cap applicable to VPI program funding beginning in FY 2026. This lowers the minimum state share of funding for VPI slots from 50% to 20%, consistent with the LCI applied for all other Direct Aid funding.
- **VPI Nonparticipation.** Proposes redirecting \$5.2 million GF in FY 2025 from VPI to provide an additional 831 CCSP slots in FY 2025. These VPI savings result from lower than projected utilization in FY 2025.
- **Parental Work Requirements.** Recommends parental work and job search requirements for family CCSP and MD eligibility include a 90-day limit on job search as a qualifying activity.
- **Attendance Requirements.** Proposes revising attendance requirements for all early childhood programs (CCSP, MD, and VPI) to ensure children fully benefit from these programs and available resources are maximized.
- **Limit New CCSP Enrollment to Birth through Age 5.** Recommends prohibiting additional school-age children from enrolling in CCSP, except for school-age children who are “hard-to-serve” as defined by the Department of Education.
- **School-Age Out-of-School Program Workgroup.** Proposes establishment of a workgroup to review how publicly funded out-of-school programs can help address the need for school-age childcare slots. This workgroup would also be tasked with considering whether the CCSP should resume enrollment of school-age children.

# Higher Education

Chapter 2 increased higher education funding compared to the previous biennium by about \$950 million, continuing the significant increases in Virginia’s colleges and universities. The Governor’s proposed amendments to the 2024-26 budget include an additional biennial increase of \$53.6 million in new GF spending for higher education.

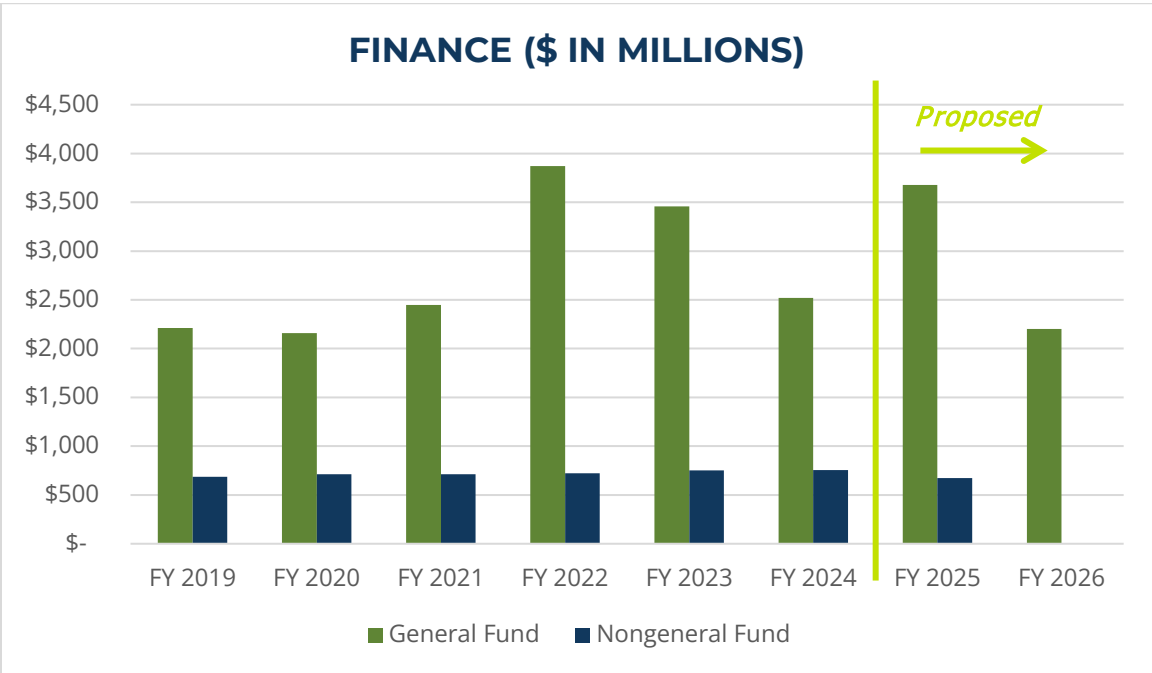
## Higher Education Funding Proposals

- **Nursing Grant Program.** Proposes \$12.0 million GF in the second year under SCHEV for grants to institutions for to-be-determined initiatives to increase nursing graduates.
- **State Council of Higher Education.** Recommends \$12.9 million GF over the biennium for two programs:
  - \$9.4 million for projected cost increases in the VMSDEP stipend; and
  - \$3.5 million for increased costs in the New Economy Workforce Credential Grant
- **Use of Virginia College Savings Plan Fund Balances.** The proposed amendment overrides any other Code requirement and transfers \$60.0 million NGF each year from surplus amounts in the 529 Programs to SCHEV for use in offsetting the impact of waiver costs on public colleges and universities. It is unclear if standalone legislation is forthcoming.
- **College & Career Ready Virginia.** Proposes \$15.0 million GF in the second year at the VCCS to support the College and Career Ready Virginia Program and Fund. The language in the Item also transfers \$20.0 million GF in fund balances from the “G3” Program for the same purpose. Language further overrides Chapters 647 / 684 from the 2024 Session which established the program and provisions regarding student and program eligibility.
- **Virginia Commonwealth University.** Recommends \$4.0 million GF in the first year for research at the Massey Cancer Center which would bring the appropriation to \$26.5 million.
- **Old Dominion University.** Proposes \$5.0 million GF in the first year for a new initiative related to student life cycle pathways.

## Higher Education Policy Proposals

- **Tuition Freeze and Cap.** Proposes a tuition freeze in FY 2026 relative to FY 2025 and then imposes a 2.5% cap on tuition increases thereafter although this budget will no longer be in effect.
- **New College Institute.** Requires the development of a sustainability study for the New College Institute by August 2025 to include options for continued operation as an independent public entity, partnering with another public or private entity, merger with another entity, or closure. However, language further stipulates that no funding shall be provided for the New College Institute for the next biennium when this budget is no longer in effect.

# Finance



The Governor’s proposed 2024-26 budget for Finance agencies results in a biennial general fund increase of 35%, largely attributable to one-time actions. The largest is a proposed \$1.1 billion expenditure in the first year to support a new tax credit for qualifying citizens. Other significant GF proposals include \$294.5 million in the first year for a required deposit to the Revenue Reserve Fund, and \$131.0 million for the Department of Taxation to replace the state’s revenue management system.

## Department of Accounts

- **Increase Staffing for Critical Agency Services.** Proposes \$2.7 million GF and 14 positions the second year to strengthen the agency’s core services and cyber posture. This funding is for the continuity of critical internal controls, and addresses information technology deficiencies.

## Department of Accounts Transfer Payments

- **Funds Three-Year Deposit for Tax Credits.** Proposes \$1.1 billion GF the first year to provide three years’ worth of refundable income tax credits for certain taxpayers. Language included in this amendment establishes a new Car Tax Credit Fund into which the one-time funds would be deposited and carried forward. A companion amendment proposed to Part 4 of the budget directs use of these funds for an income tax credit based on the amount of

local tangible personal property tax ("car tax") paid. Credits for qualifying taxpayers are the lesser of actual property tax paid or \$150 for single individuals whose federal adjusted gross income does not exceed \$50,000, and \$300 for married persons filing jointly whose federal adjusted gross income does not exceed \$100,000. Any such credit is void if the car tax is paid to a locality that increases its tangible personal property tax by more than 2.5% over the prior year.

- **Fund Deposit to the Revenue Reserve Fund.** Includes \$294.5 million GF the first year for a required deposit to the Revenue Reserve Fund. The amendment includes language that changes the maximum combined balance in Revenue Stabilization Fund (Rainy Day Fund) and the Revenue Reserve Funds from 20.0%, to 17.53% in FY 2025 and to 15.0% in FY 2026. Since the required Revenue Reserve Fund deposit results in a balance that exceeds the proposed FY 2025 cap of 17.53%, a companion amendment to Part 3 of the budget returns \$203.0 million to the general fund from the Revenue Reserve Fund. This amendment increases the total transfers to the general fund from the Revenue Reserve Fund to \$332.3 million in FY 2025 and \$675.7 million in FY 2026 and would result in combined reserve fund balances totaling \$4.2 billion at the end of the biennium.

## Department of Taxation

- **Fully Fund Replacement of the State's Revenue Management System.** Includes \$131.0 million GF the first year for replacement of IRMS, the state's revenue management system. The amount proposed by this amendment is estimated to be sufficient to fully fund the development and implementation of a new system, anticipated to take place over a five-year horizon. The amendment includes language that directs carryforward of all funding until the project is complete.
- **Address Other Technology Needs.** Includes \$1.9 million GF the first year and \$5.0 million GF the second year and three positions to address other information technology needs related to security and unsupported systems.
- **Support Agency Operational Needs.** Proposes \$0.5 million GF the first year and \$3.0 million GF the second year to increase support for the agency's error resolution and appeals division, and to fund increased postage costs.
- **Amend Process for Refund for Internet Service Providers' Exemption.** Proposes the removal of outdated budget language that requires internet service providers to pay sales tax and subsequently seek a refund for exempt purchases. Removing this language is anticipated to streamline the process for the taxpayer and reduce the overall amount of refund interest owed. The front page assumes a \$2.0 million increase in revenue in FY 2026 from removing this language.

## Department of Treasury

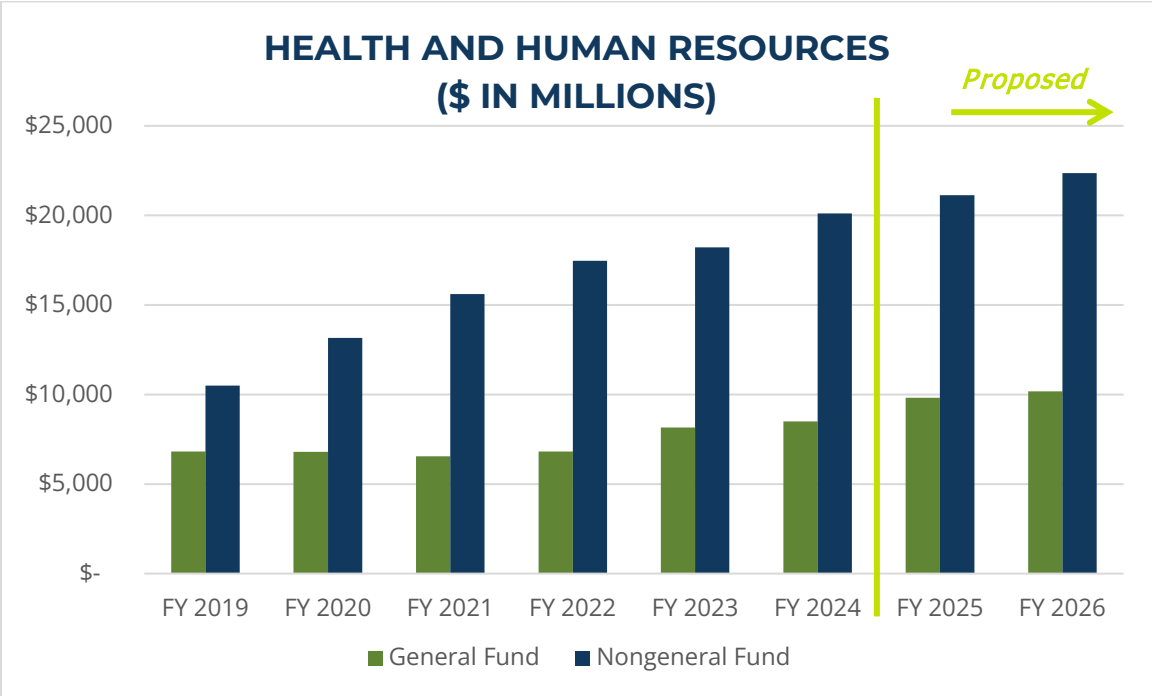
- **Enhance Agency Operations.** Includes \$247,104 GF the first year and \$176,679 GF the second year and 2 positions to address core information technology directives and augment staffing in the trust accounting unit.

## Treasury Board

- **Adjust Debt Service.** Proposes a GF reduction of \$12.1 million the first year and an additional \$2.3 million GF the second year to reflect the latest estimates for debt service payments owed on bond issuances.



# Health and Human Resources



The introduced budget includes a net increase of \$857.9 million GF and \$2.3 billion NGF for the 2024-26 biennial budget for Health and Human Resources (HHR). Most of the general fund increases are due to revised expenditure forecasts for mandatory programs such as Medicaid, the children’s health insurance programs, and the Children’s Services Act (CSA).

Major spending proposals contained in the proposed amended budget include:

| HHR Major Spending Proposals (GF \$ in millions)   |                |                |
|--|----------------|----------------|
| Description  | FY 2025        | FY 2026        |
| Medicaid utilization and inflation forecast  | \$337.0        | \$295.2        |
| CSA caseload and cost increases  | 37.0           | 68.3           |
| Private psychiatric hospital funding for Special Conservators of the Peace (S-COPs) for custody of individuals held under an ECO/TDO | 0              | 35.2           |
| Medicaid Children’s Health Insurance (M-CHIP) forecast   | 22.4           | 25.2           |
| Family Access to Medical Insurance Security (FAMIS) forecast   | 18.5           | 22.2           |
| Virginia Health Care Fund  | (48.8)         | 15.5           |
| Enhance child protective services  | 0.5            | 7.5            |
| <b>Total</b>   | <b>\$366.6</b> | <b>\$469.1</b> |

## Secretary of Health and Human Resources

- **Media Campaign on Maternal Health Warning Signs.** HB 1600 proposes \$500,000 GF in FY 2025 for a media campaign to raise awareness of potentially life-threatening warning signs during and after a woman's pregnancy.
- **Plan to Enhance College Experience for Individuals with Developmental Disabilities.** Proposes \$100,000 GF in FY 2025 to develop a plan to enhance the collegiate experience for individuals with developmental disabilities to include information on existing national and regional programs, best practices, and recommendations. The plan would also include cost estimates to implement such recommendations.

## Children's Services Act

- **Fund Mandatory Caseload and Cost Increases.** Proposes \$37.0 million GF the first year and \$68.3 million the second year to fund projected growth in caseload and services provided through the Children Services Act. Caseload increased by 6% in FY 2024 over FY 2023 and is expected to continue to trend upward in FY 2025. Expenditures are expected to increase by 10.7% in FY 2025 and 9.5% in FY 2026. The introduced budget proposes language to limit increases in state reimbursement for the cost of private day services to 2.5% beginning in FY 2026. Private day services represent the largest spending item in the CSA budget. These expenditures have more than doubled in the past 10 years, outpacing growth in residential services, community-based services, and foster care maintenance payments.

## Department of the Deaf and Hard-of-Hearing

- **Fund Report on Transition to Statewide Digital Telecommunication Technology for Virginia Relay Services.** Provides \$50,000 GF the first year and adds language requiring the agency to report on the anticipated transition from Text Telephone Technology (TTY) to Real-Time Text (RTT) and associated forms of digital telecommunication technology for relay services. Language directs the report to include any potential impact on the costs to relay service providers, users, state agencies, or relevant third parties resulting from the transition, among other items.

## Department of Health

- **Establish Perinatal Health Hub Pilot Program.** HB 1600 provides \$2.5 million in FY 2026 to implement a perinatal health hub pilot program. Funding would be used to support three pilot sites for perinatal health hubs operated by community-based organizations providing services to the pregnant and postpartum population. The hubs would address two major factors contributing to maternal deaths in Virginia for this population: access to care and care coordination.

- **Add Staff for New and Existing Federal and State Drinking Water Compliance Activities.** HB 1600 adds \$1.8 million GF in FY 2026 to address increased caseload for drinking water compliance activities required by new and existing state and federal requirements. Funding will support seven new environmental engineers, six environmental health technical specialists, one cybersecurity specialist, and one accountant in the Office of Drinking Water's six field offices and the agency's central office in meeting statutory and regulatory mandated activities.
- **Backfill Federal Grant to Prevent Sexually Transmitted Diseases.** The introduced budget proposes \$1.0 million GF the second year to backfill a portion of the reduction in a \$4.5 million federal grant which supported efforts to prevent sexually transmitted diseases. Currently, the federal grant, along with \$685,898 GF, supports 53 positions in local health districts and one field operations and training manager for prevention activities. The proposed funding, along with the existing general fund amount, will support 13 to 14 positions.
- **Provide Additional Community Health Workers and Doulas at Local Health Districts.** Proposes \$1.0 million GF the second year to provide an additional 8 to 10 community health workers and doulas at local health districts with the highest rates of maternal mortality. Chapter 2, 2024 Special Session I provided \$3.2 million GF in FY 2025 and FY 2026 to support community health worker positions at local health departments that were previously funded through a federal grant, with priority given to departments with the highest rates of maternal mortality.
- **Enhance Inspections of Home Care Organizations.** Proposes \$853,098 GF in FY 2026 to comply with regulations requiring home care organizations to be inspected every two years. Funding will provide for the addition of six positions and necessary travel costs.
- **Fund Information Security Audits and Investigations.** Proposes \$847,529 GF the second year for mandated information security efforts. Funding will support seven additional positions to conduct audits and investigations.
- **Reflect Rent Increases at Local Health Department Facilities.** Recommends \$546,266 GF and \$421,680 NGF the second year to support local health districts that are expecting significant cost increases due to moving to new facilities or rent increases in existing facilities. The funding would cover increases for the following health districts: Central Shenandoah, Chesterfield, Eastern Shore, New River, Piedmont, Prince William, Rappahannock, Southside and Virginia Beach.
- **Increase Vital Records Fee for Expedited Records.** Proposes language to increase the fee to expedite vital records from \$48 to \$53 in FY 2026 to cover the increased shipping costs for next day delivery.

## Department of Health Professions

- **Add Emergency Regulatory Authority for Peer Recovery Specialist Trainees.** Proposes language to provide emergency authority for the Board of Counseling to promulgate

regulations that align with the Department of Behavioral Health and Developmental Services for peer recovery specialist trainees in accordance with the Appropriation Act. This will also allow for Medicaid reimbursement of these trainees as they complete required supervision in order to become certified as peer recovery specialists.

## Department of Medical Assistance Services (DMAS)

- **Medicaid Utilization and Inflation.** The introduced budget proposes an increase of \$337.0 million GF and \$1.2 billion NGF the first year and \$295.2 million GF and \$845.9 million NGF the second year to fund the forecasted costs of utilization and inflation in the Medicaid program. Total expenditures for the base Medicaid program and Medicaid expansion are expected to grow by 16% in FY 2025 and 4.5% in FY 2026.

The growth rate for FY 2025 is artificially high primarily due to two primary factors. The FY 2024 expenditures understated Medicaid costs by \$407 million because only 11 monthly managed care organization (MCO) payments were made instead of the usual 12 monthly payments. One monthly payment was prepaid in FY 2023 to obtain the enhanced federal match rate to reduce general fund expenditures. In addition, FY 2025 growth includes \$160 million GF of unpaid expenses from FY 2024, resulting from higher Medicaid enrollment than anticipated during Medicaid unwinding.

Other factors contributing to Medicaid growth in FY 2025 and FY 2026 include; increases in fee-for-service claims, increases in Medicare premiums paid on behalf of dually eligible Medicaid and Medicare enrollees, increases in managed care rates, increases in supplemental hospital payments, unexpected expenses at Indian Health Clinics, and lower than expected pharmacy rebates.

- **Virginia Health Care Fund.** Proposes a general fund reduction of \$48.8 million in FY 2025 and an increase of \$15.5 million in FY 2026 to account for the latest revenue estimates in the Fund. Tobacco taxes are expected to be higher than expected in FY 2025 which will offset the general fund amount needed to fund Medicaid program costs. In addition, Medicaid recoveries are expected to be higher in FY 2025 due to the receipt of one additional managed care organization payment for failing to spend at least 85% of its Medicaid capitation payments on medical care and quality improvement activities. In FY 2026, revenue from other tobacco taxes and pharmacy rebates is expected to be less than previously forecasted.
- **Medicaid Children's Health Insurance Program (M-CHIP) Utilization and Inflation.** Proposes an increase of \$22.4 million GF and \$41.7 million NGF in FY 2025 and \$25.2 million GF and \$44.1 million NGF in FY 2026 to fund the utilization and inflation costs of the M-CHIP program. Program costs are projected to increase by almost 19% in FY 2025 and 7.9% in FY 2026 due to an increasing number of children in the program as Medicaid unwinding comes to an end and Medicaid eligibility redeterminations are complete. 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.

