

**Summary of  
The Governor's Proposed  
Amendments to the  
2024-26 Budget**

Introduced as SB 29

**and**

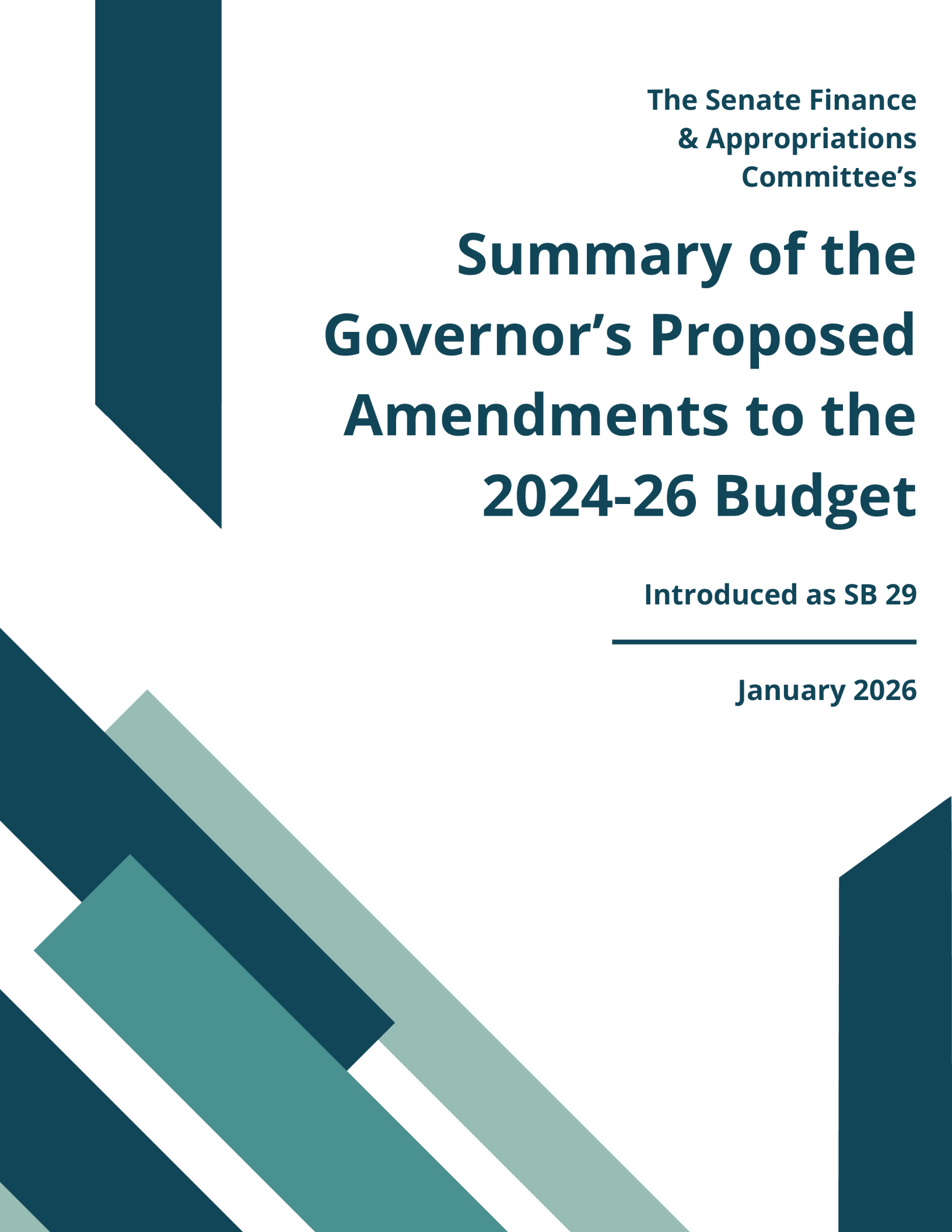
**The Governor's Proposed  
2026-28 Budget**

Introduced as SB 30

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January 2026





The Senate Finance  
& Appropriations  
Committee's

# Summary of the Governor's Proposed Amendments to the 2024-26 Budget

Introduced as SB 29

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January 2026

# Introduction

This document was prepared by the staff of the Senate Finance & Appropriations Committee as a summary of the Governor's proposed amendments to the budget for the 2024-26 biennium, introduced as SB 29 during the 2026 Session.

## SENATE FINANCE & APPROPRIATIONS COMMITTEE

### Staff

April Kees, Director  
Cailin Bownas  
Melissa Mayes  
Anya Pfeiffer  
Catie Robertson  
Kendra Brown Shifflett  
Ren Spotts  
Michael Tweedy  
Tyler Williams

# Table of Contents

|                                           |    |
|-------------------------------------------|----|
| Resources.....                            | 4  |
| Commerce and Trade .....                  | 8  |
| Public Education.....                     | 9  |
| Higher Education.....                     | 11 |
| Finance .....                             | 12 |
| Health and Human Resources.....           | 12 |
| Natural and Historic Resources.....       | 15 |
| Public Safety and Homeland Security ..... | 16 |
| Transportation .....                      | 17 |
| Veterans and Defense Affairs .....        | 17 |
| Central Appropriations.....               | 17 |
| Capital Outlay .....                      | 18 |
| SB 29 Appendices.....                     | 19 |

# Resources

The proposed amendments to the 2024-26 budget (SB 29) include \$2.9 billion in general fund resources above those assumed in Chapter 725 of the 2025 Acts of Assembly. These resources include: (1) a \$915.1 million upward revision to the general fund revenue forecast; (2) a \$101.6 million revenue reduction for proposed tax conformity to the federal Internal Revenue Service Code; (3) increases in general fund transfers totaling \$40.3 million; (4) a voluntary \$323.4 million transfer from the Revenue Reserve Fund to the general fund; and (5) positive net balance adjustments totaling almost \$1.8 billion. With these adjustments, general fund resources and transfers in FY 2026 total \$35.9 billion. The net balance available to carry forward into the next biennium totals \$2.1 billion, which includes the \$47.0 million unappropriated balance in Chapter 725, the change in general fund resources outlined above, and a proposed \$857.9 million net spending increase contained in SB 29.

| Changes to General Fund Resources Available for Appropriation |                   |                   |                   |
|---------------------------------------------------------------|-------------------|-------------------|-------------------|
| (Biennial \$ in millions)                                     |                   |                   |                   |
|                                                               | Chapter 725       | SB 29             | Change            |
| Beginning Balance                                             | \$12,757.4        | \$25,245.4        | \$12,488.0        |
| Additions to Balances                                         | <u>(8,224.0)</u>  | <u>(18,962.4)</u> | <u>(10,738.4)</u> |
| <b>Net Balance Adjustments</b>                                | <b>\$4,533.5</b>  | <b>\$6,283.0</b>  | <b>\$1,749.6</b>  |
| Chapter 725 Revenue Estimate                                  | \$62,021.4        | \$62,021.4        | \$0.0             |
| GACRE Forecast Adjustments                                    | -                 | 915.1             | 915.1             |
| Post-GACRE Adjustments                                        | -                 | 9.0               | 9.0               |
| Tax Policy Adjustments                                        | <u>0.0</u>        | <u>(101.6)</u>    | <u>(101.6)</u>    |
| <b>Total GF Official Revenue Estimate</b>                     | <b>\$62,021.4</b> | <b>\$62,843.9</b> | <b>\$822.5</b>    |
| <b>Transfers</b>                                              | <b>\$2,962.3</b>  | <b>\$3,326.0</b>  | <b>\$363.7</b>    |
| <b>GF Resources Available for Appropriation</b>               | <b>\$69,517.2</b> | <b>\$72,452.9</b> | <b>\$2,935.6</b>  |
| Unappropriated Balance                                        |                   |                   | \$47.0            |
| SB 29 Change in Available Resources                           |                   |                   | 2,935.6           |
| SB 29 Operating Spending Changes                              |                   |                   | (857.9)           |
| SB 29 Capital GF Spending Changes                             |                   |                   | <u>0.0</u>        |
| <b>SB 29 Unappropriated Balance</b>                           |                   |                   | <b>\$2,124.7</b>  |
| *May not sum due to rounding.                                 |                   |                   |                   |