- **Family Access to Medical Insurance Security (FAMIS) Children’s Health Insurance Program.** Includes \$18.5 million GF and \$33.0 million NGF the first year and \$22.2 million GF and \$35.4 million NGF the second year to fund the utilization and inflation costs of the FAMIS program. Expenditures in the program are expected to increase by almost 25% in FY 2025 and 6.4% in FY 2026, as the number of children in the program has increased due to Medicaid unwinding and the completion of Medicaid eligibility redeterminations. FAMIS covers children ages 0 to 18 living in families with incomes between 133% and 200% of the federal poverty level.
- **Create Medicaid Funding Reserve.** The introduced budget adds language and funding to create a Medicaid reserve fund. The reserve fund would be used to set aside a one-year amount for each new funding initiative adopted to account for projected out-year costs. Accordingly, HB 1600 provides almost \$1.0 million GF to reserve funds for the out-year cost of enacting three initiatives (described in more detail below) in FY 2026:
  - \$846,854 GF for the cost of implementing a Medicaid 1115 waiver for serious mental illness
  - \$87,747 GF to allow children served in psychiatric residential treatment facilities to remain enrolled in managed care
  - \$38,340 GF for modifying hospital reimbursement of long-acting injectables for serious mental illness

Language details how the reserve amount for each newly enacted initiative shall be calculated to provide a one-year reserve amount based on the difference between the second-year amount appropriated and the highest annual general fund cost of the new initiative over a six-year period prepared by DMAS. Language also requires the Department of Planning and Budget to unallot the reserve amounts until the fiscal year directly after the initiative’s implementation. Language directs that implementation of any new initiative shall be delayed unless the appropriate reserve amount is identified and appropriated. Language also allows the Governor to use the reserved amounts to offset the current year general fund Medicaid shortfalls that cannot be timely addressed through legislative action.

- **Authorize Implementation of Medicaid 1115 Waiver for Serious Mental Illness.** Proposes \$162,825 GF the first year and \$1.0 million GF and \$2.5 million NGF the second year to provide Medicaid coverage for short-term acute care stays in psychiatric hospitals or residential treatment settings that qualify as Institutes of Mental Disease. Coverage would be provided through the approval of an 1115 Waiver for stays up to 60 days. First year costs would provide for a contract to develop the SMI Waiver and attendant agency costs to begin implementation steps to oversee waiver services. The second-year funding amount assumes federal approval to begin coverage of the services beginning in FY 2026. Language is also

proposed to allow for the carryforward of FY 2025 balances in the second year should the administrative costs for the development of the waiver continue into FY 2026.

- **Fund Continued Managed Care Enrollment of Children Served in Psychiatric Residential Treatment Facilities.** HB 1600 adds \$273,575 GF and \$290,568 in federal matching funds in FY 2026 to continue Medicaid managed care enrollment of children receiving services in psychiatric residential treatment facilities (PRTFs). Medicaid per diem payments for PRTF services will be carved out of the Medicaid managed care contract and paid as a fee-for-service benefit. However, services outside those required while receiving PRTF services shall be provided through Medicaid managed care. Language stipulates that no service that is eligible for reimbursement through the Children’s Services Act shall be included in managed care.
- **Modify Hospital Reimbursement for Long-acting Injectables for Serious Mental Illness.** Proposes \$177,706 GF and \$1.3 million NGF in FY 2025 to modify hospital reimbursement for long acting injectables or extended-release medications administered to individuals with serious mental illness. Payments will be made outside of the hospital daily rate in order to increase utilization and thereby ease transition for patients to outpatient treatment and avoid unnecessary rehospitalizations.
- **Medicaid Coverage of Pre-Release Services for Justice Involved Youth.** Adds \$1.0 million from the potential award of a federal grant in FY 2025 and \$367,178 GF and \$855,026 NGF in FY 2026 and language authorizing the provision of federally required Medicaid coverage of health screenings, diagnostic services and targeted case management for eligible incarcerated youth and young adults. The federal Consolidated Appropriations Act of 2023 requires states to cover these services with an internal operational plan in place by January 1, 2025, along with the submission of a Medicaid State Plan Amendment no later than March 31, 2025 and a Children’s Health Insurance State Plan Amendment no later than June 30, 2025 to implement the services. Services would be provided 30 days prior to release and immediately post-release to eligible individuals.

## Department of Behavioral Health and Developmental Services

- **Fund Special Conservators of the Peace at Private Hospitals.** Provides \$35.2 million GF the second year for DBHDS to provide funding to private hospitals to employ special conservators of the peace to maintain custody of an individual under an emergency custody or temporary detention order.
- **Expand Developmental Disability Services and Quality Assurance.** Includes \$4.6 million GF and \$532,410 NGF and 22 FTEs the second year to fund quality improvement specialists, registered nurse care consultants, licensed behavioral analysts, dental staff, and dental services contracts for individuals with intellectual or developmental disabilities.

- **Fund Pharmaceutical Costs at State Facilities.** Provides \$3.3 million GF the second year to address rising pharmaceutical costs at state mental health facilities, including long acting injectables.
- **Fund Salary Increase for Trades Positions at State Facilities.** Adds \$2.4 million GF the second year to provide salary increases to electricians, plumbers, construction, and other skilled workers at state mental health facilities.
- **Sustain the Adult Psychiatric Access Line.** Includes \$1.5 million GF the second year to support two regional pilot hubs for the Adult Psychiatric Access Line, a program that provides psychiatric consultation and care navigation for primary care physicians to better treat adults with mental health and substance use disorders.
- **Increase Funding for Part C Early Intervention.** Includes an additional \$1.5 million GF the second year for early intervention services for infants and toddlers to address an anticipated 5% increase in caseload and increased service costs.
- **Fund Crisis Co-Response Programs.** Provides \$1.2 million GF the second year to create two additional local crisis co-response teams pursuant to MARCUS Alert legislation.
- **Create “Youth Mental Health Matters” Initiative.** Proposes \$1.0 million GF in FY 2025 to create an educational campaign targeting youth detailing the impacts of mental health, substance use, and social media.

## Department of Social Services

- **Enhance Child Protective Services.** Provides \$500,000 GF in FY 2025 and \$7.5 million GF and 5 positions in FY 2026 to execute recommendations from the Office of the State Inspector General to enhance child protective services, including improving the Interactive Voice Response system in the child protective services hotline and supporting staff at local departments of social services.
- **Fund Employment and Income Verification Contract Increase.** Includes \$7.3 million GF and \$6.5 million NGF in the second year to fund the employment and income verification for benefits contract used to review public benefit applications and eligibility determination. This is in addition to the \$6.0 million each, GF and NGF, provided each year in Chapter 2, bringing the contract increase to \$13.3 million GF and \$12.5 million NGF in FY 2026. Proposed language also directs the Department of Social Services to investigate alternative verification contract opportunities that are more cost-effective.
- **Fund Foster Care and Adoption Cost of Living Adjustments.** Adds \$1.5 million GF and \$1.4 million NGF in the second year to increase the maximum payments for foster care families and adoption assistance by 3%, which corresponds to the 3% salary increase provided to state employees in 2024.
- **Adjust the Child Welfare Forecast.** Reduces \$14.3 million GF and \$9.8 million NGF in FY 2025 and \$13.0 million GF and \$9.2 million NGF in FY 2026 from the cost of providing foster care and adoption subsidy payments based on recent expenditure trends.



- **Update TANF and VIEW Childcare Forecast.** Provides \$2.0 million GF in FY 2025 and \$1.8 million GF in FY 2026 and removes \$22.8 million NGF in FY 2025 and \$27.8 million NGF in FY 2026 to account for the updated forecast of TANF benefits, including cash assistance payments, employment services, VIEW childcare, and the Unemployed Parents program.

| <b>TANF BLOCK GRANT FUNDING</b>                         |                      |                      |
|---|----------------------|----------------------|
| <b>Included Funding</b>                                 | <b>FY 2025</b>       | <b>FY 2026</b>       |
| <b>TANF Resources</b>                                   |                      |                      |
| Annual TANF Block Grant Award                           | \$157,762,831        | \$157,762,831        |
| Carry-Forward from Prior Fiscal Year                    | 46,855,247           | 25,302,548           |
| <b>Total TANF Resources Available</b>                   | <b>\$204,618,078</b> | <b>\$183,065,379</b> |
| <b>TANF Mandated Services</b>                           |                      |                      |
| <i>TANF Income Benefits</i>                             | \$28,544,143         | \$18,099,070         |
| 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 State/Local Operations (cost allocated activities) | 69,569,090           | 69,557,605           |
| <i>Expand TANF Full Employment Program</i>              | 0                    | 440,000              |
| <i>Address Increased Procurement Workload</i>           | 0                    | 37,256               |
| <i>Enhance Electronic Identity Validation Efforts</i>   | 0                    | 15,600               |
| <i>Increase Appropriation for Local Operations</i>      | 1,648,311            | 1,648,311            |
| <b>Subtotal VIP/VIEW Benefits and Services</b>          | <b>\$112,560,512</b> | <b>\$102,596,810</b> |
| <b>TANF Programming</b>                                 |                      |                      |
| Healthy Families/Healthy Start                          | \$9,035,501          | \$9,035,501          |
| Community Employment & Training Grants                  | 7,250,000            | GF Appropriation     |
| Community Action Agencies (CAAs)                        | 9,250,000            | 9,250,000            |
| CAA Two Generation/Whole Family Pilot                   | 1,125,000            | 1,125,000            |
| Earned Income Tax Credit (EITC) Grants                  | 635,725              | 635,725              |
| Local Domestic Violence Prevention Grants               | 3,846,792            | 3,846,792            |
| Long-Acting Reversible Contraceptives                   | 4,000,000            | GF Appropriation     |
| Federation of Virginia Food Banks                       | 3,000,000            | 3,000,000            |
| Virginia Early Childhood Foundation                     | 1,250,000            | 1,250,000            |
| Boys and Girls Clubs                                    | 2,000,000            | 2,000,000            |
| Child Advocacy Centers                                  | 2,136,500            | 2,136,500            |
| Northern Virginia Family Services                       | 2,000,000            | 2,000,000            |
| NOVA Family Services Mobile Service & Outreach          | 500,000              | 500,000              |
| Laurel Center   | 1,250,000            | 1,250,000            |



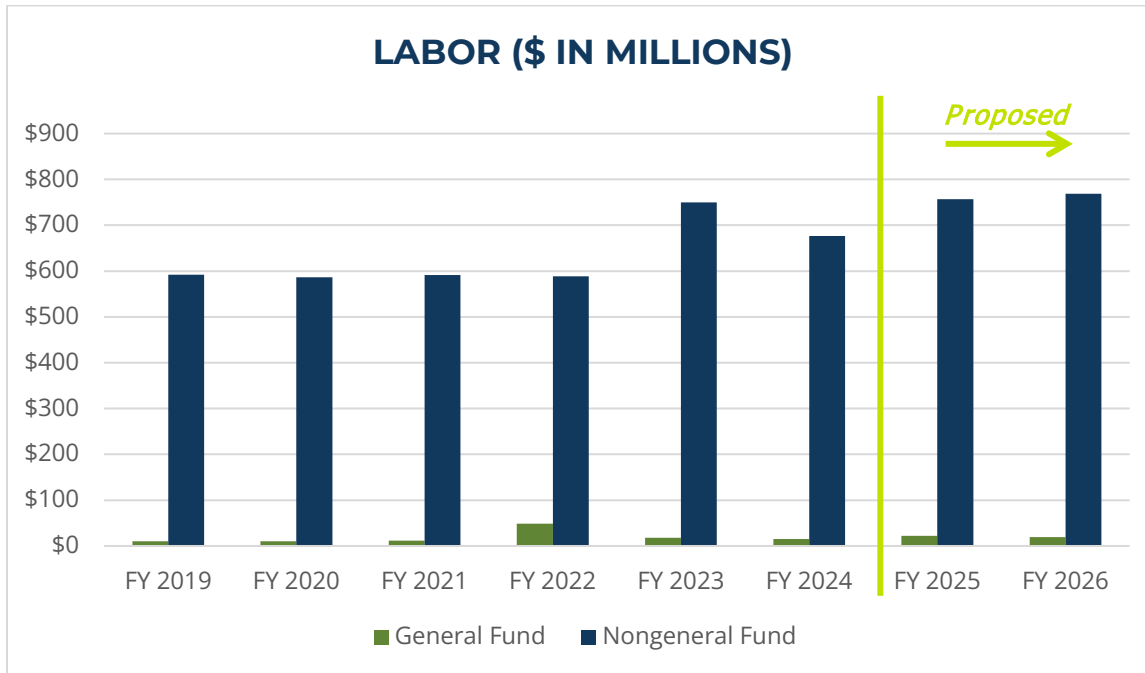
| <b>TANF BLOCK GRANT FUNDING</b>                   |                      |                      |
|---|----------------------|----------------------|
| FACETS  | 350,000              | 350,000              |
| Visions of Truth STRIVE Program                   | 150,000              | 150,000              |
| 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                       | 500,000              | 500,000              |
| Cornerstones                                      | 750,000              | 750,000              |
| <b>Subtotal TANF Programming</b>                  | <b>\$50,929,518</b>  | <b>\$39,679,518</b>  |
| <b>TANF Transfers to other Allowable Programs</b> |                      |                      |
| Local Staff Support                               | \$6,405,502          | \$6,405,502          |
| Children's Services Act Transfer                  | 9,419,998            | 9,419,998            |
| <b>Subtotal Other Spending (Cost Avoidance)</b>   | <b>\$15,825,500</b>  | <b>\$15,825,500</b>  |
| <b>Total TANF Expenditures and Transfers</b>      | <b>\$179,315,530</b> | <b>\$158,101,828</b> |

Note: Items in *Italics* reflect changes from Chapter 2

## Department of the Blind and Vision Impaired

- Fund DARS Administrative Contract Costs.** Proposes almost \$1.0 million GF and \$492,520 NGF for administrative contract cost increases provided to the agency by the Department for Aging and Rehabilitative Services (DARS). DARS provides administrative services to all the disability agencies.

# Labor

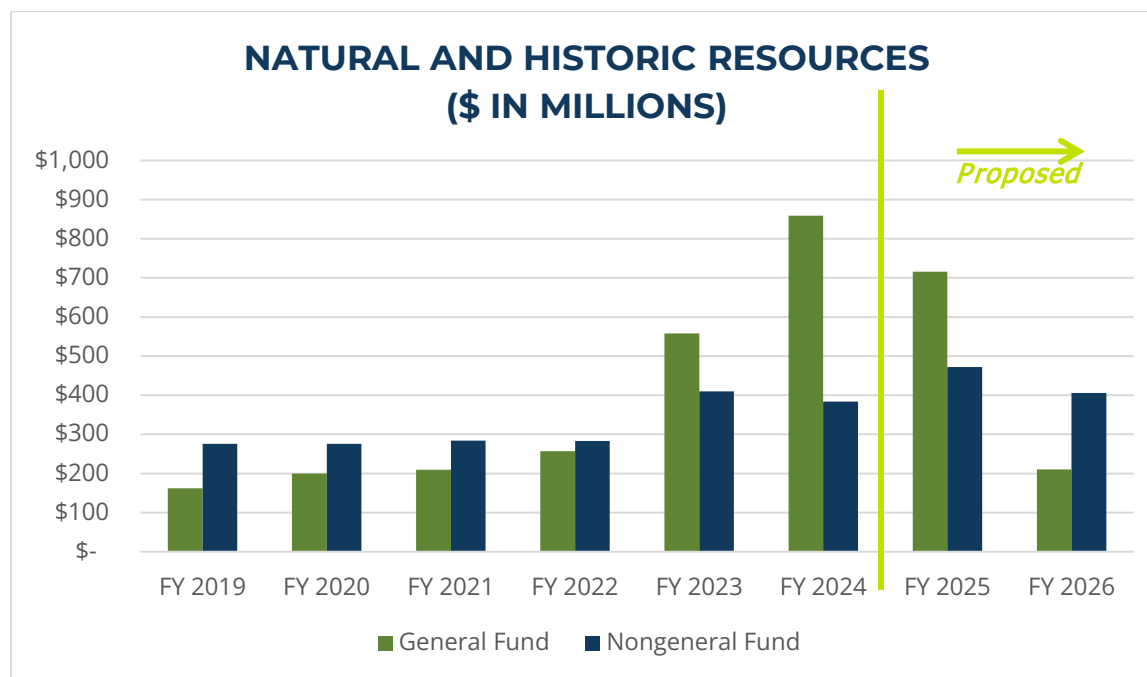


Agencies in the Labor Secretariat are primarily funded with nongeneral funds generated through licensing fees or provided by the federal government. There tends to be less demand for general fund resources from the four agencies within this Secretariat. The Virginia Employment Commission and the Department of Professional Occupation Regulation are supported exclusively with nongeneral funds. The Department of Workforce Development and Advancement and the Department of Labor and Industry manage some general fund supported initiatives, such as the state’s registered apprenticeship program and wage enforcement activities.

## Department of Workforce Development and Advancement

- **Marketing Campaign for Jobs.** Invests \$2.1 million to market a jobs posting platform developed by the agency to showcase employment opportunities in the Commonwealth.
- **Expand a Reentry Placement Pilot Program.** Adds \$376,935 and five positions to expand a job re-entry placement program for incarcerated individuals.
- **Agency Administration.** Provides \$350,000 GF for agency administration. The General Assembly previously appropriated \$1.5 million to help start-up the agency through one-time resources.

## Natural and Historic Resources



Overall general fund spending within 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. The largest driver of increased spending in the introduced budget is the required \$93.7 million WQIF deposit; the Governor proposes to distribute the funding as follows: \$50.0 million to the City of Richmond for its Combined Sewer Overflow project, \$26.3 million to support agricultural best management practices and the WQIF reserve, and \$17.4 million for wastewater treatment improvements required by the Enhanced Nutrient Removal Certainty program. The only other notable new spending item proposed by the Governor is \$4.4 million at the Department of Wildlife Resources for the state’s share of a U.S. Army Corps of Engineers project to construct a permanent habit for seabirds dislocated by the Hampton Roads Bridge Tunnel project.

### Department of Conservation and Recreation

- Disposition of Water Quality Improvement Fund Deposit.** The introduced budget proposes a revised distribution of the \$93.7 million of Code-mandated Part A and Part B deposits which under existing policy would be deposited in the Water Quality Improvement Fund (WQIF). The Governor’s proposal would appropriate \$50.0 million of this amount to the City of Richmond for the ongoing costs of its Combined Sewer Overflow (CSO) project, and \$17.4 million to the Department of Environmental Quality to defray continued cost increases associated with the Enhanced Nutrient Removal Certainty Program. The remaining \$26.3 million is deposited in WQIF under the Department of Conservation, with \$17.4 million

directed to the Natural Resources Commitment Fund to support agricultural best management practices, and \$8.9 million deposited in the WQIF Reserve. Further, the DCR deposit does not specify the split of NRCF funding between projects within or outside of the Chesapeake Bay watershed.

- **Conservation Officers VALORS Membership.** Provides \$610,000 GF in FY 2026 to reflect the estimated costs of adding DCR conservation officers to VALORS pursuant to legislation to be considered during the 2025 Session of the General Assembly.

## Department of Environmental Quality

- **Richmond Combined Sewer Overflow.** Proposes \$50.0 million from the required WQIF deposit of FY 2024 surpluses be used to support the City of Richmond's ongoing Combined Sewer Overflow project.
- **Enhanced Nutrient Removal Certainty Program.** Proposes \$17.4 million of the required WQIF deposit from FY 2024 surpluses be used to support reimbursements for projects identified as part of the Enhanced Nutrient Removal Certainty Program.
- **Town of Richlands Water Treatment Plant.** Proposes \$1.5 million GF the first year be provided to the Town of Richlands for water treatment plant upgrades.
- **Delay Effective Date of Polystyrene Container Ban.** Proposes a language amendment delaying the effective date of polystyrene bans from 2025 to 2028 for retail food establishments operating 20 or more locations in the Commonwealth, and from 2026 to 2030 for smaller establishments.

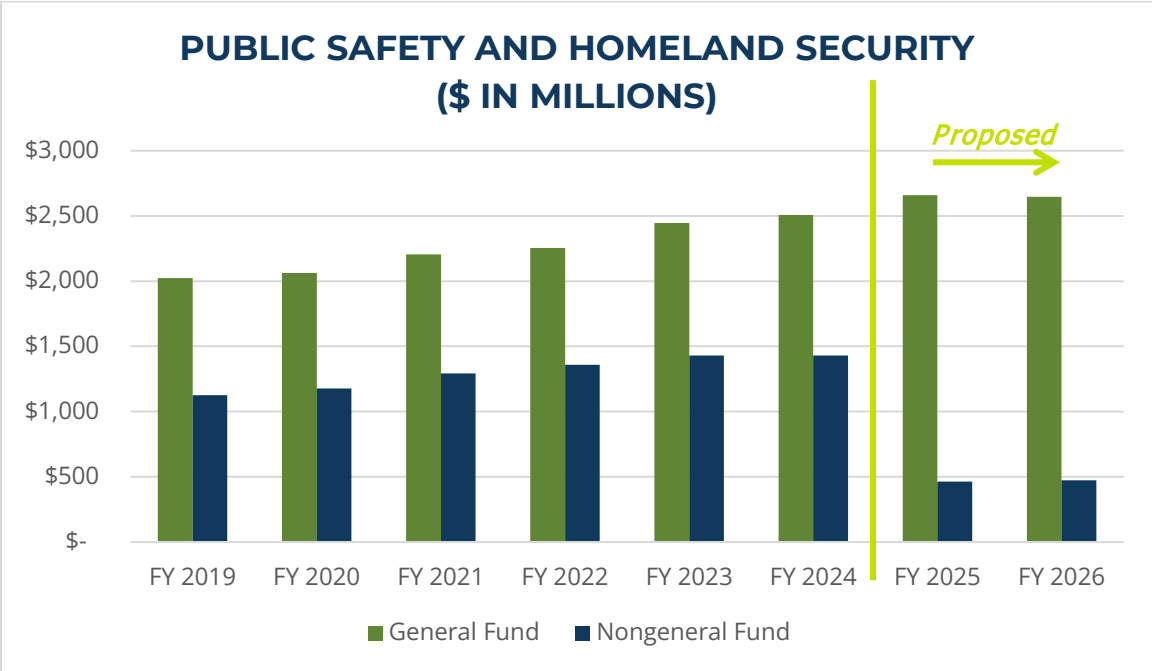
## Department of Wildlife Resources

- **Permanent Habitat for Seabirds.** Proposes \$4.4 million GF in FY 2025 to support construction of a permanent habitat for Virginia's largest nesting seabird colony, which was displaced by the ongoing expansion of the Hampton Roads Bridge Tunnel. The amount provided represents 35% of the total estimated cost and would serve as the non-federal match for this U.S. Army Corps of Engineers project.

## Department of Historic Resources

- **Move Grant Funding from Second to First Year.** Proposes moving a total of \$750,000 provided for support of the Jefferson School African American Heritage Center in Charlottesville and the African American Research Fellowship from the FY 2026 to FY 2025.
- **Changes to Existing Tribal Internship Language.** Proposes changes to existing language authorizing the Department to enter into agreements with one or more indigenous Virginia tribes to establish paid internships. The language would allow for the funding to be used for grants, consultation, and training in addition to paid internships.

# Public Safety and Homeland Security



The Governor’s proposed budget for the Public Safety and Homeland Security includes spending amounts modestly higher than those found in Chapter 2 (2024 Spec. Sess. 1), reflecting a 0.5% increase in general fund spending in FY 2025 and a 0.9% increase in FY 2026. At the Department of Corrections, major proposed spending changes include \$4.1 million GF in additional support for inmate medical care, and \$2.1 million to expand the provision of HVAC and renewable energy education programs to inmates. For the Department of Criminal Justice Services, the introduced budget proposes an increase of \$6.8 million for the School Resource Officer Incentive Grant Fund, and \$5.0 million GF is proposed at the Department of Fire Programs to establish a grant fund to support local purchases of protective equipment for firefighters.

## Secretary of Public Safety and Homeland Security

- HB 599 and Jail Per Diem Withholding Authority.** Language proposed under the Secretary of Public Safety directs all director, superintendent, sheriff, or other officials in charge of a facility in which a non-citizen is incarcerated to comply with “lawful U.S. Immigration and Customs Enforcement detainers and shall provide at least 48-hour pre-release notification to U.S. Immigration and Customs Enforcement.” The language further states that if any aforementioned official fails to comply with this requirement pursuant to a local ordinance, procedure, policy, or custom, the Director of the Department of Criminal Justice Services shall withhold payment of Aid to Localities with Police Departments, and the Executive Secretary of the Compensation Board shall withhold per diem payments to the local or regional jails.

## Department of Corrections

- **Increased Inmate Medical Costs.** Proposes \$4.1 million GF in FY 2026 to reflect updated projections of inmate medical spending and the increased costs of providing medical care. The introduced budget also proposes an additional 12 medical positions to replace medical contractors with state employees.
- **Mobile Classroom Trailers.** Proposes \$2.1 million GF in FY 2025 to support the purchase of mobile classroom trailers to expand HVAC and renewable energy career and technical education programs offered to DOC inmates.
- **Bedspace Impact of Proposed Legislation Affecting Criminal Sentencing.** Includes a \$1.0 million GF deposit in the Corrections Special Reserve Fund in FY 2026 to reflect the anticipated bedspace utilization impact of 13 legislative proposals affecting criminal sentencing to be considered during the 2025 Session.
- **Expand Inmate Dental Services.** Proposes \$934,000 GF in FY 2026 and six positions to establish two new mobile dental teams to expand dental services provided to inmates.
- **Community Corrections Electronic Monitoring.** Proposes \$905,000 GF in FY 2026 to expand the use of electronic monitoring of probationers and parolees.
- **Enhanced Earned Sentence Credits.** Proposes language limiting eligibility to receive enhanced earned sentence credits pursuant to § 53.1-202.3, Code of Virginia, for any sentence that is concurrent or consecutive to a sentence for a conviction of an offense listed in subsection A of § 53.1-202.3. The Governor proposed an identical amendment in 2024 that was rejected by the General Assembly.

## Department of Criminal Justice Services

- **School Resource Officer Incentive Grant Fund.** Proposes an additional \$6.8 million GF in FY 2025 for deposit in the School Resource Officer Incentive Grant Fund. This would increase the total amount appropriated to the fund to \$30 million in FY 2025. The Fund is used to reimburse localities for the costs of hiring school resource officers and school security officers. Individual grants typically last for a period of four years, and the amount reimbursed to the locality is based on the local composite index.
- **TDO and ECO Transportation Reimbursement.** Proposes \$3.5 million GF in FY 2025 to reimburse local law enforcement agencies for the time and costs of transporting individuals held under emergency custody orders and temporary detention orders. The language proposes that priority for reimbursement be given to agencies within State Police Divisions III, IV, and VI, and localities must travel long distances to transport an individual to a state facility.
- **Public Safety Communications Infrastructure Grant.** Proposes \$2.5 million GF in FY 2025 to establish a new grant program to provide assistance to localities for the purchase of public safety radio and communications infrastructure equipment. Proposed language would direct DCJS to prioritize in the awarding of grants localities that score both above

average or high on the DHCD fiscal stress index and double-distressed according to the VEDP distressed localities index and demonstrate the need for such communications equipment.

## Department of Fire Programs

- **Fire Equipment Grant Program.** Proposes establishment of a new grant program to assist localities with the purchase of protective equipment for firefighters. Specifically, the language restricts grant awards to breathing apparatus equipment and other non-vehicular equipment necessary for the protection of firefighters responding to a fire. The language further directs Fire Programs to prioritize allocation of grants to localities that score both above average or high on the DHCD fiscal stress index and double-distressed according to the VEDP distressed localities index and demonstrate the need for such equipment. The proposal would provide \$5.0 million GF in FY 2025 to support the program.
- **New State Fire Marshal Positions.** Provides \$688,000 GF in FY 2026 and six positions for additional state fire marshal positions to address workload increases within the Office of the State Fire Marshal.
- **Fire Marshal Fee Study.** Proposes language directing the Department to conduct an assessment of the adequacy of the fees charged by the State Fire Marshal's Office to conduct fire safety inspections and report its findings the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 17, 2025.

## Department of Juvenile Justice

- **Address Operating Cost Increases.** Proposes \$3.1 million GF in FY 2026 to reflect increased costs in several operational areas, including admissions, placements, and contracted services for committed youth.
- **Study State Responsible Placements with Localities.** Proposed language directs the Department to study possible relationships with localities that would increase state-run juvenile correctional center bed capacity for committed youth, and to report its findings and recommendations to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by October 1, 2025.

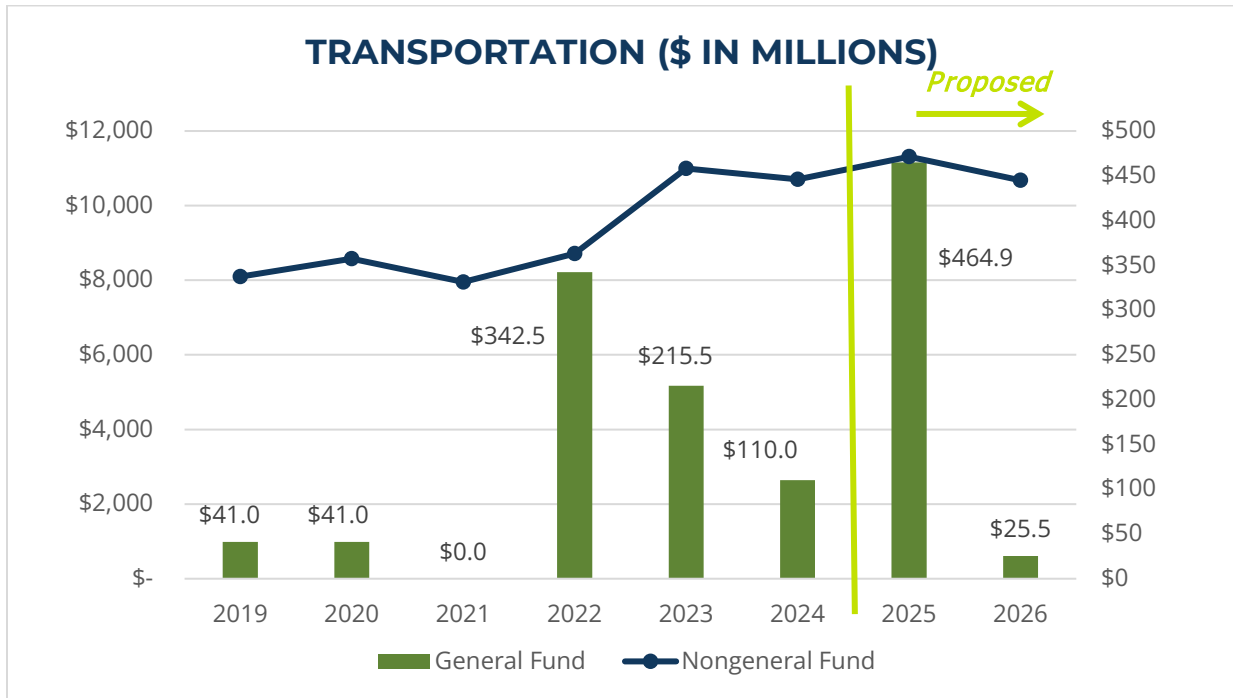
## Department of State Police

- **Fund Second Year Pay Step Increase.** Proposes \$3.3 million GF in FY 2026 for a 1.4% pay step increase to support the VSP's compensation plan. The compensation plan is proposed to be a permanent annual salary adjustment for all sworn officers based on their years of service and rank. The VSP step increase would be provided in addition to across-the-board salary adjustments provided to all state employees.

- **LiveScan Fingerprint Machines.** Proposes \$2.4 million GF in FY 2025 to support the purchase of 108 LiveScan fingerprinting units for deployment throughout the Commonwealth.
- **Virginia Criminal Information Network Upgrades.** Proposes \$2.2 million from nongeneral fund balances in FY 2026 to support the ongoing costs of upgrading the Virginia Criminal Information Network.



# Transportation



Nongeneral Fund appropriations within the Transportation Secretariat are expected to remain relatively level after the significant increases driven largely by the policy changes adopted by the 2020 General Assembly Session. The total proposed NGF appropriation for the Secretariat in FY 2025 is approximately \$11.31 billion with the appropriation decreasing to \$10.68 billion in FY 2026. The proposed general fund appropriation within the secretariat is \$464.9 million in targeted expenditures in FY 2025 and \$25.5 million in FY 2026. The adjustments in HB 1600 would result in an increase in appropriations of \$164.9 million GF and \$290.8 million NGF over the biennium.

Below is a summary of the major funding initiatives.

## Virginia Commercial Space Flight Authority

- **Adjust Appropriation for Projected Revenues.** Includes \$96,903 NGF in FY 2025 and \$1.0 million NGF in FY 2026 to reflect updated revenue projections for the Authority.

## Department of Aviation

- **Support for the Aviation and Airport Promotion Program.** Transfers approximately \$100,000 NGF in FY 2026 from the Department’s administrative funding to increase support for the Aviation and Airport Promotion Program grants.
- **Support for Project at Roanoke-Blacksburg Regional Airport.** Includes language authorizing a \$20.0 million state-supported interest free treasury loan to support a runway

modification project at the Roanoke-Blacksburg Regional Airport. The loan is contingent on the Federal Aviation Administration approving the project.

## Department of Motor Vehicles

- **NGF Appropriation to Support Computer System Replacement.** Provides a \$25.0 million NGF appropriation in FY 2026 to support the costs of replacing the current mainframe system and transitioning to a modern server-based system. The Department has been planning this transition for several years and has sufficient cash balances to support the appropriation.
- **Charge Credit Card Convenience Fee for Transactions of at Least \$10,000.** Authorizes the Department to charge 1.5% convenience fee for credit card transactions of \$10,000 or more.
- **Retain Revenue from Rent Charges.** Includes language which authorizes the Department to retain any revenues generated through the rental of space in DMV owned facilities.
- **DMV Capital Amendments.** Two amendments are included in capital for DMV. One amendment provides \$4.0 million in FY 2025 and \$11.5 million in FY 2026 for maintenance reserve and the second amendment provides \$16.0 million for the next phase of the renovation of DMV's headquarters.

## Department of Motor Vehicles Transfer Payments

- **Increase Transfer Payments to Localities to Reflect Revenue Growth.** Includes an additional \$2.5 million NGF in transfer payments to localities based on increased collections of sales tax from mobile home sales.

## Department of Rail and Public Transportation

- **Adjust Funding for Operating Support for the Washington Metropolitan Area Transit Authority.** Adjusts the funding included in Chapter 2 for WMATA by moving the FY 2026 funding into FY 2025 and decreasing the funding amount by \$11.1 million. The amendment increases FY 2025 funding by \$73.4 million GF and strikes \$84.5 million in funding in FY 2026. The decrease in funding is based on an updated calculation of the additional funding needed to support WMATA in FY 2025. The elimination of funding from FY 2026 is intended to signify that the funding will not be recurring in the next biennium.

## Department of Transportation

- **Update Appropriation Based on Revised Revenue Projections and Financial Plan.** Reflects an NGF increase of \$313.3 million in FY 2025 and decrease of \$106.9 million in FY 2026 for the Department based on the updated 6-year plan and revenue projections.

- **General Fund Support for I-81 Improvement Program.** Appropriates the \$175.0 million in GF support for I-81 Corridor Improvement Program which was authorized in Chapter 2 contingent on the FY 2024 year-end surplus.
- **Modify Language Pursuant to Toll Relief in Hampton Roads.** Modifies language adopted in Chapter 2 providing additional toll relief in Hampton Roads. Proposed language clarifies that only residents of Norfolk and Portsmouth are eligible for the additional toll relief benefit and includes language authorizing some of the new funding to be used to support the original Elizabeth River Crossings (ERC) Toll Relief Program if the ERC program has a funding shortfall.
- **Eliminate Tolling on the George P. Coleman Bridge.** Proposes language which eliminates tolls on George P. Coleman Bridge effective January 1, 2026. The language states that any remaining debt to state's Toll Facility Revolving Account that cannot be repaid shall be written off.

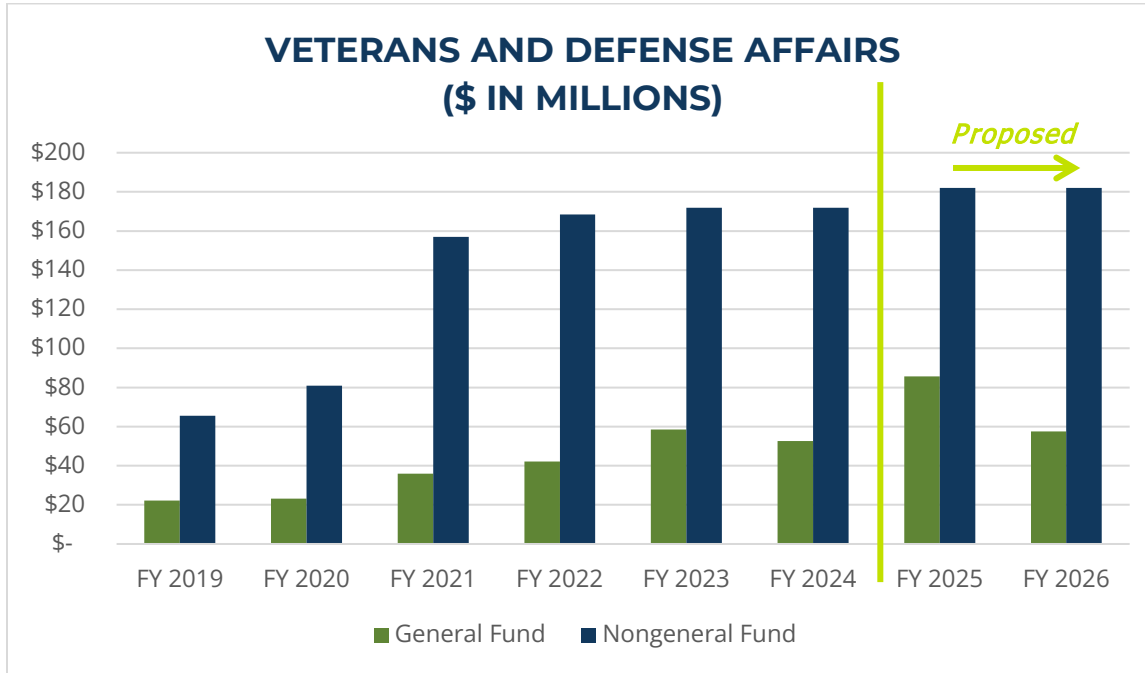
## Department of Transportation Transfer Payments

- **Update Appropriation Based on Updated Revenue Projections and Financial Plan.** Reflects a NGF reduction of \$4.1 million in FY 2025 and increase of \$57.0 million in FY 2026 in transfer payments to regional transportation programs based on updated financial plans and revenue projections.

## Virginia Port Authority

- **Support Dredging Project Off York River.** Proposes \$1.0 million GF in FY 2025 to support the dredging of Back Creek, off of the York River.