## **Balance Adjustments**

The nearly \$1.8 billion net balance adjustment in SB 29 is comprised of the \$572.0 million FY 2025 surplus, \$25.3 million reversion of FY 2026 vetoed operating appropriation, \$11.0 million reduction for vetoed resource items in Chapter 725, \$257.5 million reversion of discretionary balances, and \$838.7 million reversion of FY 2025 vetoes assigned on the FY 2025 year-end balance sheet.

Out of the FY 2025 surplus, \$20.0 million is reserved to support the Virginia Military Survivors & Dependents Education Program. SB 29 includes proposed amendments to appropriate these funds. Appropriations are made for statutory deposits to the Revenue Reserve Fund (\$312.3 million) and Water Quality Improvement Fund (WQIF) deposits (\$107.9 million), which are committed amounts on the FY 2025 year-end balance sheet. Chapter 725 also required surplus reservations to respond to federal fund reductions, which provide a reversion of \$184.5 million.

Additionally, an \$8.1 million adjustment is assumed for authorized sum sufficient amounts for natural disaster relief for Hurricane Helene and \$32.1 million for SNAP benefits funded by the Commonwealth during the 2025 federal government shutdown. SB 29 proposes reversions of \$1.0 million from the Economic Development Incentive Program for an unfulfilled energy related economic development project, \$9.8 million of the remaining balance for the inland port study in Mount Rogers Planning District, \$9.0 million in unobligated Enterprise Zone balances at the Department of Housing and Community Development, \$23.1 million from mandatory carryforward balances for crisis services at the Department of Behavioral and Developmental Services, \$7.1 million from mandatory carryforward balances for a child welfare information system at the Department of Social Services, and \$4.6 million reversion from Central Appropriations balances.

## **General Fund Revenue Forecast**

Through the first five months of FY 2026, total general fund revenue grew 5.2 percent, compared to the Chapter 725 forecast requiring only 0.4 percent growth over FY 2025. FY 2025 revenue increased 6.1 percent over FY 2024 with 5.0 percent withholding growth and 2.2 percent sales tax growth. Nonwithholding continued to exceed forecasted growth by \$729.8 million with 14.5 percent actual growth

compared to 3.4 percent forecasted growth. Because of strong nonwithholding growth, a \$572.0 million surplus was achieved in FY 2025. The higher revenue base in FY 2025 resulted in the FY 2026 official forecast only needing to grow four-tenths of one percent. To meet the FY 2026 forecast, revenues in the remaining seven months of FY 2026 could decline 2.3 percent.

Based on strong year-to-date general fund collections and the advice of the Joint Advisory Board of Economists and the Governor’s Advisory Council on Revenue Estimates, SB 29 proposes a \$915.1 million upward adjustment to the FY 2026 forecast. In FY 2026, Virginia is expected to slightly increase jobs by 0.6 percent with moderate 4.5 percent wage and 4.7 percent personal income growth. In addition to economic adjustments to the forecast, SB 29 assumes a \$101.6 million GF reduction to conform to certain provisions in the federal 2025 Budget Reconciliation Act (P.L. 119-21), or H.R. 1. Prior to the proposed tax policy actions, the December forecast assumes 3.3 percent growth in FY 2026 revenue, and 3.0 percent growth when adjusting for assumed tax policy actions. With year-to-date growth of 5.2 percent, revenue needs to increase by only 1.9 percent over the remainder of FY 2026 to meet the December forecast.

| FY 2026 Official GF Forecast by Source |                   |                     |                |
|----------------------------------------|-------------------|---------------------|----------------|
| (\$ in millions)                       |                   |                     |                |
|                                        | Forecast          | FY 2026<br>% Growth | Change         |
| Withholding                            | \$18,450.3        | 5.1%                | \$510.0        |
| Nonwithholding                         | 7,670.6           | 2.0                 | 1,297.2        |
| Refunds                                | <u>(3,251.0)</u>  | <u>2.0</u>          | <u>(651.4)</u> |
| Net Individual                         | \$22,869.9        | 4.5%                | \$1,155.7      |
| Corporate                              | 1,811.7           | (3.6)               | (213.9)        |
| Sales and Use                          | 4,967.6           | 3.2                 | (19.8)         |
| Insurance                              | 536.9             | (0.8)               | 33.2           |
| Wills, Suits, Deeds                    | 474.1             | 0.6                 | (82.9)         |
| All Other                              | <u>1,522.6</u>    | <u>(7.0)</u>        | <u>(50.0)</u>  |
| <b>Total GF Revenue Estimate</b>       | <b>\$32,182.8</b> | <b>3.0%</b>         | <b>\$822.5</b> |

## Policy Changes Assumed in the Forecast

The 2025 Budget Reconciliation Act (P.L. 119-21), , H.R. 1, extends expiring provisions of the Tax Cuts and Jobs Act of 2017 and introduces federal tax changes that affect Virginia through conformity to the Internal Revenue Code. For simplicity and compliance, Virginia uses federal income definitions as the starting point for state income tax liability. Virginia adopted rolling conformity in 2023 but suspended it for federal tax provisions enacted in 2025 and 2026. To conform to federal changes, the General Assembly must now adopt legislation. SB 29 and SB 30 propose to substantially conform to H.R. 1, while deconforming from the retroactive domestic research expense deduction and limiting bonus depreciation for qualified property to 50.0 percent, reducing the general fund revenue impact by \$671.2 million over FY 2026–FY 2028. SB 29 also proposes to repeal the temporary suspension of rolling conformity for tax years 2025 and 2026 contained in Part 4 Additional Enactment of Chapter 725.

| <b>Proposed H.R. 1 Conformity Provisions</b>                                         |                   |                   |                   |
|--------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| (\$ in millions)                                                                     |                   |                   |                   |
|                                                                                      | <b>FY 2026</b>    | <b>FY 2027</b>    | <b>FY 2028</b>    |
| Miscellaneous provisions                                                             | \$3.0             | \$12.7            | \$20.7            |
| 1% floor on charitable contributions                                                 | 4.3               | 7.7               | 9.2               |
| 0.5% floor on charitable contributions                                               | 15.8              | 40.4              | 42.5              |
| Restructure of opportunity zones program                                             | 10.9              | 22.9              | (27.0)            |
| New limit on the value of itemized deductions <small>(repeal of Pease limit)</small> | (10.2)            | (26.1)            | (27.9)            |
| Increases section 179 expensing limit to \$2.5 million                               | (28.2)            | (19.3)            | (16.1)            |
| Increases the business interest deduction                                            | (33.6)            | (16.0)            | (14.8)            |
| 50% of special depreciation allowance for qualified property                         | (63.6)            | (86.8)            | (90.8)            |
| Domestic research deduction* (effective TY 26)                                       | <u>0.0</u>        | <u>(84.1)</u>     | <u>(79.0)</u>     |
| <b>Total Conformity to H.R. 1</b>                                                    | <b>(\$101.60)</b> | <b>(\$148.60)</b> | <b>(\$183.20)</b> |

## Changes in Transfers

Proposed net transfer adjustments total \$363.7 million in SB 29. The routine adjustments include the 0.375 percent sales tax transferred from the Local Real Estate/Standard of Quality Fund for public education decreasing by \$2.0 million, and ABC profits transfer increase of \$4.8 million based on their sales forecast and expenses.