# Veterans and Defense Affairs



## Department of Veterans Services

- Supplement Start-Up Costs at New Veterans Care Centers.** Proposes an additional \$4.7 million GF in FY 2025 to support start-up operating costs at Jones & Cabacoy and Puller Veterans Care Centers. This money would be in addition to the \$19.1 million GF provided in Chapter 2 and would bring the total startup support to \$23.8 million for the year. The funding has been 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 all ongoing operational costs.
- Veterans Care Center Line of Credit.** Proposes establishment of a \$2.6 million line of credit support operations at Davis & McDaniel Veterans Care Center to address cash flow issues created by reimbursement delays for the center.
- Information Technology Systems.** Proposes \$812,000 GF in FY 2025 and \$340,000 GF in FY 2026 and one position to support development, security, and maintenance of information technology systems, and one-time support to add text messaging capabilities to the Veteran Engagement and Scheduling Application system.

## Department of Military Affairs

- STARBASE Program.** Proposes \$859,000 in FY 2025 and \$463,000 in FY 2026 from federal funds to support STARBASE, a new STEM youth program in the Town of Blackstone.

- **Establish Line of Credit.** Proposes establishing a \$12.0 million line of credit for federally-reimbursable capital projects.
- **Army Aviation Support Facility.** Proposes \$2.5 million for a general fund supported capital project to construct two connector roads and the purchase of related wetlands credit at the Army Aviation Support Facility in Sandston.

# Central Appropriations

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

Below is a summary of the major funding initiatives.

## Employee Compensation Actions

- Targeted Salary Increases.** There are no new compensation actions proposed in the introduced budget under central appropriations, as Chapter 2 included funding for 3% across the board salary increases for all employee groups in both fiscal years of the biennium. The introduced budget does include several proposed targeted salary increases, funded within the impacted agencies.

| Targeted Salary Increases Within the Agencies (GF \$ in millions) |   |              |
|---|---|--------------|
| Agency  | Proposed Increase   | FY 2026      |
| DBHDS   | Provide Market Adjustments for Trade Positions Within the DBHDS' Facilities | \$2.4        |
| Compensation Board  | Provide 9.3% Salary Increase for E-911 Dispatchers in Sheriffs' Offices     | 1.4          |
| State Police  | Fund State Police Pay Plan Step Adjustment                                  | 3.3          |
| <b>Total</b>  |   | <b>\$7.1</b> |

## Employee Benefit Plan Funding Actions

- Adjust Funding for State Employee Health Plan Premiums.** Includes \$40.5 million GF in FY 2026 to support a 6.0% increase in premiums for the state employee health insurance program effective July 1, 2025. The most recent actuarial analysis estimated an increase in costs of 9.4% in FY 2026. It is estimated that a portion of the cost increase can be absorbed from a projected increase in pharmacy rebate collections and the current balances in the health insurance fund.

## Adjustments to Agency Distributions

| Other 2024-26 Central Budget Adjustments for Agency Distributions (GF \$ in millions) |         |         |
|---|---------|---------|
|   | FY 2025 | FY 2026 |
| <b>Compensation and Benefits</b>  |         |         |
| Line of Duty Act Premiums   | (\$0.4) | \$0.0   |
| State Employee Workers' Compensation Premiums   | 0.0     | (1.0)   |
| Adjust Funding for Minimum Wage Increase  | (0.1)   | (0.3)   |
| <b>Agency Operations</b>  |         |         |
| Funding for Agency Information Technology Costs                                       | (1.9)   | 6.1     |

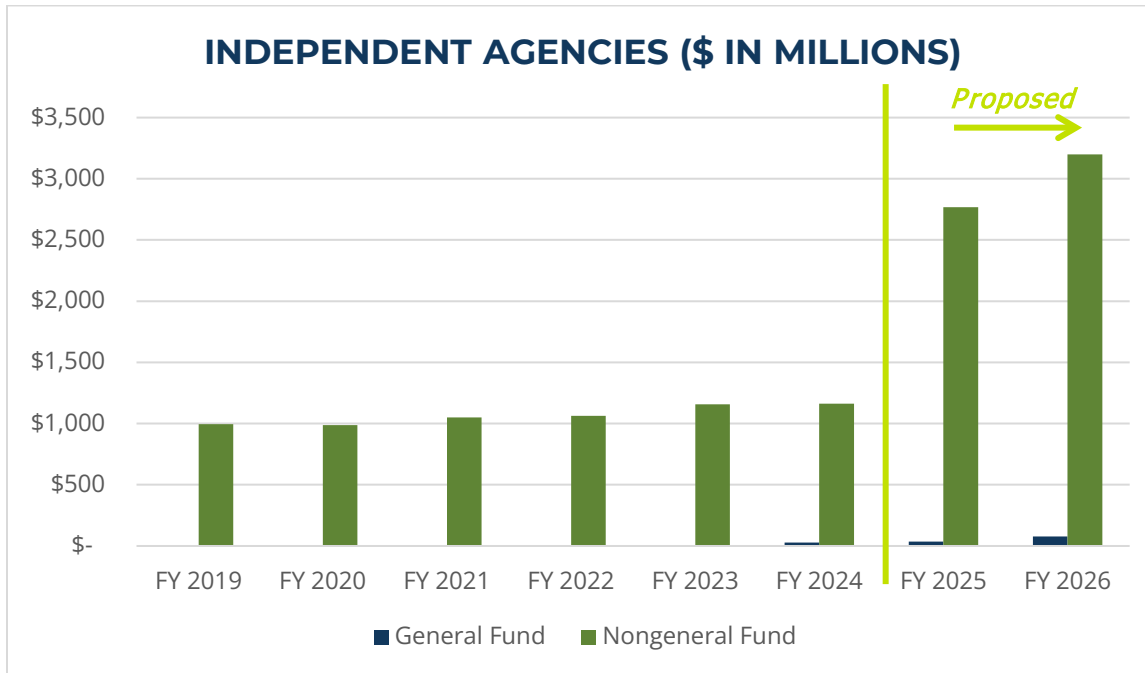
### Other 2024-26 Central Budget Adjustments for Agency Distributions (GF \$ in millions)

|   |              |               |
|---|--------------|---------------|
| Funding for Property Insurance Premiums | 0.0          | 10.1          |
| Funding for Agency Rent Cost            | 0.0          | 7.5           |
| <b>Total</b>                            | <b>\$2.4</b> | <b>\$22.4</b> |

## Other Spending Items

- **Increase Appropriation for Higher Education Credit Card Rebates and Interest Earnings.** Proposes an increase in FY 2025 of \$10.0 million GF and \$9.4 million NGF in the amount of funding that is returned to the Higher Education Institutions based on interest earnings on tuition and fees, and rebates from credit card charges made by the institutions. The proposal would increase the total fund transfers in FY 2025 from \$20.0 million to \$39.3 million.
- **Funding for Inauguration and Transition for Statewide Offices.** Includes \$2.0 million GF in FY 2026 to cover the cost associated with the inauguration and transition of statewide offices after the 2025 elections.

# Independent Agencies



Independent agencies’ main source of funding is nongeneral fund revenue collected through fines, fees, charges, and other non-GF income associated with their respective lines of business. The significant increase in nongeneral fund appropriation for the 2024-26 biennium reflects the conversion of the Alcohol Beverage Control Authority (ABC) and Opioid Abatement Authority (OAA) to independent status, effective at the start of FY 2025. New NGF spending proposed in HB 1600 includes \$223.4 million for Virginia Lottery to reflect increased operational costs and payout distributions, \$127.8 million in additional federal appropriation in the State Corporation Commission for the Health Reinsurance Program, and \$9.2 million for OAA to reflect additional settlement funds.

HB 1600 does not propose any new GF spending for independent agencies; the majority of the \$114.5 million GF in the FY 2024-2026 base for independent agencies is for the state share of the Commonwealth Health Reinsurance Program (\$90.0 million) and for the administration of the Sexual Assault Forensic Exam (SAFE) Payment program administered by the Workers’ Compensation Commission (\$13.2 million).

## State Corporation Commission

- **Adjust Federal Appropriation for the State Health Reinsurance Program.** Proposes \$127.8 million NGF the second year to reflect additional federal contributions to the Commonwealth Health Reinsurance Program. The base budget includes \$90.0 million GF for requisite state match, anticipated to be sufficient for the 2024-26 biennium.



## Virginia Lottery

- **Reflect Increased Operational and Distribution Costs.** Proposes \$223.4 million the second year to reflect increased payout distributions for online lottery winnings and increased operational costs related to the sale of lottery products.
- **Establish a Treasury Loan to Set-up a New Gaming Commission.** Includes language that authorizes a treasury loan of up to \$10.0 million for costs associated with the potential creation of a Virginia Gaming Commission.

## Virginia College Savings Plan

- **Direct Transfer of Surplus for Higher Education Waiver Programs.** Proposes language directing transfer of \$60.0 million each year from available surpluses in the agency's defined benefit account, to the State Council for Higher Education (SCHEV), for use to offset the cost of waiver programs. A companion amendment under SCHEV provides for the allocation and distribution of these funds.

## Capital Outlay

HB 1600 proposes a total of \$1.4 billion GF for 42 projects. Of the total GF, \$400.0 million is proposed to supplant an equal amount of existing GF debt, resulting in a net of \$967.2 million GF in new spending for capital. HB 1600 also includes \$403.4 million NGF for capital, including \$237.6 million in NGF debt authorizations, but does not authorize any new tax supported debt.

| Capital Outlay Funding Type for FY 2024-2026 (\$ in millions) |                  |
|---|------------------|
| General Fund Cash   | \$1,367.2        |
| General Fund Bonds  | (400.0)          |
| Nongeneral Fund Cash  | 165.8            |
| 9(c) Revenue Bonds  | 206.1            |
| 9(d) Revenue Bonds  | 31.5             |
| <b>Total</b>  | <b>\$1,370.6</b> |

## Overall Capital Funding Allocations

**Categorizing by Previously Authorized vs. New Projects:** \$1.1 billion of the \$1.4 billion GF proposed would address obligations to previously authorized projects (including \$400.0 GF to supplant previously-authorized GF debt). Of the \$287.6 million GF in new allocations, \$237.9 million is for improvements to, or replacement of, facilities with significant deferred maintenance.

| Categorized By Authorization Status (\$ in millions) |                  |                  |                |                |               |                  |
|--|------------------|------------------|----------------|----------------|---------------|------------------|
| Project Category                                     | GF Cash          | GF Debt          | NGF Cash       | NGF 9(c) Debt  | NGF 9(d) Debt | Total            |
| Previously Authorized                                | \$1,079.6        | (\$400.0)        | \$23.1         | \$0.0          | \$31.5        | <b>\$734.2</b>   |
| New - Deferred Maintenance                           | 237.9            | 0.0              | 73.0           | 0.0            | 0.0           | <b>310.9</b>     |
| New - Other  | 49.7             | 0.0              | 69.7           | 206.1          | 0.0           | <b>325.5</b>     |
| <b>Total</b>   | <b>\$1,367.2</b> | <b>(\$400.0)</b> | <b>\$165.8</b> | <b>\$206.1</b> | <b>\$31.5</b> | <b>\$1,370.6</b> |

**Categorizing by Project Type:** Of the total GF proposed for capital, \$683.5 million is for construction or acquisition, \$390.9 million is for net zero suppliants between GF and NGF, \$125.4 million is for improvements, \$90.6 million to start or continue planning, and \$76.9 million is for supplements and equipment for projects currently under construction. Details of what is included in each of these categories are provided on the following pages.

| Categorized By Project Type (\$ in millions) |         |         |          |               |               |                  |
|--|---------|---------|----------|---------------|---------------|------------------|
| Project Category                             | GF Cash | GF Debt | NGF Cash | NGF 9(c) Debt | NGF 9(d) Debt | Total            |
| Construction/Acquisition                     | \$683.5 | \$0.0   | \$117.8  | \$206.1       | \$31.5        | <b>\$1,038.9</b> |
| Suppliants                                   | 390.9   | (400.0) | 9.1      | 0.0           | 0.0           | <b>0.0</b>       |
| Improvements                                 | 125.4   | 0.0     | 38.9     | 0.0           | 0.0           | <b>164.3</b>     |

| Categorized By Project Type (\$ in millions) |                  |                  |                |                |               |                  |
|--|------------------|------------------|----------------|----------------|---------------|------------------|
| Planning                                     | 90.6             | 0.0              | 0.0            | 0.0            | 0.0           | <b>90.6</b>      |
| Supplements and FF&E                         | 76.9             | 0.0              | 0.0            | 0.0            | 0.0           | <b>76.9</b>      |
| <b>Total</b>                                 | <b>\$1,367.2</b> | <b>(\$400.0)</b> | <b>\$165.8</b> | <b>\$206.1</b> | <b>\$31.5</b> | <b>\$1,370.6</b> |

## Construction/Acquisition

At \$698.0 million GF, construction/acquisition projects comprise the largest category of project type funded in HB 1600. Two-thirds of the proposed spending is for projects at institutions of higher education while the remaining funds are for state agency facilities. All projects in this category are funded via the pool process, with all but two projects proposed for one of two new construction pools: higher education (\$448.2 million), and state agencies (\$131.3 million). The remaining two projects, together totaling \$151.9 million, were authorized in prior pools. The largest of these is a new Training Academy for State Police that was authorized in a 2022 pool and for which an additional \$136.3 million is proposed to be added to its funding pool.

Specific projects with GF funding are listed in the tables below; individual project costs are not included as the intent of pooled funding is to protect the state's interest in the bidding process.

- **Higher Education Construction/Acquisition Projects.** Proposes \$463.7 million GF and \$80.3 million NGF for nine higher education projects, as follows:

| Higher Education Construction/Acquisition Projects |  |
|--|--|
| Institute  | Project Name   |
| VT   | Expand VT-Carilion School of Medicine & Fralin Biomedical Research Institute |
| VCU  | Acquire Altria Building  |
| VMI  | Construct Center for Leadership & Ethics Phase II, & Parking Structure       |
| VSU  | Renovate Virginia Hall   |
| VCCS   | Renovate Amherst/Campbell Hall, Central Virginia                             |
| VCCS   | Replace Godwin Building, Annandale Campus, Northern Virginia (2021 Pool)     |
| IALR   | Expand Center for Manufacturing Advancement                                  |
| LU   | Replace Roof, Windows, and External Doors Lankford Hall                      |
| CWM  | Replace Law School Central Utility Plant                                     |

- **State Agency Construction/Acquisition Projects.** Proposes \$231.2 million GF and \$16.7 million NGF for four state agency projects, as follows:

| State Agency Construction Projects |   |
|------------------------------------|---|
| Agency                             | Project Name  |
| VSP                                | Replace Training Academy (2022 Pool)  |
| VSP                                | Acquire Division Six Headquarters in Roanoke                                    |
| DMA                                | Construct State Military Reservation (SMR) Training and Emergency Ops. Facility |
| VSDB                               | Renovate Main Hall Interior   |

## Supplants

The Introduced Budget includes \$391.1 million GF and \$9.1 million NGF in fund supplants. These totals are a combination of a \$400.0 million supplant of GF cash for previously authorized GF debt and a \$9.1 million swap of GF base appropriation with \$9.1 million in NGF revenue within the state's Central Capital Outlay Fund. The \$400.0 million supplant fulfills a directive by the General Assembly included in Chapter 2, requiring that available fiscal year 2024 GF balances be utilized for this purpose. These supplant actions do not make material changes to the scope or authorization of the projects for which funding is allocated.

## Existing Facility Improvements

At a total of \$125.4 million GF, improvement projects comprise the second largest project type for which GF is proposed. Projects in this category are smaller than full-scale renovations but too large to be funded via maintenance reserve allocations, and address such needs as life safety, accessibility, systems, and security. As included in HB 1600, projects in this category are funded through a mix of stand-alone and pool authorizations. At \$52.1 million GF, the largest project in this category is for DBHDS, with the funds proposed to make critical repairs and upgrades at various state facilities. Following is a breakdown of the proposed GF improvement projects, grouped by state agency vs. institution of higher education:

- **Fund Facility Improvement Projects at State Agencies.** Includes \$90.2 million GF and \$37.7 million NGF for 11 improvement projects at state agencies; GF projects of note are as follows:

| State Agency Improvement Projects |   |
|-----------------------------------|---|
| Agency                            | Project Name  |
| DBHDS                             | Renovate, repair, and upgrade state-operated facilities ( <i>stand-alone</i> )      |
| DBHDS                             | Replace retherm units at state facilities   |
| DGS                               | Renovate Patrick Henry Building Administration Offices                              |
| VMFA                              | Install Fire Protection System  |
| DJJ                               | Replace sprinkler system in Bon Air Juvenile Correctional Center expansion building |
| DMA                               | Support construction of connector roads at the Army Aviation Support Facility       |

- **Fund Facility Improvement Projects at Institutions of Higher Education.** Proposes \$35.2 million GF and \$1.2 million NGF for projects at GMU, CWM, VSU, LU, UMW, and NSU.

## Planning

Of the total \$90.6 million GF included in HB 1600 for planning, 80% is for five projects already in the capital outlay pipeline and the rest is for five new projects: two at state agencies and three at institutions of higher education. \$41.4 million GF is allocated to a planning pool for eight of the projects and the remaining two are set out as key stand-alone projects, as follows:

- **New State Agency Building.** Includes \$35.0 million GF to plan a new state agency building on the site of the current VDOT Annex. HB 1600 also amends project language to (i) transfer to this project approximately \$17.1 million GF from balances in the original state agency building project; (ii) authorize use of project funds to support renovation of existing state space and moving costs to relocate Monroe Building tenants; (iii) direct the sale of property at the site of the former VEC headquarters and deposit sale proceeds to the general fund, (iv) strike a moratorium on agency relocations from the Monroe Building as well as Virginia Lottery from its current headquarters.
- **New Commonwealth Courts Building.** Includes \$14.5 million GF for continued planning, demolition, and site preparation for a new facility for the Supreme Court and Court of Appeals on the footprint of the Pocahontas Building.

HB 1600 includes an additional \$41.4 million GF in a planning pool for eight projects. Of these eight, the costliest is anticipated to be a replacement state laboratory. The project split between state agencies and higher education is as follows:

| Planning Pool Authorizations            |  |
|---|--|
| Agency/<br>Institution                  | Project Name   |
| <b>State Agencies</b>                   |  |
| DGS                                     | Replace State Laboratory <sup>^</sup>  |
| DBHDS                                   | Adjust scope for Food Service Renovations Statewide  |
| WWRC                                    | Replace Switzer student workforce transition (PERT) facility*  |
| WWRC                                    | Perform structural repairs on the Birdsall Hoover Medical Building and Watson Student Activities Building* |
| <b>Institutions of Higher Education</b> |  |
| ODU                                     | Address Oceanography Building Deferred Maintenance*  |
| Radford                                 | Construct Roanoke Academic Building*   |
| UVA-W                                   | Construct Technology Classroom Building* ( <i>pre-planning only</i> )                                      |
| VCCS                                    | Replace Buchanan and Tazewell Halls, Southwest Virginia Community College <sup>^</sup>                     |

New projects are denoted with an asterisk “\*”, and projects previously authorized for pre-planning with a caret “^”

## Supplements and Capital Equipment

HB 1600 includes \$76.9 million GF for projects already authorized for construction, as follows:

- **Supplement Construction Costs for Two Authorized Projects.** Includes \$62.4 million GF for two projects currently under construction and facing unanticipated cost overruns: Virginia Tech’s Randolph Hall Project, and the Regional Science Center in Northern Virginia.
- **Provide Equipment Funding.** Includes \$14.5 million GF for furniture, fixtures, and equipment (FF&E) for four projects nearing completion at Longwood, CNU, VCCS, and for regional animal health laboratories run by the Dept of Agriculture and Consumer Services.