As introduced, SB 29 assumes an additional transfer from the Revenue Reserve Fund to the general fund of \$323.4 million in FY 2026. This would increase the total assumed transfers from reserves to \$1.3 billion over the biennium to align the balance of the Revenue Stabilization Fund and Revenue Reserve Funds to the statutory 15.0 percent limit of certified tax revenues. However, Chapter 635, 2025 Session, provides more flexibility and allows the combined reserve limit to be exceeded if the Revenue Reserve Fund balance is less than 10.0 percent of the three-year average of certified revenues. A corresponding appropriation action makes the required deposit to the Revenue Reserve Fund of \$312.3 million deposit based on FY 2025 year-end requirements.

SB 29 also proposes to transfer to the general fund \$227,948 from inactive accounts, \$10.0 million from the Growth and Opportunity Fund, \$25.0 million from the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund, and \$2.2 million from the Clean Energy Innovation Bank Fund.

## Commerce and Trade

### – Economic Development Incentive Payments

- **Energy related economic development project.** Recommends reverting to the general fund \$1.0 million GF provided in the second year for an energy related economic development project in Chesterfield County because the project was supported through the Virginia Clean Energy Innovation Bank under the Department of Energy.
- **Inland port project balances.** Recommends capturing \$9.8 million GF provided in FY 2026 for development of an inland port in the Mount Rogers Planning District. SB 30 proposes \$35.0 million GF to complete design and begin site work for the facility in Washington County.
- **Financial Services Expansion Fund.** Proposes to eliminate \$1.4 million GF provided in the second year for the Financial Services Expansion Fund custom grant payment due to updates to the incentive schedule.

- **Virginia Investment Performance Grants.** Recommends decreasing the funding by \$400,000 GF the second year as a result of a cancelled project.
- **Department of Housing and Community Development**
  - **GO Virginia Program Balances.** Recommends reverting to the general fund \$10.0 million NGF in FY 2026 from unobligated balances in the Virginia Growth and Opportunity Fund (GO Virginia).
  - **Enterprise Zone Program Balances.** Proposes reverting to the general fund \$9.0 million NGF in FY 2026 from unobligated balances in the Enterprise Zone program.
- **Department of Energy**
  - **Virginia Clean Energy Innovation Bank Balances.** Recommends transferring \$2.2 million NGF in the second year from unobligated balances in the Virginia Clean Energy Innovation Bank to the general fund. The funds were generated through the sale of Renewable Energy Certificates.
- **Virginia Innovation Partnership Authority**
  - **Opioid Overdose Reversal Agent Program.** Proposes \$16.0 million NGF from the Commonwealth Opioid Abatement and Remediation Fund the second year to transfer administration of the program to manufacture a lowest sustainable cost opioid overdose reversal nasal spray. Responsibility for the Program would move to the Virginia Innovation Partnership Authority from the Department of Health.

## Public Education

### – Direct Aid to Public Education

The Governor's proposed amendments to Direct Aid result in a total net decrease of \$53.0 million across the biennium.

- Routine and technical updates, including enrollment numbers and updated program participation, result in a reduction of \$207.8 million GF and an increase of \$48.3 million NGF to reflect an increase in Lottery proceeds.
- A proposed policy change (a bonus payment to instructional and support staff) would result in an increase of \$106.5 million GF.

### ***Technical Updates***

- **Update Average Daily Membership Projections.** Updates the enrollment projections based on Fall 2025 membership data from 1,213,645 students to 1,196,459 students, resulting in a reduction of \$110.6 million GF.
- **Update English Language Learner Data.** Updates the cost of the English Language Learner Standards of Quality program to reflect updated data for students and proficiency levels, resulting in a reduction of \$30.2 million GF.
- **Update Lottery Proceeds.** Proposes supplanting \$48.3 million GF with the same amount of NGF to reflect an increase in the estimate of new Lottery proceeds transfers.
- **Update Incentive Programs.** Reduces funding for certain education programs not covered in the Standards of Quality by \$7.2 million GF based on updated data.
- **Update Fall Membership Data in Direct Aid Program Formulas.** Updates the Fall Membership data used in certain funding formulas to reflect actual data, resulting in a reduction of \$1.1 million GF.
- **Update Lottery Supported Programs.** Adjusts funding for Lottery supported programs based on actual enrollment numbers and updated projections, representing a reduction of \$3.9 million GF.
- **Update Remedial Summer School Program Participation.** Reduces the cost of the Remedial Summer School program by \$4.0 million GF to reflect actual data.
- **Update Sales Tax Revenues for Public Education.** Adjusts the sales tax revenues provided to local school divisions based on the November 2025 sales tax forecast, resulting in a reduction of \$2.2 million GF.

- **Update Supplemental Education Programs.** Reduces the amount of state support for the National Board Certification Bonus program by \$197,500 GF based on the projected number of eligible staff in 2026.
- **Update Categorical Programs.** Includes an additional \$55,690 GF to adjust funding for continuing categorical education programs that are not covered in the Standards of Quality.

### ***Other Changes***

- **Provide Bonus Payment for Instructional and Support Staff.** Proposes including \$106.5 million GF to support the state share of a 2.0 percent bonus, effective June 1, 2026, for funded instructional and support positions.
- **Literary Fund.** Recommends language limiting the amount from the Literary Fund designated for school construction loans in the 2024-2026 biennium to \$78.0 million, consistent with the amount approved by the Board of Education to date.

## **Higher Education**

### **– State Council of Higher Education**

- **Virginia Military Survivors and Dependents Education Program.** Recommends appropriating \$20.0 million GF in FY 2026 from the excess 2025 general fund revenues that were reserved in Item 470 of Chapter 725, 2025 Acts of Assembly. The impact of the waiver program would be offset by \$85.0 million GF in FY 2026 with this action.

### **– Virginia Community College System**

- **Workforce Credential Grant Program.** Proposes a transfer of \$13.6 million NGF from the system's education and general program cash balances to the New Economy Workforce Credential Grant Fund. Proposed budget language in SB 30 would appropriate the funding in FY 2027 to support the Fast Forward program enrollment.

# Finance

## – Department of Accounts

- **Make Revenue Reserve Fund Deposit and Withdrawal.** Recommends \$312.3 million GF to make the required deposit to the Revenue Reserve Fund and directs a withdrawal of \$323.4 million GF from the Revenue Reserve Fund to the general fund. The withdrawal is to limit the combined balance of Revenue Stabilization and Revenue Reserve Funds to the existing 15.0 percent limitation of certified revenue in the Code of Virginia.

## – Department of Taxation

- **Account for Integrated Revenue Management System Funding.** Proposes language to authorize the Department to transfer \$131.0 million GF appropriated for the replacement of the Integrated Revenue Management System to a special fund for transparency purposes.

## – Treasury Board

- **Capture Debt Service Savings.** Proposes an \$18.6 million GF decrease in funds for debt service savings on bonds issued by the Virginia Public Building Authority and the Virginia College Building Authority.

# Health and Human Resources

## – Children’s Services Act

- **Fund Children’s Services Act Forecast.** Proposes \$20.7 million GF in FY 2026 to fund the projected costs of services provided through the Children’s Services Act. The program’s costs are projected to increase 8.7 percent in FY 2026 following an 11.0 percent increase in FY 2025. While private day special education continues to be the major driver, the program is experiencing growth across all services.

## Department of Health

- **Transfer Opioid Overdose Reversal Agent Program to the Virginia Innovation Partnership Authority.** Proposes transferring \$8.0 million NGF in FY 2026 for the Opioid Overdose Reversal Agent Program to the Virginia Innovation Partnership Authority as the Department of Health does not have the expertise to oversee the manufacturing and pharmaceutical development required in the program.
- **Restrict Taxpayer Funding for Abortion Services.** Proposes modifying language to restrict taxpayer funding for abortion services to only what is allowed under federal law. (State law permits funds to be used in cases of gross fetal abnormality.)

### – Department of Medical Assistance Services

- **Fund Medicaid Utilization and Inflation.** Recommends \$410.3 million GF and \$758.1 million NGF in FY 2026 to fund the Medicaid program based on the most recent forecast of expenditures. While overall enrollment in Medicaid continues to decline, growth in the highest cost populations (nursing home residents, people with disabilities, etc.) partially offset the savings from the overall population decline. Managed care rate increases are the primary driver of costs due to the final rates increasing 10.6 percent compared to the 5.0 percent that was budgeted in the 2025 Session. A Medicare payment was also delayed from FY 2025 due to cash flow issues and is being paid in FY 2026.
- **Fund Family Access to Medical Insurance Security (FAMIS) Utilization and Inflation.** Recommends \$16.2 million GF and \$36.5 million NGF in FY 2026 to fund the utilization and inflation costs of the FAMIS program as projected by DMAS. Expenditures in the program are expected to increase 17.2 percent in FY 2026. Managed care costs are the primary driver of this increase as reflected in the actuarial approved rates that increased 20.6 percent in FY 2026, which is much higher than projected last year. FAMIS covers children aged zero to 18 living in families with incomes between 133.0 and 200.0 percent of the federal poverty level.
- **Adjust Health Care Fund Appropriation.** Recommends \$4.6 million GF in FY 2026 to reflect lower revenue estimates for the Health Care Fund, which is used

as the state match for Medicaid. Tobacco taxes are expected to decline by \$27.6 million and the Master Settlement Agreement with tobacco manufacturers by \$4.3 million. Medicaid Recoveries are expected to increase about \$2.5 million. However, there is a cash balance in the fund of \$24.9 million to offset much of the revenue decline in FY 2026.

- **Fund Medicaid Children’s Health Insurance Program (CHIP) Utilization and Inflation.** Proposes \$8.9 million GF and \$9.9 million NGF in FY 2026 in savings to reflect the latest expenditure forecast as projected by the Department. While managed care rates are higher, the continuing enrollment decline of children in Medicaid results in savings.
- **Remove Duplicative Medicaid Members Enrolled in Other States.** Proposes \$6.2 million GF and \$15.5 million NGF in FY 2026 in savings by removing duplicative Medicaid members enrolled in Virginia Medicaid and in other states.
- **Fund Federal Community Engagement and Eligibility Verification Requirements.** Proposes \$2.5 million NGF in FY 2026 to begin implementation of federal community engagement and eligibility verification requirements pursuant to H.R. 1, 119th Congress (2025-2026). The source of the NGF funding is federal funds and coverage assessment funds from private acute care hospitals.

#### – **Department of Behavioral Health and Developmental Services**

- **Capture Unneeded Mandatory Carryforward Funding for Crisis Services.** Proposes capturing \$23.1 million GF in one-time excess funds for crisis services that were appropriated in previous years and carried forward into 2026. This reduction right-sizes the appropriation to support the costs of establishing crisis services that can be sustained by available ongoing funding and will not impact planned expenditures for crisis services.

#### – **Department of Social Services**

- **Capture Savings in Child Welfare Forecast.** Proposes \$4.4 million GF and \$4.3 million NGF in savings the second year for the child welfare forecast based on recent expenditure trends shifting costs to the federal government and the impact of child welfare policy changes.

- **Adjust Funding for Temporary Assistance for Needy Families (TANF) Benefits and Virginia Initiative for Education and Work Childcare.** Recommends \$2.4 million NGF savings in FY 2026 to properly account for the anticipated cost of providing mandated TANF benefits, which includes cash assistance payments, employment services, and Virginia Initiative for Education and Work child care. This package also includes adjustments to the Unemployed Parents program, which is state funded.
- **Fund Centralized Printing, Postage, and Courier Services.** Proposes \$605,230 GF in FY 2026 to fund increased costs related to postage rate increases and labor.
- **Capture Funding for the Comprehensive Child Welfare Information System.** Recommends capturing \$7.1 million GF in FY 2026 of funding carried forward from FY 2025 into FY 2026 for the comprehensive child welfare information system due to a lag in the development process.
- **Appropriate Funding for Local Staff and Operations.** Recommends \$30.6 million NGF in FY 2026 to cover the NGF portion of salary increases for state-supported local employees at local departments of social services.
- **Clarify Funding for Latisha's House.** Proposes updating language to require the agency to contract directly with Latisha's House to provide transitional housing services to female survivors of sex trafficking.

## Natural and Historic Resources

### – Department of Conservation and Recreation

- **Transfers Unobligated Balances to the General Fund.** Proposes capturing \$25.0 million in GF resources by transferring unobligated amounts in the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund to the General Fund.

## – Department of Environmental Quality

- **Water Quality Improvement Fund Reporting and Prioritization Requirements.** Proposes modifying budget language to require the Department to conduct an annual Water Quality Improvement Fund solicitation process, report qualifying projects for potential funding by October 1, and ensure that grant agreements are executed before construction and not used to reimburse costs covered by non-taxable debt.

# Public Safety and Homeland Security

## – Department of Corrections

- **Inmate Medical.** Recommends \$24.9 million GF the second year for increased inmate medical costs. According to the Department of Corrections' working papers, FY 2025 inmate medical costs were \$14.0 million (5.0 percent) over FY 2024 and \$26.5 million (9.8 percent) over the FY 2025 amount that was projected in fall 2025. SB 30 recommends \$59.7 million GF for the same purpose.

## – Department of State Police

- **Fund Recent Increases in Personnel and Equipment Spending.** Proposes \$50.3 million GF the second year for recent increases in operational spending, including larger class sizes for the 144<sup>th</sup> and 145<sup>th</sup> Basic Trooper Schools, approximately \$6.0 million in overtime costs, and \$9.3 million GF for VITA Transformation. The funding is needed in light of a payroll and non-payroll budget deficit at the Department. SB 30 proposes \$114.4 million GF for the Department for similar purposes.

# Transportation

## – Department of Aviation

- **Procurement of Replacement Aircraft.** Proposes authorizing appropriation of \$11.0 million NGF the second year for the Department to purchase a comparable executive aircraft to replace one of the two 2007 King Air 350 planes currently owned by the Department, and to trade-in or sell one of its existing aircraft that is beyond its reliable age and warrants replacement.