## Other Capital Actions

- **Amend Scope of Project to Provide Water Infrastructure in Nottoway County.** Includes language amending the scope of an existing project to clarify next steps in the state's effort to implement a long-term solution to provide water to resident state facilities.
- **Authorize Sale and Relocation of DGS' Fleet Property.** Includes language authorizing the sale of property in the City of Richmond currently utilized for DGS' Office of Fleet Management Services. Also authorizes a treasury loan for costs associated with relocating the office, to be repaid with proceeds resulting from the sale of the property.
- **Transfer of Unutilized Capital Appropriations.** Includes language directing the transfer of \$7.2 million GF and \$4.1 million in bond authorization from completed projects to existing capital pools, thereby reducing the overall need for supplemental funding.

## Part 3

Part 3 of the budget contains miscellaneous actions that are not attached to a specific agency. It includes transfers from general to nongeneral funds, working capital and lines of credit, adjustments to tax collections and adjustments and modifications to fees.

### Transfers

- **Changes to Interfund Transfers.** Proposes the following changes from transfers to the general fund:

| Changes to Transfers (\$ in millions) |                  |                  |
|---------------------------------------|------------------|------------------|
|                                       | Fiscal Year 2025 | Fiscal Year 2026 |
| <b>INTERFUND TRANSFERS</b>            |                  |                  |
| ABC Profits                           | \$ (1.0)         | \$ (74.9)        |
| Tax Compliance                        | 0.0              | (0.05)           |
| Transportation Trust Fund             | 0.0              | (0.02)           |
| Lottery                               | 40.9             | 22.4             |
| Revenue Reserve                       | 203.0            | 0.0              |
| Misc Accounts (§ 4-1.05 b.)           | 0.1              | 0.0              |
| Dept of Energy Triennial Review       | 5.5              | 0.0              |
| Misc. Grant Funds                     | 4.8              | 0.0              |
| <b>Total</b>                          | <b>\$253.3</b>   | <b>\$ (52.6)</b> |

- **Revenue Reserve and Rainy Day Fund Threshold.** Proposes changing the threshold of the combined balances in the Revenue Reserve and Revenue Stabilization Funds from 20.0% in both years to 17.53% in the first year and 15.0% in the second year.
- **Pre-K-12 Priority Fund.** Eliminates assumed transfers from the “Pre-K-12 Fund” which was established to support Direct Aid distributions from revenues generated by “skill games” to reflect the veto of legislation authorizing such games by the Governor.
- **Transportation Trust Fund Title Change.** Changes references to the Transportation Trust Fund to the Commonwealth Transportation Fund.

### Working Capital Funds and Lines of Credit

- **Virginia Opportunity Scholarship Program.** Proposes a working capital advance of \$5.0 million for the start-up costs to implement the Virginia Scholarship Opportunity Fund (Item 125) to be repaid from administrative fees generated by the new program.
- **New Lines of Credit.** Proposes three new lines of credit totaling \$24.6 million as follows:
  - \$12.0 million for the Department of Military Affairs for capital projects eligible for federal reimbursement
  - \$10.0 million for the Department of Workforce Development and Advancement

- \$2.6 million for the Department of Veterans Affairs for the Davis & McDaniel Veterans Care Center

## Adjustments and Modifications to Tax Collections

- **Retail Sales Tax Exemption for Internet Service Providers.** Proposes elimination of language that specified requirements relating to a sales tax exemption. The exemption remains, only the method of securing it changes.
- **Public Education SOQ / Local Real Estate Property Tax Relief Fund.** Increases transfers from the fund established in the 2004 Session by \$14.3 million in the first year and \$13.8 million in the second year to reflect the updated sales tax forecast.



## Part 4

Part 4 of the budget is referred to as the General Provisions, and it contains the “fine print,” or the rules governing Administration’s implementation of the appropriations adopted by the General Assembly. Also included in this section are provisions relating to treasury loans, capital projects, special restrictions on expenditures, positions and employment (including agency head salaries) and gubernatorial reporting requirements.

The final section of Part 4, often referred to as Part 5, are additional enactment clauses contained in the budget, including the effective dates of matter therein.

### Special Conditions and Restrictions on Expenditures

- **Restrict Funding for Abortion Services.** HB 1600 proposes to modify language contained in Chapter 2 to restrict funding for abortions covered pursuant to state statute, including those in which a pregnancy occurs as a result of rape or incest, and in certain cases of gross and totally incapacitating physical deformity or mental deficiency as certified by a physician, after appropriate tests have been performed.
- **Eliminate Semiconductor Manufacturing Performance Grant.** Eliminates language relating to an expired economic development incentive for the semiconductor manufacturing performance grant program. New legislation being offered at the 2025 Session will propose a replacement incentive package for Micron’s recently announced expansion in Manassas.

### Positions and Employment

- **Employee Compensation Tables.** Recommends changes to the salary range tables for Level I, Level II, and Level V agency heads. In addition, salary ranges are adjusted for the directors of the New College Institute and SCHEV.

### Additional Enactments

- **Enactments 5 & 6 - Increase the Threshold for Estimated Payments from \$150 to \$1,000 on or after January 1, 2026.** Would increase the payment threshold for estimated payments from \$150 to \$1,000 of estimated income tax liability for the taxable year, effective for taxable years beginning on and after January 1, 2026.
- **Enactment 7 – Eliminate Tax on Tips.** Would allow cash tips, including both cash payments and electronically paid tips, to be subtracted for individual income tax purposes, effective for taxable years beginning on and after January 1, 2026.
- **Enactment 8 – Make Current Standard Deductions Amounts Permanent.** Would make the current standard deduction levels of \$8,500 for single individuals and \$17,000 for married persons filing jointly permanent. Over the past five years, the Virginia standard

deduction was increased from \$3,000 to \$8,500 for single individuals, and from \$6,000 to \$17,000 for married persons filing jointly. Under current law these changes are set to expire at the end of 2025.

- **Enactments 9 & 10 – Equalize Virginia’s Interest Rates for Underpayments and Overpayments with Federal Rates.** Would strike the provision under which Virginia pays/charges a rate 2% higher than the IRS rate for noncorporate taxpayers applicable at the beginning of fiscal year 2026.
- **Enactments 11, 12, 13 & 14 – Require Multi-State Corporations to Use Market-Based Sourcing When Filing Taxes.** Would require that multi-state corporations use market-based sourcing (“MBS”) for sales of services and intangible personal property effective for taxable years beginning on and after January 1, 2026.
- **Enactments 15 & 16 – Establish Car Tax Credit.** Would establish a refundable tax credit based on the amount of local tangible personal property tax (“car tax”) paid effective for taxable years beginning on and after January 1, 2025. Credits for qualifying taxpayers are the lesser of actual property tax paid or \$150 for single individuals whose federal adjusted gross income does not exceed \$50,000, and \$300 for married persons filing jointly whose federal adjusted gross income does not exceed \$100,000. Any such credit is void if the car tax is paid to a locality that increases its tangible personal property tax by more than 2.5% over the prior year.

# Appendix A

## HB 1600, As Introduced: Direct Aid to Public Education Estimated Distribution - FY 2025

| School Division     | Key Data Elements        |                          | FY 2025<br>Appropriation (Ch. 2) | All Technical Updates – No Policy Actions Proposed    |                               |   |                                      |   |                             | FY 2025 Estimated<br>Distribution<br>(HB 1600) |
|---------------------|--------------------------|--------------------------|----------------------------------|---|-------------------------------|---|--------------------------------------|---|-----------------------------|--|
|                     | 2024-2026<br>Comp. Index | FY 2025<br>Projected ADM |                                  | Update Sales Tax & School<br>Age Population Estimates | Update<br>Non-SOQ<br>Programs | Update Remedial<br>Summer School<br>Participation | Update English<br>Learner Enrollment | Update Average Daily<br>Enrollment Projection | Update VPI<br>Participation |  |
| ACCOMACK            | .3487                    | 4,480                    | <b>\$50,446,944</b>              | \$54,527  | (\$460,388)                   | (\$87,841)  | \$375,936                            | (\$924,045)                                   | (\$9,090)                   | <b>\$49,396,043</b>                            |
| ALBEMARLE           | .6904                    | 13,687                   | <b>70,159,784</b>                | 380,747   | 160,070                       | (72,087)  | 353,540                              | 1,356,899                                     | (39,872)                    | <b>72,299,081</b>                              |
| ALLEGHANY HIGHLANDS | .2737                    | 2,605                    | <b>32,858,871</b>                | 26,290  | 183,026                       | 25,342  | 21,091                               | 242,062                                       | (173,754)                   | <b>33,182,927</b>                              |
| AMELIA              | .3758                    | 1,518                    | <b>14,466,860</b>                | 23,453  | (52,031)                      | 37,695  | 38,763                               | 504,071                                       | 0                           | <b>15,018,812</b>                              |
| AMHERST             | .3015                    | 3,691                    | <b>41,024,256</b>                | 44,540  | (32,216)                      | 67,961  | 62,327                               | (210,773)                                     | (150,392)                   | <b>40,805,703</b>                              |
| APPOMATTOX          | .2822                    | 2,311                    | <b>23,800,557</b>                | 23,967  | (11,556)                      | (12,522)  | 9,500                                | 449,692                                       | (100,171)                   | <b>24,159,468</b>                              |
| ARLINGTON           | .8000                    | 27,092                   | <b>111,617,985</b>               | 783,934   | (159,174)                     | 24,827  | 917,841                              | 1,035,296                                     | (411,989)                   | <b>113,808,719</b>                             |
| AUGUSTA             | .3888                    | 9,645                    | <b>89,156,136</b>                | 144,191   | (138,401)                     | (41,832)  | 173,832                              | (356,905)                                     | 363,110                     | <b>89,300,132</b>                              |
| BATH                | .8000                    | 473                      | <b>2,591,521</b>                 | 13,149  | (3,772)                       | 0   | (1,223)                              | 16,623  | 2,990                       | <b>2,619,288</b>                               |
| BEDFORD             | .3132                    | 8,519                    | <b>82,107,622</b>                | 120,586   | 290,711                       | 76,500  | 93,214                               | (1,208,389)                                   | (253,303)                   | <b>81,226,941</b>                              |
| BLAND               | .3046                    | 800                      | <b>7,935,018</b>                 | 6,968   | 8,600                         | 0   | 3,996                                | 482,662                                       | (33,272)                    | <b>8,403,972</b>                               |
| BOTETOURT           | .4068                    | 4,237                    | <b>37,110,698</b>                | 66,725  | 130,715                       | (39,405)  | 80,181                               | (555,324)                                     | 105,252                     | <b>36,898,842</b>                              |
| BRUNSWICK           | .4379                    | 1,302                    | <b>17,472,537</b>                | 25,884  | (3,404,614)                   | (16,596)  | (17,313)                             | (72,326)                                      | 5,603                       | <b>13,993,174</b>                              |
| BUCHANAN            | .2557                    | 2,181                    | <b>26,688,029</b>                | 21,521  | (75,897)                      | (68,921)  | 28,041                               | 136,553                                       | 0                           | <b>26,729,326</b>                              |
| BUCKINGHAM          | .3379                    | 1,711                    | <b>19,595,844</b>                | 25,172  | 29,588                        | (17,770)  | 23,175                               | (408,447)                                     | 170,275                     | <b>19,417,838</b>                              |
| CAMPBELL            | .2877                    | 7,392                    | <b>75,478,338</b>                | 78,920  | (112,522)                     | 21,030  | 112,537                              | (793,179)                                     | 276,908                     | <b>75,062,032</b>                              |
| CAROLINE            | .3501                    | 4,256                    | <b>41,746,666</b>                | 60,067  | 152,891                       | (18,752)  | 143,480                              | (735,255)                                     | 366,666                     | <b>41,715,762</b>                              |
| CARROLL             | .2804                    | 3,247                    | <b>36,188,494</b>                | 35,617  | (73,568)                      | 69,530  | 123,250                              | 470,391                                       | 258,228                     | <b>37,071,943</b>                              |
| CHARLES CITY        | .6669                    | 473                      | <b>4,031,069</b>                 | 15,348  | 10,113                        | 8,270   | 1,150                                | 48,797  | 24,920                      | <b>4,139,667</b>                               |
| CHARLOTTE           | .2470                    | 1,611                    | <b>18,943,586</b>                | 14,076  | (33,137)                      | 8,590   | 19,002                               | 200,690                                       | 4,504                       | <b>19,157,311</b>                              |
| CHESTERFIELD        | .3563                    | 62,319                   | <b>543,979,473</b>               | 793,359   | 556,915                       | 1,501,363   | 3,759,256                            | (3,675,502)                                   | (5,831,225)                 | <b>541,083,638</b>                             |
| CLARKE              | .6032                    | 1,835                    | <b>11,714,892</b>                | 44,821  | (14,308)                      | 0   | 33,912                               | (175,041)                                     | (24,362)                    | <b>11,579,913</b>                              |
| CRAIG               | .3629                    | 452                      | <b>5,201,252</b>                 | 7,953   | (17,711)                      | 0   | 0                                    | 126,889                                       | 137,173                     | <b>5,455,555</b>                               |
| CULPEPER            | .3617                    | 8,198                    | <b>76,432,586</b>                | 113,777   | (376,589)                     | 0   | 810,370                              | 451,871                                       | (699,774)                   | <b>76,732,241</b>                              |
| CUMBERLAND          | .3323                    | 1,179                    | <b>14,444,899</b>                | 15,817  | (57,108)                      | 4,480   | 33,576                               | 850,301                                       | 0                           | <b>15,291,965</b>                              |
| DICKENSON           | .2157                    | 1,699                    | <b>21,960,872</b>                | 14,353  | 120,602                       | 8,421   | 6,111                                | (574,419)                                     | 0                           | <b>21,535,940</b>                              |
| DINWIDDIE           | .2978                    | 4,003                    | <b>44,542,506</b>                | 43,338  | 3,441                         | 55,599  | 72,548                               | (554,532)                                     | 109,193                     | <b>44,272,094</b>                              |
| ESSEX               | .4189                    | 1,031                    | <b>10,756,775</b>                | 19,237  | (30,173)                      | 17,547  | (1,546)                              | (312,225)                                     | (12,743)                    | <b>10,436,872</b>                              |
| FAIRFAX             | .6579                    | 171,349                  | <b>1,025,520,572</b>             | 4,173,410   | (3,701,365)                   | 362,458   | 5,712,077                            | (4,400,443)                                   | (1,139,629)                 | <b>1,026,527,079</b>                           |
| FAUQUIER            | .6006                    | 10,622                   | <b>69,180,801</b>                | 249,279   | (499,526)                     | (1,340)   | 319,156                              | 406,426                                       | (205,050)                   | <b>69,449,746</b>                              |
| FLOYD               | .4056                    | 1,601                    | <b>14,769,222</b>                | 28,486  | (154,035)                     | 45,468  | 6,768                                | 151,949                                       | 0                           | <b>14,847,859</b>                              |
| FLUVANNA            | .3934                    | 3,208                    | <b>29,618,480</b>                | 51,065  | (165,874)                     | 0   | 14,634                               | 48,151  | (151,164)                   | <b>29,415,292</b>                              |
| FRANKLIN            | .4596                    | 5,766                    | <b>48,605,616</b>                | 111,599   | (226,435)                     | (49,678)  | 68,897                               | (183,450)                                     | 84,033                      | <b>48,410,583</b>                              |
| FREDERICK           | .4151                    | 14,177                   | <b>120,608,276</b>               | 215,530   | 194,618                       | 26,295  | 791,333                              | 267,422                                       | (1,490,267)                 | <b>120,613,206</b>                             |

**HB 1600, As Introduced: Direct Aid to Public Education Estimated Distribution - FY 2025**

| School Division | Key Data Elements        |                          | FY 2025<br>Appropriation (Ch. 2) | All Technical Updates – No Policy Actions Proposed    |                               |   |                                      |   |                             | FY 2025 Estimated<br>Distribution<br>(HB 1600) |
|-----------------|--------------------------|--------------------------|----------------------------------|---|-------------------------------|---|--------------------------------------|---|-----------------------------|--|
|                 | 2024-2026<br>Comp. Index | FY 2025<br>Projected ADM |                                  | Update Sales Tax & School<br>Age Population Estimates | Update<br>Non-SOQ<br>Programs | Update Remedial<br>Summer School<br>Participation | Update English<br>Learner Enrollment | Update Average Daily<br>Enrollment Projection | Update VPI<br>Participation |  |
| GILES           | .2117                    | 3,502                    | <b>35,686,831</b>                | 16,837  | (30,521)                      | (18,513)  | 57,365                               | 305,532                                       | (179,158)                   | <b>35,838,373</b>                              |
| GLOUCESTER      | .3999                    | 4,742                    | <b>41,684,885</b>                | 75,623  | 62,798                        | (4,832)   | 42,443                               | (238,585)                                     | (51,443)                    | <b>41,570,889</b>                              |
| GOOCHLAND       | .8000                    | 2,538                    | <b>10,629,129</b>                | 87,305  | (52,029)                      | 3,489   | 21,644                               | 185,373                                       | (6,978)                     | <b>10,867,932</b>                              |
| GRAYSON         | .3196                    | 1,495                    | <b>17,748,351</b>                | 19,076  | (6,938)                       | (10,957)  | 51,115                               | (92,196)                                      | (96,307)                    | <b>17,612,144</b>                              |
| GREENE          | .3411                    | 2,676                    | <b>27,845,414</b>                | 38,746  | 17,515                        | 15,032  | 54,788                               | (227,393)                                     | (13,135)                    | <b>27,730,967</b>                              |
| GREENSVILLE     | .3898                    | 1,040                    | <b>11,220,050</b>                | 15,571  | (81,357)                      | 2,457   | (81,981)                             | (130,556)                                     | 45,010                      | <b>10,989,194</b>                              |
| HALIFAX         | .3012                    | 4,098                    | <b>48,167,272</b>                | 48,692  | 159,325                       | 16,881  | 26,454                               | 145,753                                       | 706,315                     | <b>49,270,691</b>                              |
| HANOVER         | .4894                    | 16,323                   | <b>114,513,855</b>               | 295,849   | 189,413                       | (130,535)   | 194,195                              | 475,627                                       | (101,793)                   | <b>115,436,611</b>                             |
| HENRICO         | .4273                    | 49,539                   | <b>425,456,318</b>               | 759,268   | (63,395)                      | (401,190)   | 3,070,009                            | 3,791,494                                     | (1,295,868)                 | <b>431,316,636</b>                             |
| HENRY           | .2247                    | 6,545                    | <b>81,728,597</b>                | 51,913  | (44,836)                      | 176,877   | 347,192                              | (423,725)                                     | 513,152                     | <b>82,349,170</b>                              |
| HIGHLAND        | .8000                    | 187                      | <b>2,472,844</b>                 | 2,868   | (84,520)                      | 1,744   | 514                                  | (112,239)                                     | 0                           | <b>2,281,211</b>                               |
| ISLE OF WIGHT   | .3704                    | 5,342                    | <b>47,234,153</b>                | 79,426  | (47,551)                      | 19,011  | 11,589                               | (194,199)                                     | (119,241)                   | <b>46,983,189</b>                              |
| JAMES CITY      | .5403                    | 10,151                   | <b>67,425,082</b>                | 206,684   | (84,113)                      | 25,911  | 581,793                              | 237,328                                       | (122,108)                   | <b>68,270,578</b>                              |
| KING GEORGE     | .3633                    | 4,438                    | <b>37,476,403</b>                | 62,032  | (39,898)                      | 16,235  | 39,756                               | 450,625                                       | (258,943)                   | <b>37,746,209</b>                              |
| KING QUEEN      | .3998                    | 564                      | <b>8,295,864</b>                 | 10,996  | (120,510)                     | 0   | 27,821                               | (1,840,291)                                   | 84,955                      | <b>6,458,835</b>                               |
| KING WILLIAM    | .3146                    | 2,055                    | <b>20,351,139</b>                | 23,350  | (71,776)                      | (26,214)  | 34,279                               | (12,550)                                      | 13,664                      | <b>20,311,892</b>                              |
| LANCASTER       | .8000                    | 939                      | <b>4,767,297</b>                 | 30,284  | 11,533                        | 12,346  | 4,729                                | 27,160  | 155,501                     | <b>5,008,851</b>                               |
| LEE             | .1712                    | 2,763                    | <b>41,597,352</b>                | 17,680  | (2,639,553)                   | 10,566  | (2,918)                              | 550,018                                       | 0                           | <b>39,533,145</b>                              |
| LOUDOUN         | .5518                    | 81,006                   | <b>541,513,218</b>               | 1,584,467   | 32,819                        | (175,633)   | 2,868,719                            | (2,551,521)                                   | (3,563,433)                 | <b>539,708,636</b>                             |
| LOUISA          | .5041                    | 5,080                    | <b>38,584,276</b>                | 95,939  | 37,110                        | (42,925)  | 62,327                               | 680,367                                       | (184,408)                   | <b>39,232,686</b>                              |
| LUNENBURG       | .2614                    | 1,493                    | <b>19,201,665</b>                | 15,041  | (34,783)                      | (29,737)  | 112,443                              | 115,639                                       | 0                           | <b>19,380,268</b>                              |
| MADISON         | .4746                    | 1,523                    | <b>12,718,345</b>                | 32,913  | (29,228)                      | (3,878)   | 14,641                               | (507,102)                                     | 5,237                       | <b>12,230,929</b>                              |
| MATHEWS         | .5904                    | 739                      | <b>5,950,047</b>                 | 18,789  | 15,115                        | (13,742)  | 10,995                               | (127,243)                                     | (72,766)                    | <b>5,781,195</b>                               |
| MECKLENBURG     | .3893                    | 3,654                    | <b>34,288,199</b>                | 50,898  | (54,227)                      | 70,892  | 69,907                               | 104,368                                       | (310,461)                   | <b>34,219,575</b>                              |
| MIDDLESEX       | .6389                    | 1,168                    | <b>8,281,882</b>                 | 24,853  | (41,878)                      | 4,846   | 14,972                               | 177,754                                       | 72,766                      | <b>8,535,195</b>                               |
| MONTGOMERY      | .4041                    | 9,218                    | <b>80,022,195</b>                | 154,271   | (320,188)                     | 0   | 292,250                              | (356,067)                                     | 47,520                      | <b>79,839,981</b>                              |
| NELSON          | .6645                    | 1,417                    | <b>9,266,994</b>                 | 39,717  | 24,891                        | 13,282  | 31,000                               | 182,764                                       | 4,984                       | <b>9,563,632</b>                               |
| NEW KENT        | .4391                    | 3,458                    | <b>26,955,561</b>                | 52,005  | (242,109)                     | 126,082   | 22,016                               | (428,660)                                     | 5,591                       | <b>26,490,485</b>                              |
| NORTHAMPTON     | .5253                    | 1,229                    | <b>12,573,333</b>                | 27,449  | (28,166)                      | 0   | 33,880                               | (167,879)                                     | (3,987)                     | <b>12,434,629</b>                              |
| NORTHUMBERLAND  | .7672                    | 1,108                    | <b>5,677,095</b>                 | 30,965  | (33,011)                      | 26,711  | 13,316                               | 97,721  | 0                           | <b>5,812,796</b>                               |
| NOTTOWAY        | .2696                    | 1,686                    | <b>20,139,226</b>                | 18,571  | (32,396)                      | 55,381  | 25,824                               | (68,285)                                      | 1                           | <b>20,138,322</b>                              |
| ORANGE          | .4382                    | 4,804                    | <b>41,015,020</b>                | 82,179  | 115,328                       | 34,304  | 120,863                              | (150,684)                                     | (128,801)                   | <b>41,088,210</b>                              |
| PAGE            | .3356                    | 2,776                    | <b>28,583,244</b>                | 37,447  | 184,735                       | (38,340)  | (8,920)                              | (343,568)                                     | 13,245                      | <b>28,427,842</b>                              |
| PATRICK         | .2475                    | 2,172                    | <b>25,767,820</b>                | 18,914  | 91,080                        | (30,296)  | 37,916                               | (645,487)                                     | 30,003                      | <b>25,269,951</b>                              |
| PITTSYLVANIA    | .2642                    | 7,416                    | <b>80,116,726</b>                | 73,812  | 95,369                        | 148,116   | 188,924                              | 489,137                                       | 652,766                     | <b>81,764,850</b>                              |
| POWHATAN        | .4704                    | 3,915                    | <b>30,421,083</b>                | 75,358  | 75,973                        | (51,172)  | 20,676                               | (906,167)                                     | 0                           | <b>29,635,751</b>                              |
| PRINCE EDWARD   | .3776                    | 1,724                    | <b>17,187,340</b>                | 30,520  | (14,455)                      | 10,023  | 337                                  | 591,150                                       | 304,000                     | <b>18,108,916</b>                              |