# Veterans and Defense Affairs

## – Department of Veterans Services

- **Puller Veterans Care Center.** Recommends \$1.8 million GF the second year to support start-up operations at Puller Veterans Care Center, which opened in 2025. This funding supplements \$20.8 million GF provided for veterans care center start-up operations in the last biennium and \$9.1 million GF in the next biennium proposed in SB 30.

# Central Appropriations

## – Central Appropriations

- **Provide a Bonus for State and State-Supported Local Employees.** Proposes \$124.7 million GF in FY 2026 to provide a two percent bonus to state employees and state supported local employees to be paid in June 2026.
- **Pay Higher Education Credit Card Rebates and Interest Earnings.** Recommends \$12.4 million GF and \$6.0 million NGF in FY 2026 to pay credit card rebates and interest earnings to institutions of higher education.

- **Fund Line of Duty Act Premiums.** Proposes \$498,616 GF in FY 2026 to distribute to state agencies the GF share of the increase in premiums for the Line of Duty Act pursuant to higher premiums adopted by the Board of Trustees of the Virginia Retirement System.
- **Revert Unused Carryforward Balances.** Recommends a GF cash reversion of \$4.6 million in Central Appropriations of unused appropriation. Approximately \$2.0 million of the cash is funding previously appropriated for the Office of Transformation.

## Capital Outlay

- **Long-Term Lease.** Authorizes a long-term lease or financed purchase agreement for the Department of Corrections in Petersburg.
- **Department of Motor Vehicles Headquarters Renovation.** Proposes language to modify the scope of the Department of Motor Vehicles (DMV) headquarters renovation project to permit the sale of the current headquarters site at 2300 West Broad Street in the City of Richmond and the acquisition and renovation of a replacement headquarters building and customer service center, if determined by the Department of Motor Vehicles and the Department of General Services (DGS) to be the most cost-beneficial option for the Commonwealth. The sale of the headquarters site must be at fair market value. Language authorizes DMV to lease, acquire, or construct a customer service center in the central Richmond area if the replacement of the headquarters cannot accommodate the service center. The DMV and DGS must communicate the details of such determination to the Six-Year Capital Outlay Plan Advisory Committee prior to the sale of the site.

The Secretary of Finance may approve a treasury loan for the acquisition and improvement costs for the relocation with the loan to be repaid with the sale of the current DMV Headquarters.

# **SB 29 Appendices**

**Direct Aid to Public Education 2025-26 Summary**

**A**

# **SB 29**

# **APPENDIX A**

Direct Aid to Public Education  
2025-26 Summary

| SB 29, As Introduced: Direct Aid to Public Education Estimated Distribution - FY 2026 |                              |                             |                        |                   |                             |                                   |                                 |           |                         |                                              |
|---------------------------------------------------------------------------------------|------------------------------|-----------------------------|------------------------|-------------------|-----------------------------|-----------------------------------|---------------------------------|-----------|-------------------------|----------------------------------------------|
| School Division                                                                       | Key Data Elements            |                             | Chapter 725<br>FY 2026 | Technical Changes |                             |                                   |                                 |           | Proposed Policy Change  | FY 2026 Estimated<br>Distribution<br>(SB 29) |
|                                                                                       | 2024-2026<br>Composite Index | FY 2026<br>Projected<br>ADM |                        | Enrollment        | Update Non-<br>SOQ Programs | VPI/Early<br>Childhood<br>Updates | English<br>Language<br>Learners | Sales Tax | 2.0% Bonus for Teachers |                                              |
| ACCOMACK                                                                              | .3487                        | 4,440                       | \$51,552,945           | (\$1,002,113)     | \$71,092                    | (\$113,028)                       | (\$372,630)                     | (\$6,185) | \$475,647               | \$50,605,728                                 |
| ALBEMARLE                                                                             | .6904                        | 13,901                      | 75,662,746             | (1,741,404)       | 197,774                     | (269,226)                         | (237,953)                       | (41,178)  | 644,397                 | 74,215,156                                   |
| ALLEGHANY HIGHLANDS                                                                   | .2737                        | 2,568                       | 33,797,994             | (284,180)         | (329,872)                   | (188,233)                         | (8,377)                         | (3,021)   | 322,741                 | 33,307,052                                   |
| AMELIA                                                                                | .3758                        | 1,515                       | 15,664,881             | (274,130)         | 21,583                      | 6,222                             | (4,517)                         | (2,670)   | 143,306                 | 15,554,675                                   |
| AMHERST                                                                               | .3015                        | 3,615                       | 41,989,823             | 367,666           | 139,221                     | (104,440)                         | (34,377)                        | (4,935)   | 418,216                 | 42,771,174                                   |
| APPOMATTOX                                                                            | .2822                        | 2,347                       | 25,672,719             | (610,489)         | 365,060                     | (114,481)                         | (12,484)                        | (2,678)   | 248,388                 | 25,546,035                                   |
| ARLINGTON                                                                             | .8000                        | 27,532                      | 121,993,551            | (2,676,285)       | (70,197)                    | (388,019)                         | (504,783)                       | (90,298)  | 951,640                 | 119,215,608                                  |
| AUGUSTA                                                                               | .3888                        | 9,611                       | 92,406,284             | (1,253,128)       | (280,255)                   | 356,957                           | (131,706)                       | (15,517)  | 895,672                 | 91,978,307                                   |
| BATH                                                                                  | .8000                        | 472                         | 2,714,723              | 47,425            | (93)                        | 14,952                            | 362                             | (1,481)   | 20,766                  | 2,796,654                                    |
| BEDFORD                                                                               | .3132                        | 8,414                       | 84,347,442             | (883,120)         | (29,049)                    | (223,044)                         | (57,973)                        | (13,714)  | 848,032                 | 83,988,573                                   |
| BLAND                                                                                 | .3046                        | 832                         | 9,187,342              | (799,450)         | 55,933                      | (20,795)                          | (4,110)                         | (765)     | 86,360                  | 8,504,516                                    |
| BOTETOURT                                                                             | .4068                        | 4,184                       | 37,995,657             | 543,911           | 105,692                     | 257,394                           | (47,204)                        | (7,132)   | 394,026                 | 39,242,344                                   |
| BRUNSWICK                                                                             | .4379                        | 1,274                       | 17,602,607             | 1,030,324         | (3,342,633)                 | 17,818                            | (6,100)                         | (2,785)   | 149,817                 | 15,449,049                                   |
| BUCHANAN                                                                              | .2557                        | 2,132                       | 27,327,464             | 97,164            | 70,318                      | 14,838                            | (4,694)                         | (2,284)   | 268,488                 | 27,771,293                                   |
| BUCKINGHAM                                                                            | .3379                        | 1,679                       | 19,657,884             | (565,650)         | 53,216                      | 131,997                           | 18,434                          | (2,680)   | 171,797                 | 19,464,998                                   |
| CAMPBELL                                                                              | .2877                        | 7,375                       | 77,923,843             | (1,426,911)       | (81,461)                    | 78,102                            | (37,659)                        | (8,539)   | 773,453                 | 77,220,828                                   |
| CAROLINE                                                                              | .3501                        | 4,293                       | 43,790,769             | (724,072)         | (146,691)                   | 293,073                           | (122,174)                       | (7,028)   | 406,281                 | 43,490,158                                   |
| CARROLL                                                                               | .2804                        | 3,235                       | 38,371,083             | (710,450)         | 28,181                      | 243,881                           | (42,492)                        | (3,859)   | 382,702                 | 38,269,046                                   |
| CHARLES CITY                                                                          | .6669                        | 462                         | 4,199,766              | 116,927           | (56,633)                    | (14,652)                          | 3,080                           | (1,696)   | 32,945                  | 4,279,736                                    |
| CHARLOTTE                                                                             | .2470                        | 1,612                       | 20,012,653             | (411,414)         | 41,402                      | 15,012                            | 4,087                           | (1,639)   | 202,851                 | 19,862,952                                   |
| CHESTERFIELD                                                                          | .3563                        | 62,359                      | 574,735,441            | (747,982)         | 236,413                     | (5,233,090)                       | (2,491,864)                     | (87,984)  | 5,909,779               | 572,320,713                                  |
| CLARKE                                                                                | .6032                        | 1,791                       | 11,939,652             | 136,326           | (5,356)                     | (47,609)                          | (36,995)                        | (5,048)   | 115,437                 | 12,096,406                                   |
| CRAIG                                                                                 | .3629                        | 453                         | 5,585,663              | 90,472            | (18,597)                    | 107,961                           | 0                               | (850)     | 56,026                  | 5,820,674                                    |
| CULPEPER                                                                              | .3617                        | 8,232                       | 82,049,140             | (1,102,700)       | 505,886                     | (725,691)                         | (631,226)                       | (13,233)  | 833,736                 | 80,915,913                                   |
| CUMBERLAND                                                                            | .3323                        | 1,176                       | 15,877,767             | (504,120)         | (123,261)                   | 0                                 | (40,285)                        | (1,725)   | 148,732                 | 15,357,108                                   |
| DICKENSON                                                                             | .2157                        | 1,631                       | 21,633,699             | 75,029            | (37,315)                    | 93,816                            | (710)                           | (1,560)   | 216,146                 | 21,979,105                                   |
| DINWIDDIE                                                                             | .2978                        | 3,981                       | 45,811,022             | (1,345,512)       | (90,930)                    | 21,838                            | (63,802)                        | (4,663)   | 430,088                 | 44,758,042                                   |
| ESSEX                                                                                 | .4189                        | 987                         | 10,454,937             | 392,456           | (7,989)                     | 33,073                            | 14,671                          | (2,059)   | 100,818                 | 10,985,907                                   |
| FAIRFAX                                                                               | .6579                        | 171,495                     | 1,077,647,238          | (18,542,039)      | (384,132)                   | (1,508,994)                       | (3,823,134)                     | (457,515) | 10,459,186              | 1,063,390,611                                |
| FAUQUIER                                                                              | .6006                        | 10,710                      | 73,655,278             | (2,003,746)       | (38,689)                    | (174,952)                         | (392,634)                       | (28,089)  | 684,907                 | 71,702,076                                   |
| FLOYD                                                                                 | .4056                        | 1,571                       | 15,268,547             | 162,837           | (35,715)                    | 0                                 | (1,709)                         | (3,165)   | 155,373                 | 15,546,168                                   |
| FLUVANNA                                                                              | .3934                        | 3,174                       | 30,747,400             | 229,524           | 93,598                      | (181,398)                         | (36,310)                        | (5,824)   | 327,001                 | 31,173,991                                   |
| FRANKLIN                                                                              | .4596                        | 5,704                       | 50,068,540             | (180,927)         | (255,221)                   | 129,281                           | (33,572)                        | (12,421)  | 473,564                 | 50,189,245                                   |
| FREDERICK                                                                             | .4151                        | 14,361                      | 129,736,790            | (1,396,021)       | (140,556)                   | (1,314,226)                       | (201,598)                       | (24,368)  | 1,272,680               | 127,932,702                                  |
| GILES                                                                                 | .2117                        | 3,516                       | 37,982,948             | 5,942,442         | (41,827)                    | (180,257)                         | (17,970)                        | (1,895)   | 482,044                 | 44,165,485                                   |
| GLOUCESTER                                                                            | .3999                        | 4,698                       | 43,230,144             | (897,782)         | (24,203)                    | (49,948)                          | (31,697)                        | (8,502)   | 418,988                 | 42,637,001                                   |
| GOOCHLAND                                                                             | .8000                        | 2,577                       | 11,398,690             | 9,480             | 26,848                      | (14,653)                          | (6,150)                         | (9,660)   | 80,686                  | 11,485,242                                   |
| GRAYSON                                                                               | .3196                        | 1,465                       | 18,222,543             | (17,421)          | (10,563)                    | (88,169)                          | (76,049)                        | (2,216)   | 173,740                 | 18,201,865                                   |
| GREENE                                                                                | .3411                        | 2,634                       | 28,605,735             | 896,373           | 360                         | (3,086)                           | 12,081                          | (4,462)   | 301,240                 | 29,808,241                                   |
| GREENSVILLE                                                                           | .3898                        | 1,017                       | 11,239,089             | (662,362)         | 67,924                      | 97,016                            | (29,959)                        | (1,803)   | 94,200                  | 10,804,106                                   |
| HALIFAX                                                                               | .3012                        | 4,042                       | 50,123,286             | (495,271)         | (52,259)                    | 752,290                           | (36,877)                        | (5,497)   | 479,926                 | 50,765,598                                   |
| HANOVER                                                                               | .4894                        | 16,240                      | 120,499,778            | (1,142,498)       | (8,695)                     | (15,268)                          | (86,363)                        | (32,847)  | 1,218,352               | 120,432,459                                  |
| HENRICO                                                                               | .4273                        | 49,891                      | 456,167,539            | (6,474,421)       | (1,034,833)                 | (1,096,065)                       | (1,909,651)                     | (83,568)  | 4,333,710               | 449,902,710                                  |
| HENRY                                                                                 | .2247                        | 6,499                       | 85,184,420             | (1,749,239)       | 105,555                     | 432,392                           | (271,732)                       | (5,875)   | 803,805                 | 84,499,325                                   |
| HIGHLAND                                                                              | .8000                        | 179                         | 2,329,631              | 258,504           | (294,916)                   | 0                                 | 0                               | (326)     | 11,706                  | 2,304,599                                    |
| ISLE OF WIGHT                                                                         | .3704                        | 5,223                       | 48,230,625             | 441,673           | 119,175                     | (169,448)                         | 28,013                          | (8,784)   | 497,464                 | 49,138,717                                   |

\*Based on data received from the Department of Planning and Budget and the Department of Education as of 12/17/2025.