**HB 1600, As Introduced: Direct Aid to Public Education Estimated Distribution - FY 2025**

| School Division  | Key Data Elements        |                          | FY 2025<br>Appropriation (Ch. 2) | All Technical Updates – No Policy Actions Proposed    |                               |   |                                      |   |                             | FY 2025 Estimated<br>Distribution<br>(HB 1600) |
|------------------|--------------------------|--------------------------|----------------------------------|---|-------------------------------|---|--------------------------------------|---|-----------------------------|--|
|                  | 2024-2026<br>Comp. Index | FY 2025<br>Projected ADM |                                  | Update Sales Tax & School<br>Age Population Estimates | Update<br>Non-SOQ<br>Programs | Update Remedial<br>Summer School<br>Participation | Update English<br>Learner Enrollment | Update Average Daily<br>Enrollment Projection | Update VPI<br>Participation |  |
| PRINCE GEORGE    | .2321                    | 5,947                    | <b>62,899,226</b>                | 46,958  | 69,225                        | 8,759   | 210,518                              | (306,435)                                     | (206,669)                   | <b>62,721,582</b>                              |
| PRINCE WILLIAM   | .3631                    | 87,962                   | <b>839,509,075</b>               | 1,131,631   | (3,033,984)                   | 460,694   | 6,296,950                            | 614,212                                       | (6,739,815)                 | <b>838,238,763</b>                             |
| PULASKI          | .3303                    | 4,171                    | <b>43,217,587</b>                | 47,821  | (444,450)                     | (229,627)   | 41,755                               | (11,091)                                      | (160,213)                   | <b>42,461,782</b>                              |
| RAPPAHANNOCK     | .8000                    | 732                      | <b>3,597,291</b>                 | 30,283  | (14,113)                      | 0   | (5,128)                              | 2,984   | (41,866)                    | <b>3,569,451</b>                               |
| RICHMOND         | .3110                    | 1,342                    | <b>13,861,848</b>                | 12,286  | (145,327)                     | (6,473)   | (17,782)                             | 31,224  | 13,736                      | <b>13,749,512</b>                              |
| ROANOKE          | .3635                    | 13,288                   | <b>116,491,781</b>               | 174,657   | 58,209                        | (183,222)   | 305,992                              | (12,325)                                      | (183,994)                   | <b>116,651,098</b>                             |
| ROCKBRIDGE       | .4847                    | 2,220                    | <b>18,868,674</b>                | 48,759  | 48,003                        | 4,495   | 65,627                               | 299,289                                       | 246,553                     | <b>19,581,400</b>                              |
| ROCKINGHAM       | .4349                    | 11,225                   | <b>91,639,754</b>                | 192,154   | 52,521                        | (18,201)  | 694,803                              | 1,023,000                                     | 141,950                     | <b>93,725,981</b>                              |
| RUSSELL          | .2265                    | 3,059                    | <b>38,113,629</b>                | 26,801  | (102,488)                     | (78,891)  | (7,072)                              | (797,289)                                     | 393,222                     | <b>37,547,912</b>                              |
| SCOTT            | .1872                    | 3,883                    | <b>55,641,590</b>                | 18,367  | 46,530                        | 106,351   | 28,606                               | (1,483,653)                                   | 251,162                     | <b>54,608,953</b>                              |
| SHENANDOAH       | .4248                    | 5,462                    | <b>49,850,064</b>                | 95,138  | (35,866)                      | 25,860  | 202,474                              | 278,903                                       | 64,217                      | <b>50,480,790</b>                              |
| SMYTH            | .2225                    | 3,914                    | <b>45,682,163</b>                | 30,579  | 34,447                        | 14,608  | 56,010                               | 3,563,595                                     | (4,650)                     | <b>49,376,752</b>                              |
| SOUTHAMPTON      | .2987                    | 2,189                    | <b>26,456,135</b>                | 25,640  | (65,605)                      | 30,116  | 8,325                                | (1,443,645)                                   | 62,916                      | <b>25,073,883</b>                              |
| SPOTSYLVANIA     | .3702                    | 23,396                   | <b>216,862,931</b>               | 324,159   | (1,643,308)                   | (142,838)   | 1,300,420                            | 1,688,217                                     | (1,689,057)                 | <b>216,700,523</b>                             |
| STAFFORD         | .3312                    | 31,228                   | <b>283,413,501</b>               | 355,131   | 1,468,446                     | 212,266   | 1,563,706                            | 583,680                                       | (2,456,257)                 | <b>285,140,473</b>                             |
| SURRY            | .8000                    | 651                      | <b>3,664,972</b>                 | 20,240  | 320                           | (3,220)   | 2,112                                | (7,908)                                       | 0                           | <b>3,676,516</b>                               |
| SUSSEX           | .3434                    | 997                      | <b>12,145,927</b>                | 12,716  | 40,157                        | (20,707)  | (2,312)                              | 688,060                                       | (19,635)                    | <b>12,844,207</b>                              |
| TAZEWELL         | .2461                    | 4,867                    | <b>58,312,491</b>                | 45,265  | (143,910)                     | 39,963  | (3,063)                              | (1,749,122)                                   | (375,744)                   | <b>56,125,880</b>                              |
| WARREN           | .4517                    | 4,847                    | <b>41,548,668</b>                | 96,051  | 55,284                        | (16,188)  | 132,280                              | (811,632)                                     | (5,565)                     | <b>40,998,898</b>                              |
| WASHINGTON       | .3459                    | 6,992                    | <b>64,507,016</b>                | 82,687  | 179,732                       | (82,513)  | 117,090                              | 5,425,202                                     | 1,304                       | <b>70,230,517</b>                              |
| WESTMORELAND     | .5065                    | 1,475                    | <b>16,498,702</b>                | 30,287  | (32,494)                      | 29,472  | 12,303                               | (164,410)                                     | 24,920                      | <b>16,398,780</b>                              |
| WISE             | .2020                    | 5,365                    | <b>63,147,092</b>                | 33,789  | (69,563)                      | (58,901)  | 14,874                               | (293,097)                                     | 715,902                     | <b>63,490,096</b>                              |
| WYTHE            | .3243                    | 3,586                    | <b>37,985,286</b>                | 43,435  | (23,447)                      | 76,171  | 27,506                               | (207,414)                                     | (114,502)                   | <b>37,787,035</b>                              |
| YORK             | .3554                    | 13,141                   | <b>107,128,011</b>               | 150,434   | (548,115)                     | (91,263)  | 223,980                              | 1,284,694                                     | (610,411)                   | <b>107,537,330</b>                             |
| ALEXANDRIA       | .8000                    | 15,946                   | <b>71,363,464</b>                | 477,202   | (551,437)                     | 2,952   | 900,217                              | 723,062                                       | (369,393)                   | <b>72,546,067</b>                              |
| BRISTOL          | .2977                    | 2,028                    | <b>26,411,463</b>                | 23,972  | (82,965)                      | (90,950)  | 44,598                               | 237,444                                       | 119,009                     | <b>26,662,571</b>                              |
| BUENA VISTA      | .1803                    | 822                      | <b>11,173,241</b>                | 5,604   | 28,840                        | (6,050)   | 7,144                                | 773,935                                       | (130,732)                   | <b>11,851,982</b>                              |
| CHARLOTTESVILLE  | .7702                    | 4,150                    | <b>23,015,907</b>                | 140,604   | (22,904)                      | (20,663)  | 127,919                              | 192,287                                       | 418,656                     | <b>23,851,806</b>                              |
| COLONIAL HEIGHTS | .4026                    | 2,849                    | <b>25,917,148</b>                | 39,835  | (75,113)                      | 44,895  | 114,259                              | 192,098                                       | (108,379)                   | <b>26,124,743</b>                              |
| DANVILLE         | .2411                    | 5,228                    | <b>70,401,709</b>                | 50,824  | (314,662)                     | 140,546   | 354,199                              | (275,284)                                     | 9,077                       | <b>70,366,410</b>                              |
| FALLS CHURCH     | .8000                    | 2,581                    | <b>10,350,808</b>                | 71,227  | 52,232                        | (13,285)  | 43,785                               | 69,070  | 48,155                      | <b>10,621,992</b>                              |
| FREDERICKSBURG   | .6163                    | 3,425                    | <b>23,291,997</b>                | 77,641  | 68,645                        | 49,948  | 215,230                              | 594,872                                       | (24,362)                    | <b>24,273,971</b>                              |
| GALAX            | .2661                    | 1,354                    | <b>15,029,485</b>                | 9,663   | (5,457)                       | 53,184  | 100,211                              | (37,971)                                      | (43,893)                    | <b>15,105,221</b>                              |
| HAMPTON          | .2579                    | 18,692                   | <b>202,112,223</b>               | 168,492   | (280,778)                     | 52,783  | 261,090                              | (1,150,092)                                   | (127,232)                   | <b>201,036,486</b>                             |
| HARRISONBURG     | .3335                    | 6,489                    | <b>66,459,240</b>                | 74,701  | (99,655)                      | 310,372   | 918,524                              | (131,455)                                     | (391,977)                   | <b>67,139,750</b>                              |
| HOPEWELL         | .1870                    | 3,604                    | <b>45,051,708</b>                | 23,759  | 22,424                        | 6,001   | 42,902                               | 332,482                                       | 486,239                     | <b>45,965,516</b>                              |
| LYNCHBURG        | .3872                    | 7,194                    | <b>74,494,858</b>                | 128,226   | (730,423)                     | (73,603)  | 285,399                              | 259,999                                       | (18,325)                    | <b>74,346,132</b>                              |

**HB 1600, As Introduced: Direct Aid to Public Education Estimated Distribution - FY 2025**

| School Division | Key Data Elements        |                          | FY 2025<br>Appropriation (Ch. 2) | All Technical Updates – No Policy Actions Proposed    |                               |   |                                      |   |                             | FY 2025 Estimated<br>Distribution<br>(HB 1600) |
|-----------------|--------------------------|--------------------------|----------------------------------|---|-------------------------------|---|--------------------------------------|---|-----------------------------|--|
|                 | 2024-2026<br>Comp. Index | FY 2025<br>Projected ADM |                                  | Update Sales Tax & School<br>Age Population Estimates | Update<br>Non-SOQ<br>Programs | Update Remedial<br>Summer School<br>Participation | Update English<br>Learner Enrollment | Update Average Daily<br>Enrollment Projection | Update VPI<br>Participation |  |
| MARTINSVILLE    | .2229                    | 1,666                    | 21,928,381                       | 15,120  | (95,939)                      | (98,551)  | 113,733                              | 27,441  | 275,762                     | 22,165,947                                     |
| NEWPORT NEWS    | .2729                    | 24,386                   | 274,987,551                      | 253,633   | (1,069,576)                   | (483,981)   | 1,249,903                            | (776,984)                                     | (684,186)                   | 273,476,359                                    |
| NORFOLK         | .3212                    | 24,940                   | 265,143,891                      | 314,714   | 340,822                       | (292,870)   | 1,297,274                            | 1,537,813                                     | 783,535                     | 269,125,179                                    |
| NORTON          | .2412                    | 796                      | 8,744,771                        | 5,259   | 89,031                        | (2,546)   | 4,588                                | 555,840                                       | 0                           | 9,396,944                                      |
| PETERSBURG      | .2075                    | 4,130                    | 52,678,281                       | 30,104  | (605,453)                     | 154,213   | 288,727                              | 334,689                                       | 564,034                     | 53,444,596                                     |
| PORTSMOUTH      | .2369                    | 12,226                   | 148,375,403                      | 115,126   | 1,058,199                     | 74,245  | 475,632                              | (1,899,226)                                   | (375,765)                   | 147,823,613                                    |
| RADFORD         | .1658                    | 3,235                    | 33,736,018                       | 8,754   | 526,354                       | 6,157   | 87,399                               | 1,854,172                                     | 58,207                      | 36,277,061                                     |
| RICHMOND CITY   | .5740                    | 20,021                   | 173,337,548                      | 461,005   | (68,227)                      | 323,577   | 1,314,043                            | 2,994,172                                     | (1,090,499)                 | 177,271,619                                    |
| ROANOKE CITY    | .3388                    | 12,984                   | 148,399,880                      | 163,713   | (72,648)                      | (325,207)   | 1,478,127                            | 1,538,938                                     | (65,910)                    | 151,116,893                                    |
| STAUNTON        | .3767                    | 2,493                    | 26,796,367                       | 43,029  | 217,403                       | (51,025)  | (3,127)                              | (134,752)                                     | 161,539                     | 27,029,434                                     |
| SUFFOLK         | .3493                    | 13,923                   | 127,530,831                      | 190,616   | (216,417)                     | (176,831)   | 158,287                              | 194,987                                       | 505,922                     | 128,187,395                                    |
| VIRGINIA BEACH  | .4138                    | 62,736                   | 494,582,963                      | 965,355   | (45,881)                      | (231,678)   | 1,277,069                            | 495,134                                       | (4,370,744)                 | 492,672,218                                    |
| WAYNESBORO      | .3633                    | 2,793                    | 28,103,065                       | 39,967  | 126,488                       | (29,906)  | 220,746                              | (227,927)                                     | 473,458                     | 28,705,891                                     |
| WILLIAMSBURG    | .7426                    | 1,143                    | 7,798,284                        | 29,725  | 58,151                        | (111,402)   | (269,808)                            | 123,179                                       | (37,380)                    | 7,590,749                                      |
| WINCHESTER      | .4151                    | 4,136                    | 37,804,985                       | 58,088  | 96,934                        | 8,242   | 515,134                              | 1,289,733                                     | (606,795)                   | 39,166,322                                     |
| FAIRFAX CITY    | .8000                    | 3,052                    | 11,926,721                       | 86,886  | (41,146)                      | (537)   | 279,274                              | 341,964                                       | (111,983)                   | 12,481,178                                     |
| FRANKLIN CITY   | .2884                    | 1,067                    | 12,426,964                       | 12,538  | 119,201                       | 57,298  | 11,344                               | 1,590,033                                     | 56,746                      | 14,274,123                                     |
| CHESAPEAKE CITY | .3273                    | 39,871                   | 367,754,816                      | 476,910   | 3,613,527                     | (207,184)   | 967,974                              | 3,378,650                                     | (2,749,244)                 | 373,235,449                                    |
| LEXINGTON       | .3987                    | 669                      | 5,169,142                        | 8,013   | (1,928)                       | 0   | (6,156)                              | 94,682  | (77,919)                    | 5,185,834                                      |
| EMPORIA         | .2340                    | 882                      | 10,663,642                       | 7,595   | 35,867                        | 0   | 140,022                              | 703,172                                       | (152,710)                   | 11,397,588                                     |
| SALEM           | .3632                    | 3,826                    | 36,771,766                       | 41,816  | (1,752)                       | 73,067  | 88,689                               | (2,615,700)                                   | (151,073)                   | 34,206,814                                     |
| POQUOSON        | .3466                    | 1,992                    | 17,155,264                       | 25,725  | 43,813                        | 6,138   | 8,522                                | (119,370)                                     | (136,775)                   | 16,983,317                                     |
| MANASSAS CITY   | .3371                    | 7,291                    | 79,008,465                       | 84,908  | (71,751)                      | 52,042  | 1,140,742                            | 782,477                                       | (782,433)                   | 80,214,450                                     |
| MANASSAS PARK   | .2716                    | 3,192                    | 40,229,523                       | 28,400  | 44,185                        | 52,785  | 651,125                              | 317,373                                       | 15,590                      | 41,338,980                                     |
| COLONIAL BEACH  | .3675                    | 562                      | 6,501,929                        | 6,454   | 4,782                         | 10,610  | 615                                  | (38,454)                                      | (50,439)                    | 6,435,497                                      |
| WEST POINT      | .2489                    | 794                      | 8,120,908                        | 5,605   | (4,799)                       | (1,008)   | 29,195                               | (204,173)                                     | 52,409                      | 7,998,137                                      |
| <b>TOTAL:</b>   |                          | <b>1,214,292</b>         | <b>\$10,345,115,170</b>          | <b>\$20,000,089</b>                                   | <b>(\$13,205,354)</b>         | <b>\$1,085,343</b>                                | <b>\$48,806,809</b>                  | <b>\$13,303,252</b>                           | <b>(\$31,993,628)</b>       | <b>\$10,383,111,681</b>                        |