| SB 29, As Introduced: Direct Aid to Public Education Estimated Distribution - FY 2026 |                              |                             |                        |                   |                             |                                   |                                 |           |                         |                                              |
|---------------------------------------------------------------------------------------|------------------------------|-----------------------------|------------------------|-------------------|-----------------------------|-----------------------------------|---------------------------------|-----------|-------------------------|----------------------------------------------|
| School Division                                                                       | Key Data Elements            |                             | Chapter 725<br>FY 2026 | Technical Changes |                             |                                   |                                 |           | Proposed Policy Change  | FY 2026 Estimated<br>Distribution<br>(SB 29) |
|                                                                                       | 2024-2026<br>Composite Index | FY 2026<br>Projected<br>ADM |                        | Enrollment        | Update Non-<br>SOQ Programs | VPI/Early<br>Childhood<br>Updates | English<br>Language<br>Learners | Sales Tax | 2.0% Bonus for Teachers |                                              |
| JAMES CITY                                                                            | .5403                        | 10,177                      | 72,039,778             | (1,186,568)       | 421,351                     | (105,810)                         | (194,955)                       | (23,276)  | 701,196                 | 71,651,716                                   |
| KING GEORGE                                                                           | .3633                        | 4,475                       | 40,026,453             | (1,922,869)       | 36,499                      | (246,376)                         | (26,389)                        | (6,706)   | 401,242                 | 38,261,853                                   |
| KING QUEEN                                                                            | .3998                        | 506                         | 6,103,501              | 182,897           | 53,106                      | 39,068                            | (34,969)                        | (1,185)   | 55,961                  | 6,398,379                                    |
| KING WILLIAM                                                                          | .3146                        | 2,066                       | 21,321,883             | (246,311)         | (2,039)                     | 54,657                            | (29,929)                        | (2,574)   | 240,821                 | 21,336,507                                   |
| LANCASTER                                                                             | .8000                        | 936                         | 5,123,867              | (80,927)          | (27,889)                    | 109,648                           | (731)                           | (3,592)   | 33,310                  | 5,153,686                                    |
| LEE                                                                                   | .1712                        | 2,771                       | 43,994,045             | (1,521,670)       | (3,453,869)                 | 0                                 | 5,879                           | (1,899)   | 434,273                 | 39,456,759                                   |
| LOUDOUN                                                                               | .5518                        | 80,783                      | 567,721,854            | (6,073,680)       | 935,128                     | (3,515,279)                       | (3,656,708)                     | (171,897) | 5,854,381               | 561,093,799                                  |
| LOUISA                                                                                | .5041                        | 5,125                       | 41,508,543             | 75,699            | 3,259                       | (189,093)                         | (87,813)                        | (10,612)  | 380,273                 | 41,680,257                                   |
| LUNENBURG                                                                             | .2614                        | 1,487                       | 20,177,907             | (86,053)          | (7,352)                     | 0                                 | (52,106)                        | (1,695)   | 191,809                 | 20,222,510                                   |
| MADISON                                                                               | .4746                        | 1,495                       | 12,486,347             | 96,871            | (57,451)                    | 2,776                             | 5,229                           | (3,508)   | 122,476                 | 12,652,740                                   |
| MATHEWS                                                                               | .5904                        | 700                         | 5,879,980              | 216,725           | 25,734                      | (66,237)                          | (649)                           | (2,113)   | 54,375                  | 6,107,815                                    |
| MECKLENBURG                                                                           | .3893                        | 3,653                       | 36,011,501             | (811,130)         | 9,855                       | (310,460)                         | 22,550                          | (5,677)   | 333,268                 | 35,249,907                                   |
| MIDDLESEX                                                                             | .6389                        | 1,191                       | 9,036,867              | (367,940)         | 11,228                      | 69,776                            | (16,614)                        | (2,954)   | 79,665                  | 8,810,028                                    |
| MONTGOMERY                                                                            | .4041                        | 9,115                       | 82,576,569             | (482,653)         | (31,678)                    | (2,079)                           | (25,931)                        | (17,052)  | 825,615                 | 82,842,791                                   |
| NELSON                                                                                | .6645                        | 1,409                       | 9,954,125              | (132,822)         | 28,518                      | (49,840)                          | (26,919)                        | (4,491)   | 81,679                  | 9,850,249                                    |
| NEW KENT                                                                              | .4391                        | 3,476                       | 27,795,641             | 553,612           | 188,890                     | 48,027                            | 28,215                          | (5,687)   | 284,563                 | 28,893,260                                   |
| NORTHAMPTON                                                                           | .5253                        | 1,175                       | 12,513,909             | 398,858           | 28,891                      | (7,326)                           | (13,427)                        | (3,205)   | 110,928                 | 13,028,628                                   |
| NORTHUMBERLAND                                                                        | .7672                        | 1,102                       | 5,970,435              | (46,601)          | (157,538)                   | 4,984                             | (7,953)                         | (3,316)   | 41,565                  | 5,801,576                                    |
| NOTTOWAY                                                                              | .2696                        | 1,662                       | 20,761,756             | (8,713)           | 57,079                      | (3,422)                           | (7,965)                         | (2,152)   | 199,726                 | 20,996,308                                   |
| ORANGE                                                                                | .4382                        | 4,815                       | 43,228,327             | (1,110,505)       | 151,182                     | (117,601)                         | (103,316)                       | (9,271)   | 394,699                 | 42,433,515                                   |
| PAGE                                                                                  | .3356                        | 2,706                       | 28,932,311             | 666,695           | (172,490)                   | 160,138                           | (645)                           | (4,109)   | 287,473                 | 29,869,372                                   |
| PATRICK                                                                               | .2475                        | 2,097                       | 25,545,532             | (2,566,632)       | 62,028                      | 66,233                            | (54,048)                        | (2,065)   | 227,436                 | 23,278,484                                   |
| PITTSYLVANIA                                                                          | .2642                        | 7,372                       | 84,055,546             | (1,969,823)       | (25,840)                    | 809,944                           | (171,728)                       | (7,777)   | 817,529                 | 83,507,851                                   |
| POWHATAN                                                                              | .4704                        | 3,842                       | 30,313,537             | (478,424)         | 8,831                       | 0                                 | (9,085)                         | (7,947)   | 304,291                 | 30,131,203                                   |
| PRINCE EDWARD                                                                         | .3776                        | 1,717                       | 18,523,874             | 324,842           | 19,980                      | 310,204                           | 9,506                           | (3,423)   | 172,829                 | 19,357,812                                   |
| PRINCE GEORGE                                                                         | .2321                        | 5,949                       | 66,053,730             | 33,601            | 229,624                     | (231,852)                         | (32,684)                        | (5,216)   | 679,065                 | 66,726,267                                   |
| PRINCE WILLIAM                                                                        | .3631                        | 87,782                      | 886,808,336            | (9,493,024)       | 502,790                     | (6,675,750)                       | (2,518,436)                     | (125,354) | 9,454,512               | 877,953,074                                  |
| PULASKI                                                                               | .3303                        | 4,176                       | 44,503,070             | (1,739,256)       | (117,755)                   | (413,885)                         | (8,634)                         | (5,227)   | 415,637                 | 42,633,950                                   |
| RAPPAHANNOCK                                                                          | .8000                        | 736                         | 3,725,826              | 10,023            | 3,869                       | (21,979)                          | (125)                           | (2,675)   | 25,958                  | 3,740,896                                    |
| RICHMOND                                                                              | .3110                        | 1,362                       | 14,522,875             | (117,939)         | 525                         | 41,208                            | (36,461)                        | (1,358)   | 143,050                 | 14,551,900                                   |
| ROANOKE                                                                               | .3635                        | 13,145                      | 121,352,007            | (729,513)         | 16,681                      | (183,994)                         | (144,590)                       | (19,208)  | 1,284,298               | 121,575,681                                  |
| ROCKBRIDGE                                                                            | .4847                        | 2,232                       | 20,272,838             | (477,314)         | 5,129                       | 259,858                           | (108,109)                       | (5,251)   | 187,419                 | 20,134,570                                   |
| ROCKINGHAM                                                                            | .4349                        | 11,329                      | 99,084,930             | (648,712)         | (282,441)                   | 148,146                           | (205,186)                       | (21,944)  | 991,246                 | 99,066,038                                   |
| RUSSELL                                                                               | .2265                        | 2,987                       | 37,883,036             | 616,747           | 6,221                       | 239,017                           | 1,189                           | (2,892)   | 393,886                 | 39,137,204                                   |
| SCOTT                                                                                 | .1872                        | 3,774                       | 55,047,382             | 3,395,922         | (253,113)                   | 341,257                           | (24,215)                        | (2,067)   | 664,645                 | 59,169,811                                   |
| SHENANDOAH                                                                            | .4248                        | 5,484                       | 52,834,034             | (574,630)         | (301,267)                   | 90,075                            | (24,494)                        | (10,578)  | 492,723                 | 52,505,863                                   |
| SMYTH                                                                                 | .2225                        | 3,992                       | 52,423,803             | (4,289,411)       | (16,028)                    | 135,859                           | (54,525)                        | (3,386)   | 480,823                 | 48,677,134                                   |
| SOUTHAMPTON                                                                           | .2987                        | 2,115                       | 25,250,576             | 1,012,089         | (244,255)                   | 39,497                            | 41,197                          | (2,736)   | 245,379                 | 26,341,748                                   |
| SPOTSYLVANIA                                                                          | .3702                        | 23,459                      | 229,889,370            | (947,963)         | 281,483                     | (1,735,726)                       | (676,558)                       | (36,387)  | 2,284,857               | 229,059,075                                  |
| STAFFORD                                                                              | .3312                        | 31,300                      | 302,785,831            | (1,475,261)       | 145,033                     | (2,574,521)                       | (448,466)                       | (39,424)  | 3,254,419               | 301,647,611                                  |
| SURRY                                                                                 | .8000                        | 644                         | 3,808,206              | 47,630            | 36,454                      | 0                                 | 3,433                           | (2,280)   | 27,032                  | 3,920,476                                    |
| SUSSEX                                                                                | .3434                        | 1,031                       | 13,797,786             | (194,918)         | (26,578)                    | (3,077)                           | 8,015                           | (1,473)   | 110,902                 | 13,690,657                                   |
| TAZEWELL                                                                              | .2461                        | 4,725                       | 57,570,401             | 1,365,791         | (157,536)                   | (551,667)                         | (977)                           | (5,202)   | 573,285                 | 58,794,095                                   |
| WARREN                                                                                | .4517                        | 4,778                       | 42,385,329             | (377,188)         | (160,353)                   | (50,092)                          | (94,325)                        | (10,560)  | 398,839                 | 42,091,649                                   |
| WASHINGTON                                                                            | .3459                        | 7,192                       | 75,271,218             | (5,085,600)       | (104,011)                   | (31,426)                          | (140,509)                       | (8,969)   | 716,492                 | 70,617,196                                   |
| WESTMORELAND                                                                          | .5065                        | 1,480                       | 17,110,616             | 162,815           | (2,087)                     | (74,760)                          | (39,241)                        | (3,474)   | 130,079                 | 17,283,948                                   |