# Appendix B

## HB 1600, As Introduced: Direct Aid to Public Education Estimated Distribution - FY 2026

| School Division     | Key Data Elements     |                       | FY 2026 Appropriation (Ch. 2) | Technical Updates                                  |                         |   |                                   |  | Proposed Policy    | FY 2026 Estimated Distribution (HB 1600) |
|---------------------|-----------------------|-----------------------|-------------------------------|--|-------------------------|---|-----------------------------------|--|--------------------|--|
|                     | 2024-2026 Comp. Index | FY 2026 Projected ADM |                               | Update Sales Tax & School Age Population Estimates | Update Non-SOQ Programs | Update Remedial Summer School Participation | Update English Learner Enrollment | Update Average Daily Enrollment Projection | Remove VPI LCI Cap |  |
| ACCOMACK            | .3487                 | 4,440                 | \$51,252,419                  | \$97,734   | (\$119,441)             | (\$103,574)                                 | \$438,445                         | (\$1,303,797)                              | \$0                | \$50,261,787                             |
| ALBEMARLE           | .6904                 | 13,901                | 71,356,167                    | (160,910)  | 168,293                 | (98,470)                                    | 526,923                           | 2,349,587                                  | (419,437)          | 73,722,153                               |
| ALLEGHANY HIGHLANDS | .2737                 | 2,568                 | 32,408,108                    | 63,303   | 184,108                 | 37,038                                      | 25,620                            | 266,944                                    | 0                  | 32,985,121                               |
| AMELIA              | .3758                 | 1,515                 | 14,452,712                    | 46,138   | (58,631)                | 53,192                                      | 40,158                            | 750,698                                    | 0                  | 15,284,268                               |
| AMHERST             | .3015                 | 3,615                 | 41,445,026                    | 30,294   | (49,725)                | 92,801                                      | 110,292                           | (688,132)                                  | 0                  | 40,940,556                               |
| APPOMATTOX          | .2822                 | 2,347                 | 24,228,439                    | 25,495   | (13,833)                | (18,302)                                    | 8,776                             | 818,889                                    | 0                  | 25,049,463                               |
| ARLINGTON           | .8000                 | 27,532                | 114,678,228                   | 1,980,268  | (163,097)               | 32,342                                      | 1,137,265                         | 1,898,087                                  | (1,492,790)        | 118,070,302                              |
| AUGUSTA             | .3888                 | 9,611                 | 90,770,058                    | (93,238)   | (131,778)               | (22,146)                                    | 242,037                           | (544,532)                                  | 0                  | 90,220,401                               |
| BATH                | .8000                 | 472                   | 2,614,777                     | 18,990   | (4,076)                 | 0   | (1,248)                           | 41,975                                     | (20,933)           | 2,649,484                                |
| BEDFORD             | .3132                 | 8,414                 | 83,244,574                    | 230,867  | 255,786                 | 117,054                                     | 125,111                           | (1,754,120)                                | 0                  | 82,219,271                               |
| BLAND               | .3046                 | 832                   | 7,968,625                     | 1,562  | 10,424                  | 0   | 4,084                             | 955,490                                    | 0                  | 8,940,185                                |
| BOTETOURT           | .4068                 | 4,184                 | 37,691,778                    | (63,381)   | 123,894                 | (18,309)                                    | 97,910                            | (822,880)                                  | 0                  | 37,009,012                               |
| BRUNSWICK           | .4379                 | 1,274                 | 17,492,737                    | (16,691)   | (26,280)                | (19,613)                                    | (25,957)                          | (144,462)                                  | 0                  | 17,259,734                               |
| BUCHANAN            | .2557                 | 2,132                 | 26,607,503                    | (27,307)   | (46,447)                | (39,455)                                    | 32,697                            | 74,708                                     | 0                  | 26,601,700                               |
| BUCKINGHAM          | .3379                 | 1,679                 | 19,478,438                    | (28,168)   | 14,792                  | (40,872)                                    | 26,155                            | (258,606)                                  | 0                  | 19,191,738                               |
| CAMPBELL            | .2877                 | 7,375                 | 76,793,664                    | (31,495)   | (128,921)               | 79,818                                      | 156,996                           | (1,007,102)                                | 0                  | 75,862,960                               |
| CAROLINE            | .3501                 | 4,293                 | 43,480,603                    | 197,747  | 139,153                 | (71,082)                                    | 215,165                           | (1,284,672)                                | 0                  | 42,676,915                               |
| CARROLL             | .2804                 | 3,235                 | 36,382,777                    | (12,318)   | (72,396)                | 100,915                                     | 154,279                           | 781,674                                    | 0                  | 37,334,931                               |
| CHARLES CITY        | .6669                 | 462                   | 4,053,537                     | 8,637  | 9,334                   | 13,410                                      | 1,191                             | 39,938                                     | (31,610)           | 4,094,437                                |
| CHARLOTTE           | .2470                 | 1,612                 | 19,129,779                    | 42,759   | (22,493)                | 13,642                                      | 21,545                            | 352,104                                    | 0                  | 19,537,335                               |
| CHESTERFIELD        | .3563                 | 62,359                | 555,291,205                   | 579,318  | 363,053                 | 2,014,487                                   | 5,272,771                         | (4,330,817)                                | 0                  | 559,190,018                              |
| CLARKE              | .6032                 | 1,791                 | 12,076,021                    | 65,006   | (20,357)                | 0   | 51,144                            | (491,894)                                  | (32,476)           | 11,647,444                               |
| CRAIG               | .3629                 | 453                   | 5,186,559                     | (7,306)  | (15,840)                | 0   | 0                                 | 275,940                                    | 0                  | 5,439,353                                |
| CULPEPER            | .3617                 | 8,232                 | 78,118,305                    | 340,808  | (328,029)               | 0   | 1,184,939                         | 687,392                                    | 0                  | 80,003,415                               |
| CUMBERLAND          | .3323                 | 1,176                 | 14,272,957                    | (737)  | (16,426)                | 11,648                                      | 41,082                            | 1,225,734                                  | 0                  | 15,534,257                               |
| DICKENSON           | .2157                 | 1,631                 | 21,913,085                    | (2,629)  | 78,661                  | 17,893                                      | 6,265                             | (931,193)                                  | 0                  | 21,082,083                               |
| DINWIDDIE           | .2978                 | 3,981                 | 44,979,830                    | (28,784)   | (14,185)                | 21,674                                      | 92,574                            | (405,874)                                  | 0                  | 44,645,235                               |
| ESSEX               | .4189                 | 987                   | 10,650,970                    | (17,159)   | (38,380)                | 26,515                                      | 998                               | (430,432)                                  | 0                  | 10,192,512                               |
| FAIRFAX             | .6579                 | 171,495               | 1,049,839,783                 | 818,455  | (2,857,569)             | 36,499                                      | 6,072,134                         | (4,773,381)                                | (5,136,651)        | 1,043,999,270                            |
| FAUQUIER            | .6006                 | 10,710                | 70,598,508                    | 367,911  | (436,172)               | (536)                                       | 474,092                           | 944,937                                    | (134,797)          | 71,813,943                               |
| FLOYD               | .4056                 | 1,571                 | 14,781,388                    | 23,480   | (160,084)               | 50,653                                      | 12,587                            | 170,379                                    | 0                  | 14,878,404                               |
| FLUVANNA            | .3934                 | 3,174                 | 30,267,635                    | 104,924  | (185,395)               | 0   | 21,867                            | (163,797)                                  | 0                  | 30,045,234                               |
| FRANKLIN            | .4596                 | 5,704                 | 49,111,403                    | 100,152  | (230,280)               | (88,477)                                    | 79,477                            | (195,048)                                  | 0                  | 48,777,227                               |
| FREDERICK           | .4151                 | 14,361                | 124,298,712                   | 352,245  | 184,451                 | 18,446                                      | 1,185,724                         | 424,746                                    | 0                  | 126,464,324                              |



**HB 1600, As Introduced: Direct Aid to Public Education Estimated Distribution - FY 2026**

| School Division | Key Data Elements        |                          | FY 2026<br>Appropriation (Ch. 2) | Technical Updates                                     |                               |   |                                      |   | Proposed Policy       | FY 2026 Estimated<br>Distribution<br>(HB 1600) |
|-----------------|--------------------------|--------------------------|----------------------------------|---|-------------------------------|---|--------------------------------------|---|-----------------------|--|
|                 | 2024-2026<br>Comp. Index | FY 2026<br>Projected ADM |                                  | Update Sales Tax & School<br>Age Population Estimates | Update<br>Non-SOQ<br>Programs | Update Remedial<br>Summer School<br>Participation | Update English<br>Learner Enrollment | Update Average Daily<br>Enrollment Projection | Remove VPI LCI<br>Cap |  |
| GILES           | .2117                    | 3,516                    | 36,345,430                       | 24,080  | (17,391)                      | (33,852)  | 63,808                               | 379,838                                       | 0                     | 36,761,912                                     |
| GLOUCESTER      | .3999                    | 4,698                    | 42,297,540                       | 103,295   | 45,427                        | 14,899  | 58,782                               | (395,974)                                     | 0                     | 42,123,969                                     |
| GOOCHLAND       | .8000                    | 2,577                    | 10,863,325                       | 54,726  | (54,770)                      | 5,233   | 29,582                               | 309,806                                       | (143,539)             | 11,064,362                                     |
| GRAYSON         | .3196                    | 1,465                    | 18,104,039                       | 56,102  | (25,093)                      | (456)   | 88,586                               | (434,213)                                     | 0                     | 17,788,964                                     |
| GREENE          | .3411                    | 2,634                    | 28,231,101                       | 97,399  | 8,847                         | (3,537)   | 44,067                               | (456,100)                                     | 0                     | 27,921,777                                     |
| GREENSVILLE     | .3898                    | 1,017                    | 11,185,513                       | 43,502  | (87,417)                      | 20,473  | (74,904)                             | (136,138)                                     | 0                     | 10,951,029                                     |
| HALIFAX         | .3012                    | 4,042                    | 48,454,968                       | 76,182  | 137,771                       | 32,354  | 8,997                                | 143,253                                       | 0                     | 48,853,525                                     |
| HANOVER         | .4894                    | 16,240                   | 116,195,579                      | 231,572   | 159,919                       | (122,655)   | 245,823                              | 611,301                                       | 0                     | 117,321,538                                    |
| HENRICO         | .4273                    | 49,891                   | 434,015,269                      | 288,574   | (105,541)                     | (562,589)   | 4,594,912                            | 6,318,391                                     | 0                     | 444,549,016                                    |
| HENRY           | .2247                    | 6,499                    | 82,658,553                       | 87,556  | 44,311                        | 219,535   | 492,668                              | (591,663)                                     | 0                     | 82,910,960                                     |
| HIGHLAND        | .8000                    | 179                      | 2,463,815                        | 5,071   | (7,020)                       | 1,476   | 719                                  | (171,364)                                     | 0                     | 2,292,698                                      |
| ISLE OF WIGHT   | .3704                    | 5,223                    | 47,753,554                       | 47,976  | (76,355)                      | 27,038  | 21,809                               | (759,211)                                     | 0                     | 47,014,812                                     |
| JAMES CITY      | .5403                    | 10,177                   | 68,785,556                       | 299,252   | (99,498)                      | 27,761  | 704,298                              | 485,556                                       | (55,034)              | 70,147,891                                     |
| KING GEORGE     | .3633                    | 4,475                    | 38,348,877                       | (27,361)  | (49,523)                      | 13,671  | 48,335                               | 607,183                                       | 0                     | 38,941,183                                     |
| KING QUEEN      | .3998                    | 506                      | 8,353,521                        | (6,558)   | (132,606)                     | 0   | 44,011                               | (2,300,696)                                   | 0                     | 5,957,673                                      |
| KING WILLIAM    | .3146                    | 2,066                    | 20,919,418                       | 10,857  | (75,396)                      | (36,792)  | 42,254                               | (40,469)                                      | 0                     | 20,819,871                                     |
| LANCASTER       | .8000                    | 936                      | 4,843,175                        | 119,619   | 10,622                        | 14,359  | 5,737                                | 45,996  | (113,635)             | 4,925,873                                      |
| LEE             | .1712                    | 2,771                    | 41,966,148                       | (12,710)  | (90,450)                      | 10,566  | (3,038)                              | 1,043,741                                     | 0                     | 42,914,258                                     |
| LOUDOUN         | .5518                    | 80,783                   | 553,586,416                      | (444,174)   | 95,482                        | (206,008)   | 3,276,376                            | (3,746,946)                                   | (541,563)             | 552,019,583                                    |
| LOUISA          | .5041                    | 5,125                    | 39,465,322                       | 58,269  | 24,968                        | (21,962)  | 83,906                               | 863,375                                       | (5,599)               | 40,468,279                                     |
| LUNENBURG       | .2614                    | 1,487                    | 19,464,184                       | 22,560  | (33,312)                      | (39,649)  | 144,024                              | 130,926                                       | 0                     | 19,688,733                                     |
| MADISON         | .4746                    | 1,495                    | 12,931,458                       | (35,664)  | (36,535)                      | (1,763)   | 16,606                               | (674,451)                                     | 0                     | 12,199,651                                     |
| MATHEWS         | .5904                    | 700                      | 5,892,238                        | 25,958  | 12,271                        | (19,514)  | 11,997                               | (167,194)                                     | (27,033)              | 5,728,723                                      |
| MECKLENBURG     | .3893                    | 3,653                    | 34,619,786                       | 50,676  | (50,244)                      | 92,610  | 97,735                               | 318,837                                       | 0                     | 35,129,400                                     |
| MIDDLESEX       | .6389                    | 1,191                    | 8,374,470                        | 101,053   | (1,573)                       | 4,846   | 17,568                               | 352,787                                       | (44,306)              | 8,804,844                                      |
| MONTGOMERY      | .4041                    | 9,115                    | 81,230,585                       | 89,159  | (352,404)                     | 0   | 330,371                              | (745,819)                                     | 0                     | 80,551,891                                     |
| NELSON          | .6645                    | 1,409                    | 9,290,711                        | 65,502  | 26,979                        | 20,486  | 31,105                               | 313,420                                       | (49,192)              | 9,699,011                                      |
| NEW KENT        | .4391                    | 3,476                    | 27,992,402                       | 4,389   | (248,578)                     | 126,082   | 22,021                               | (834,109)                                     | 0                     | 27,062,206                                     |
| NORTHAMPTON     | .5253                    | 1,175                    | 12,676,949                       | 87,358  | (44,276)                      | 0   | 36,117                               | (494,868)                                     | (13,114)              | 12,248,165                                     |
| NORTHUMBERLAND  | .7672                    | 1,102                    | 5,746,631                        | (26,388)  | (32,719)                      | 27,649  | 17,898                               | 130,649                                       | (109,201)             | 5,754,518                                      |
| NOTTOWAY        | .2696                    | 1,662                    | 20,249,741                       | 52,318  | (32,394)                      | 63,223  | 33,858                               | (112,100)                                     | 0                     | 20,254,647                                     |
| ORANGE          | .4382                    | 4,815                    | 42,012,954                       | 126,073   | 99,246                        | 56,922  | 135,285                              | (284,861)                                     | 0                     | 42,145,618                                     |
| PAGE            | .3356                    | 2,706                    | 28,627,344                       | 9,045   | 174,905                       | (60,184)  | (43,596)                             | (479,043)                                     | 0                     | 28,228,470                                     |
| PATRICK         | .2475                    | 2,097                    | 25,791,816                       | 133   | 65,366                        | (20,702)  | 46,113                               | (1,046,966)                                   | 0                     | 24,835,761                                     |
| PITTSYLVANIA    | .2642                    | 7,372                    | 80,587,236                       | (116,935)   | 86,011                        | 198,970   | 210,678                              | 912,974                                       | 0                     | 81,878,934                                     |
| POWHATAN        | .4704                    | 3,842                    | 30,824,413                       | (117,184)   | 69,269                        | (38,024)  | 2,218                                | (1,174,360)                                   | 0                     | 29,566,332                                     |
| PRINCE EDWARD   | .3776                    | 1,717                    | 17,073,149                       | 38,057  | (4,667)                       | 17,958  | 7,452                                | 939,961                                       | 0                     | 18,071,911                                     |



**HB 1600, As Introduced: Direct Aid to Public Education Estimated Distribution - FY 2026**

| School Division  | Key Data Elements        |                          | FY 2026<br>Appropriation (Ch. 2) | Technical Updates                                     |                               |   |                                      |   | Proposed Policy       | FY 2026 Estimated<br>Distribution<br>(HB 1600) |
|------------------|--------------------------|--------------------------|----------------------------------|---|-------------------------------|---|--------------------------------------|---|-----------------------|--|
|                  | 2024-2026<br>Comp. Index | FY 2026<br>Projected ADM |                                  | Update Sales Tax & School<br>Age Population Estimates | Update<br>Non-SOQ<br>Programs | Update Remedial<br>Summer School<br>Participation | Update English<br>Learner Enrollment | Update Average Daily<br>Enrollment Projection | Remove VPI LCI<br>Cap |  |
| PRINCE GEORGE    | .2321                    | 5,949                    | <b>64,141,628</b>                | 37,971  | 153,479                       | 12,366  | 304,601                              | (398,187)                                     | 0                     | <b>64,251,858</b>                              |
| PRINCE WILLIAM   | .3631                    | 87,782                   | <b>855,654,596</b>               | 765,676   | (1,258,795)                   | 818,394   | 6,593,651                            | (500,912)                                     | 0                     | <b>862,072,611</b>                             |
| PULASKI          | .3303                    | 4,176                    | <b>44,040,496</b>                | 3,054   | (467,176)                     | (307,368)   | 48,763                               | 29,217  | 0                     | <b>43,346,985</b>                              |
| RAPPAHANNOCK     | .8000                    | 736                      | <b>3,692,443</b>                 | 15,621  | (14,114)                      | (939)   | (4,105)                              | 6,721   | (65,789)              | <b>3,629,838</b>                               |
| RICHMOND         | .3110                    | 1,362                    | <b>14,299,874</b>                | 7,033   | (148,542)                     | (24,041)  | (26,869)                             | 37,516  | 0                     | <b>14,144,972</b>                              |
| ROANOKE          | .3635                    | 13,145                   | <b>118,597,179</b>               | 59,667  | 15,104                        | (258,817)   | 439,597                              | (863,911)                                     | 0                     | <b>117,988,819</b>                             |
| ROCKBRIDGE       | .4847                    | 2,232                    | <b>19,051,434</b>                | (30,299)  | 55,727                        | 5,186   | 150,781                              | 568,848                                       | 0                     | <b>19,801,677</b>                              |
| ROCKINGHAM       | .4349                    | 11,329                   | <b>93,967,340</b>                | 405,848   | 41,942                        | (52,706)  | 986,208                              | 1,465,643                                     | 0                     | <b>96,814,275</b>                              |
| RUSSELL          | .2265                    | 2,987                    | <b>38,475,857</b>                | (14,044)  | (118,871)                     | (70,068)  | (6,504)                              | (1,305,554)                                   | 0                     | <b>36,960,815</b>                              |
| SCOTT            | .1872                    | 3,774                    | <b>56,441,863</b>                | 26,097  | (30,659)                      | 121,076   | 16,652                               | (2,902,792)                                   | 0                     | <b>53,672,238</b>                              |
| SHENANDOAH       | .4248                    | 5,484                    | <b>50,610,290</b>                | 81,016  | (32,469)                      | 37,438  | 213,436                              | 626,055                                       | 0                     | <b>51,535,766</b>                              |
| SMYTH            | .2225                    | 3,992                    | <b>45,437,395</b>                | 20,014  | 73,073                        | 29,737  | 67,049                               | 5,459,934                                     | 0                     | <b>51,087,202</b>                              |
| SOUTHAMPTON      | .2987                    | 2,115                    | <b>26,516,520</b>                | (26,846)  | (79,073)                      | 44,704  | 9,343                                | (1,845,758)                                   | 0                     | <b>24,618,891</b>                              |
| SPOTSYLVANIA     | .3702                    | 23,459                   | <b>219,783,148</b>               | 420,194   | (1,803,616)                   | (232,428)   | 1,679,046                            | 3,844,077                                     | 0                     | <b>223,690,421</b>                             |
| STAFFORD         | .3312                    | 31,300                   | <b>290,666,788</b>               | 276,180   | 1,363,339                     | 322,213   | 2,047,635                            | (313,981)                                     | 0                     | <b>294,362,174</b>                             |
| SURRY            | .8000                    | 644                      | <b>3,753,553</b>                 | 29,463  | (3,133)                       | (2,281)   | 2,171                                | (32,594)                                      | (56,818)              | <b>3,690,361</b>                               |
| SUSSEX           | .3434                    | 1,031                    | <b>12,295,181</b>                | 35,661  | 47,827                        | (33,484)  | (16,867)                             | 1,155,296                                     | 0                     | <b>13,483,614</b>                              |
| TAZEWELL         | .2461                    | 4,725                    | <b>58,735,560</b>                | 109,504   | (202,782)                     | 58,175  | (2,437)                              | (2,693,319)                                   | 0                     | <b>56,004,701</b>                              |
| WARREN           | .4517                    | 4,778                    | <b>42,408,408</b>                | 31,685  | 53,958                        | (36,423)  | 176,108                              | (1,308,301)                                   | 0                     | <b>41,325,434</b>                              |
| WASHINGTON       | .3459                    | 7,192                    | <b>65,388,586</b>                | (23,944)  | 124,272                       | (118,064)   | 174,302                              | 7,720,742                                     | 0                     | <b>73,265,894</b>                              |
| WESTMORELAND     | .5065                    | 1,480                    | <b>16,881,490</b>                | 70,100  | (36,192)                      | 44,704  | 22,957                               | (213,423)                                     | (3,888)               | <b>16,765,748</b>                              |
| WISE             | .2020                    | 5,323                    | <b>63,982,611</b>                | 18,134  | (107,345)                     | (100,666)   | 16,746                               | (472,271)                                     | 0                     | <b>63,337,208</b>                              |
| WYTHE            | .3243                    | 3,473                    | <b>38,218,966</b>                | 19,826  | (61,441)                      | 76,624  | 31,012                               | (855,832)                                     | 0                     | <b>37,429,155</b>                              |
| YORK             | .3554                    | 13,367                   | <b>109,818,229</b>               | (58,927)  | (556,682)                     | (127,596)   | 243,405                              | 2,539,504                                     | 0                     | <b>111,857,933</b>                             |
| ALEXANDRIA       | .8000                    | 16,215                   | <b>73,334,841</b>                | 106,756   | 153,129                       | 16,238  | 1,039,893                            | 1,178,139                                     | (1,842,712)           | <b>73,986,284</b>                              |
| BRISTOL          | .2977                    | 2,012                    | <b>26,549,782</b>                | 7,754   | (85,519)                      | (97,076)  | 71,102                               | 398,957                                       | 0                     | <b>26,845,001</b>                              |
| BUENA VISTA      | .1803                    | 823                      | <b>11,068,527</b>                | 16,373  | 29,389                        | 2,750   | 7,325                                | 1,111,325                                     | 0                     | <b>12,235,688</b>                              |
| CHARLOTTESVILLE  | .7702                    | 4,177                    | <b>23,441,661</b>                | 43,115  | (18,927)                      | (30,377)  | 133,878                              | 394,689                                       | (374,376)             | <b>23,589,663</b>                              |
| COLONIAL HEIGHTS | .4026                    | 2,902                    | <b>26,685,888</b>                | 104,499   | (66,790)                      | 61,331  | 180,510                              | 336,705                                       | 0                     | <b>27,302,143</b>                              |
| DANVILLE         | .2411                    | 5,164                    | <b>71,026,929</b>                | 166,028   | (377,927)                     | 36,664  | 460,735                              | (443,469)                                     | 0                     | <b>70,868,960</b>                              |
| FALLS CHURCH     | .8000                    | 2,632                    | <b>10,711,116</b>                | 295,028   | 50,611                        | (21,606)  | 63,912                               | 117,597                                       | (41,734)              | <b>11,174,923</b>                              |
| FREDERICKSBURG   | .6163                    | 3,468                    | <b>23,657,212</b>                | 94,998  | 63,007                        | 67,713  | 297,544                              | 1,010,243                                     | (68,473)              | <b>25,122,244</b>                              |
| GALAX            | .2661                    | 1,355                    | <b>15,496,804</b>                | 40,445  | (14,697)                      | 53,677  | 116,708                              | (215,173)                                     | 0                     | <b>15,477,764</b>                              |
| HAMPTON          | .2579                    | 18,353                   | <b>205,642,979</b>               | 495,250   | (416,975)                     | 156,854   | 337,169                              | (4,621,700)                                   | 0                     | <b>201,593,576</b>                             |
| HARRISONBURG     | .3335                    | 6,567                    | <b>68,579,571</b>                | (60,992)  | (130,482)                     | 363,591   | 1,016,551                            | (309,456)                                     | 0                     | <b>69,458,784</b>                              |
| HOPEWELL         | .1870                    | 3,590                    | <b>45,363,919</b>                | 75,584  | 34,124                        | 7,092   | 88,153                               | 579,110                                       | 0                     | <b>46,147,981</b>                              |
| LYNCHBURG        | .3872                    | 7,121                    | <b>75,016,268</b>                | 329,838   | 26,711                        | (68,669)  | 446,777                              | 382,051                                       | 0                     | <b>76,132,976</b>                              |

**HB 1600, As Introduced: Direct Aid to Public Education Estimated Distribution - FY 2026**

| School Division | Key Data Elements        |                          | FY 2026<br>Appropriation (Ch. 2) | Technical Updates                                     |                               |   |                                      |   | Proposed Policy       | FY 2026 Estimated<br>Distribution<br>(HB 1600) |
|-----------------|--------------------------|--------------------------|----------------------------------|---|-------------------------------|---|--------------------------------------|---|-----------------------|--|
|                 | 2024-2026<br>Comp. Index | FY 2026<br>Projected ADM |                                  | Update Sales Tax & School<br>Age Population Estimates | Update<br>Non-SOQ<br>Programs | Update Remedial<br>Summer School<br>Participation | Update English<br>Learner Enrollment | Update Average Daily<br>Enrollment Projection | Remove VPI LCI<br>Cap |  |
| MARTINSVILLE    | .2229                    | 1,655                    | 22,148,722                       | 58,215  | (89,157)                      | (140,266)   | 141,859                              | 38,988  | 0                     | 22,158,361                                     |
| NEWPORT NEWS    | .2729                    | 24,113                   | 277,394,451                      | 437,850   | (1,159,496)                   | (547,894)   | 1,628,956                            | (1,031,471)                                   | 0                     | 276,722,396                                    |
| NORFOLK         | .3212                    | 24,733                   | 267,378,828                      | 1,181,051   | 192,834                       | (526,529)   | 1,888,280                            | 2,411,263                                     | 0                     | 272,525,727                                    |
| NORTON          | .2412                    | 807                      | 8,742,241                        | 383   | 90,393                        | (7,638)   | 8,027                                | 853,144                                       | 0                     | 9,686,550                                      |
| PETERSBURG      | .2075                    | 4,237                    | 54,644,372                       | 169,815   | (81,661)                      | 205,263   | 527,238                              | 445,146                                       | 0                     | 55,910,172                                     |
| PORTSMOUTH      | .2369                    | 12,064                   | 149,498,066                      | 115,788   | 1,007,105                     | 165,900   | 786,066                              | (2,653,478)                                   | 0                     | 148,919,448                                    |
| RADFORD         | .1658                    | 3,089                    | 34,675,410                       | (12,367)  | 517,268                       | (4,478)   | 212,180                              | 325,800                                       | 0                     | 35,713,813                                     |
| RICHMOND CITY   | .5740                    | 20,149                   | 174,613,239                      | 1,161,014   | 3,157                         | 424,481   | 1,683,789                            | 5,608,816                                     | (627,725)             | 182,866,771                                    |
| ROANOKE CITY    | .3388                    | 13,080                   | 151,324,917                      | 528,412   | 400,032                       | (560,349)   | 2,160,760                            | 2,394,053                                     | 0                     | 156,247,826                                    |
| STAUNTON        | .3767                    | 2,478                    | 27,331,844                       | 32,811  | 226,608                       | (73,191)  | (6,135)                              | (284,591)                                     | 0                     | 27,227,346                                     |
| SUFFOLK         | .3493                    | 13,999                   | 130,037,950                      | 323,548   | (248,759)                     | (297,338)   | 235,631                              | 788,973                                       | 0                     | 130,840,004                                    |
| VIRGINIA BEACH  | .4138                    | 62,504                   | 502,287,485                      | 723,420   | (110,782)                     | (307,199)   | 1,628,060                            | 834,011                                       | 0                     | 505,054,995                                    |
| WAYNESBORO      | .3633                    | 2,792                    | 28,602,183                       | 154,812   | 110,879                       | (24,779)  | 364,899                              | (211,518)                                     | 0                     | 28,996,476                                     |
| WILLIAMSBURG    | .7426                    | 1,219                    | 8,106,978                        | 121,067   | 71,879                        | (134,718)   | (216,239)                            | 255,794                                       | (72,547)              | 8,132,214                                      |
| WINCHESTER      | .4151                    | 4,182                    | 38,534,526                       | 186,968   | 90,230                        | 10,205  | 696,830                              | 1,646,197                                     | 0                     | 41,164,956                                     |
| FAIRFAX CITY    | .8000                    | 3,159                    | 12,295,012                       | 299,837   | (41,793)                      | (4,026)   | 297,610                              | 570,642                                       | (166,936)             | 13,250,346                                     |
| FRANKLIN CITY   | .2884                    | 1,114                    | 12,578,377                       | 40,133  | 134,145                       | 57,298  | 12,926                               | 2,188,897                                     | 0                     | 15,011,775                                     |
| CHESAPEAKE CITY | .3273                    | 40,014                   | 373,271,386                      | 514,140   | 3,533,109                     | (97,499)  | 1,091,310                            | 6,089,604                                     | 0                     | 384,402,051                                    |
| LEXINGTON       | .3987                    | 687                      | 5,316,218                        | 12,310  | (1,944)                       | 0   | (3,311)                              | 184,041                                       | 0                     | 5,507,314                                      |
| EMPORIA         | .2340                    | 894                      | 10,823,284                       | 23,941  | 46,907                        | 0   | 163,492                              | 918,504                                       | 0                     | 11,976,128                                     |
| SALEM           | .3632                    | 3,718                    | 37,448,437                       | 36,595  | (21,884)                      | 81,613  | 135,476                              | (3,514,680)                                   | 0                     | 34,165,556                                     |
| POQUOSON        | .3466                    | 1,983                    | 17,387,725                       | 391   | 40,476                        | 12,714  | 9,337                                | (100,648)                                     | 0                     | 17,349,995                                     |
| MANASSAS CITY   | .3371                    | 7,302                    | 79,797,083                       | 188,730   | (9,880)                       | 53,821  | 1,400,916                            | 1,585,019                                     | 0                     | 83,015,689                                     |
| MANASSAS PARK   | .2716                    | 3,168                    | 40,471,770                       | (26,473)  | 51,024                        | 52,296  | 843,109                              | 560,139                                       | 0                     | 41,951,865                                     |
| COLONIAL BEACH  | .3675                    | 556                      | 6,602,429                        | 18,061  | 7,595                         | 12,307  | 2,361                                | (67,197)                                      | 0                     | 6,575,556                                      |
| WEST POINT      | .2489                    | 784                      | 8,311,734                        | 18,131  | (6,808)                       | 3,024   | 31,327                               | (345,261)                                     | 0                     | 8,012,147                                      |
| <b>TOTAL:</b>   |                          | <b>1,213,646</b>         | <b>\$10,524,199,094</b>          | <b>\$16,797,249</b>                                   | <b>(\$3,199,293)</b>          | <b>\$1,152,551</b>                                | <b>\$61,878,968</b>                  | <b>\$20,545,855</b>                           | <b>(\$11,691,908)</b> | <b>\$10,609,682,516</b>                        |

# Appendix C

## DETAIL OF HB 1600- CAPITAL OUTLAY

Total for the 2024-2026 Biennium

| Title  | General Fund      | General Fund Bonds | Nongeneral Fund Cash | Nongeneral Fund Bonds | Total              |
|--|-------------------|--------------------|----------------------|-----------------------|--------------------|
| <b>GENERAL CONDITIONS</b>  |                   |                    |                      |                       |                    |
| Amend Six-Year Capital Outlay Plan Advisory Committee Recommendation Requirement               |                   |                    |                      |                       | Language           |
| Amend Transfer Authorization Between Capital Pools   |                   |                    |                      |                       | Language           |
| <b>ADMINISTRATION</b>  |                   |                    |                      |                       |                    |
| <b>Dept of General Services</b>  |                   |                    |                      |                       |                    |
| Construct Commonwealth Courts Building   | 14,500,000        |                    |                      |                       | 14,500,000         |
| New State Agency Building  | 35,000,000        |                    |                      |                       | 35,000,000         |
| Relocate Office of Fleet Management Services   |                   |                    |                      |                       | Language           |
| <b>Total: Administration</b>   | <b>49,500,000</b> |                    |                      |                       | <b>49,500,000</b>  |
| <b>EDUCATION</b>   |                   |                    |                      |                       |                    |
| College of William & Mary – Construct West Woods Phase 2                                       |                   |                    |                      | 120,000,000           | 120,000,000        |
| George Mason University – Address Priority Facility Improvements                               | 8,000,000         |                    |                      |                       | 8,000,000          |
| James Madison University - Construct Student Housing   |                   |                    |                      | 86,085,243            | 86,085,243         |
| Longwood University - Replace & Augment IT Network and Security Equipment                      | 2,160,863         |                    | 551,454              |                       | 2,712,317          |
| Norfolk State University - Improve Campus Security   | 2,633,223         |                    |                      |                       | 2,633,223          |
| Radford University - Renovate Dalton Hall  |                   |                    | 52,320,333           |                       | 52,320,333         |
| University of Mary Washington – Improve Energy Infrastructure                                  | 4,350,000         |                    | 650,000              |                       | 5,000,000          |
| Virginia State University - Improve Life Safety Systems Campuswide                             | 6,596,950         |                    |                      |                       | 6,596,950          |
| Science Museum of Virginia - Expand New Urban Green Space                                      |                   |                    | 6,300,000            |                       | 6,300,000          |
| <b>Total: Education</b>  | <b>23,741,036</b> |                    | <b>59,821,787</b>    | <b>206,085,243</b>    | <b>289,648,066</b> |
| <b>HEALTH &amp; HUMAN RESOURCES</b>  |                   |                    |                      |                       |                    |
| Dept of Beh. Health & Dev. Services - Renovate, Repair, & Upgrade State-Operated Facilities    | 52,093,205        |                    |                      |                       | 52,093,205         |
| <b>Total: Health and Human Resources</b>   | <b>52,093,205</b> |                    |                      |                       | <b>52,093,205</b>  |
| <b>NATURAL RESOURCES</b>   |                   |                    |                      |                       |                    |
| Dept of Conservation & Recreation - Acquisition of Land for State Parks                        |                   |                    | 10,399,475           |                       | 10,399,475         |
| <b>Total: Natural Resources</b>  |                   |                    | <b>10,399,475</b>    |                       | <b>10,399,475</b>  |
| <b>TRANSPORTATION</b>  |                   |                    |                      |                       |                    |
| <b>Department of Motor Vehicles</b>  |                   |                    |                      |                       |                    |
| Maintenance Reserve  |                   |                    | 15,500,000           |                       | 15,500,000         |
| Renovate DMV Headquarters  |                   |                    | 16,000,000           |                       | 16,000,000         |
| <b>Total: Transportation</b>   |                   |                    | <b>31,500,000</b>    |                       | <b>31,500,000</b>  |
| <b>VETERANS AFFAIRS &amp; PUBLIC SAFETY</b>  |                   |                    |                      |                       |                    |
| Department of Military Affairs - Construct the Army Aviation Support Facility (AASF), Sandston | 2,500,000         |                    |                      |                       | 2,500,000          |
| <b>Department of Veterans Services</b>   |                   |                    |                      |                       |                    |
| Improve Dublin Veterans Cemetery   |                   |                    | 330,000              |                       | 330,000            |
| Improve Suffolk Veterans Cemetery  |                   |                    | 330,000              |                       | 330,000            |
| Improve Amelia Veterans Cemetery   |                   |                    | 5,500,000            |                       | 5,500,000          |

**DETAIL OF HB 1600- CAPITAL OUTLAY**

**Total for the 2024-2026 Biennium**

| Title  | General Fund           | General Fund Bonds     | Nongeneral Fund Cash | Nongeneral Fund Bonds | Total                  |
|--|------------------------|------------------------|----------------------|-----------------------|------------------------|
| <b>Total: Veterans Affairs &amp; Homeland Security</b>                                 | <b>2,500,000</b>       |                        | <b>6,160,000</b>     |                       | <b>6,160,000</b>       |
| <b>CENTRAL APPROPRIATIONS – Central Capital Outlay</b>                                 |                        |                        |                      |                       |                        |
| Central Reserve for Capital Equipment Funding  | 14,511,505             |                        |                      |                       | 14,511,505             |
| Central Planning Pool for Capital Projects   | 31,948,103             |                        | 9,130,897            |                       | 41,079,000             |
| Capital Supplement Pool  | 62,362,850             |                        |                      |                       | 62,362,580             |
| 2024 State Agency Capital Account - DBHDS Project Scope Change                         |                        |                        |                      |                       | Language               |
| 2022 State Agency Capital Account – VSP Training Project                               | 136,311,497            |                        |                      |                       | 136,311,497            |
| 2025 Public Educational Institution Capital Account                                    | 448,214,251            |                        | 48,800,000           | 31,531,520            | 528,545,771            |
| 2025 State Agency Capital Account  | 130,451,057            |                        |                      |                       | 130,451,057            |
| Water Quality Improvement Fund – Fund Supplant for Wastewater Treatment Plant Upgrades | 400,000,000            | -400,000,000           |                      |                       | 0                      |
| 2020 VPBA Capital Account – Modify Water Infrastructure Project Language Authorization |                        |                        |                      |                       | Language               |
| 2021 VCBA Capital Account – VCCS Renovate Godwin Building, Annandale, No. VA           | 15,545,100             |                        |                      |                       | 15,545,100             |
| Capital Lease Authorizations   |                        |                        |                      |                       | Language               |
| Capital Project Balance Transfers  |                        |                        |                      |                       | Language               |
| 9(c) and 9(d) Revenue Bond Authorizations  |                        |                        |                      |                       | Language               |
| <b>Total: Central Appropriations</b>   | <b>1,239,344,363</b>   | <b>-400,000,000</b>    | <b>57,930,897</b>    | <b>31,531,520</b>     | <b>928,806,780</b>     |
| <b>Total: Capital Outlay HB 1600</b>   | <b>\$1,367,178,604</b> | <b>(\$400,000,000)</b> | <b>\$165,812,159</b> | <b>\$237,616,763</b>  | <b>\$1,368,107,526</b> |