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| SB 29, As Introduced: Direct Aid to Public Education Estimated Distribution - FY 2026 |                              |                             |                        |                   |                             |                                   |                                 |               |                         |                                              |
|---------------------------------------------------------------------------------------|------------------------------|-----------------------------|------------------------|-------------------|-----------------------------|-----------------------------------|---------------------------------|---------------|-------------------------|----------------------------------------------|
| School Division                                                                       | Key Data Elements            |                             | Chapter 725<br>FY 2026 | Technical Changes |                             |                                   |                                 |               | Proposed Policy Change  | FY 2026 Estimated<br>Distribution<br>(SB 29) |
|                                                                                       | 2024-2026<br>Composite Index | FY 2026<br>Projected<br>ADM |                        | Enrollment        | Update Non-<br>SOQ Programs | VPI/Early<br>Childhood<br>Updates | English<br>Language<br>Learners | Sales Tax     | 2.0% Bonus for Teachers |                                              |
| WISE                                                                                  | .2020                        | 5,323                       | 65,102,379             | (998,119)         | 25,256                      | 620,449                           | (5,521)                         | (3,732)       | 645,221                 | 65,385,933                                   |
| WYTHE                                                                                 | .3243                        | 3,473                       | 38,446,084             | 544,325           | (25,730)                    | (53,883)                          | 28,824                          | (4,788)       | 376,414                 | 39,311,246                                   |
| YORK                                                                                  | .3554                        | 13,367                      | 114,963,904            | (2,589,923)       | (232,029)                   | (615,551)                         | (31,316)                        | (16,281)      | 1,214,072               | 112,692,876                                  |
| ALEXANDRIA                                                                            | .8000                        | 16,215                      | 77,222,070             | (2,950,110)       | (125,557)                   | (492,399)                         | (518,484)                       | (52,344)      | 549,023                 | 73,632,198                                   |
| BRISTOL                                                                               | .2977                        | 2,012                       | 27,480,749             | (285,572)         | 116,958                     | 28,003                            | (31,205)                        | (2,635)       | 251,316                 | 27,557,614                                   |
| BUENA VISTA                                                                           | .1803                        | 823                         | 12,540,237             | (44,150)          | (5,495)                     | (98,050)                          | 28,560                          | (651)         | 133,438                 | 12,553,890                                   |
| CHARLOTTESVILLE                                                                       | .7702                        | 4,177                       | 24,354,210             | (277,326)         | (65,798)                    | 264,202                           | (81,862)                        | (15,451)      | 148,503                 | 24,326,478                                   |
| COLONIAL HEIGHTS                                                                      | .4026                        | 2,902                       | 28,016,373             | (152,753)         | 308,964                     | (183,172)                         | (44,638)                        | (4,598)       | 267,549                 | 28,207,725                                   |
| DANVILLE                                                                              | .2411                        | 5,164                       | 72,725,420             | (1,222,230)       | 30,865                      | 372,637                           | (209,309)                       | (5,944)       | 616,231                 | 72,307,670                                   |
| FALLS CHURCH                                                                          | .8000                        | 2,632                       | 11,452,142             | (108,153)         | 93,775                      | 58,856                            | (19,423)                        | (8,479)       | 88,428                  | 11,557,146                                   |
| FREDERICKSBURG                                                                        | .6163                        | 3,468                       | 25,751,891             | (562,990)         | 84,559                      | (43,547)                          | (218,063)                       | (8,702)       | 211,384                 | 25,214,532                                   |
| GALAX                                                                                 | .2661                        | 1,355                       | 15,896,875             | (600,251)         | 76,303                      | (51,209)                          | (21,726)                        | (1,151)       | 149,983                 | 15,448,824                                   |
| HAMPTON                                                                               | .2579                        | 18,353                      | 207,154,723            | 2,177,930         | 283,968                     | (733,881)                         | (152,192)                       | (19,575)      | 2,040,333               | 210,751,307                                  |
| HARRISONBURG                                                                          | .3335                        | 6,567                       | 71,176,746             | (1,686,364)       | (60,878)                    | (265,747)                         | (337,285)                       | (8,009)       | 692,812                 | 69,511,275                                   |
| HOPEWELL                                                                              | .1870                        | 3,590                       | 47,529,671             | (1,103,321)       | 18,915                      | 429,592                           | 24,422                          | (2,773)       | 432,825                 | 47,329,331                                   |
| LYNCHBURG                                                                             | .3872                        | 7,121                       | 77,997,496             | (736,815)         | 387,574                     | (58,823)                          | (136,769)                       | (14,784)      | 682,717                 | 78,120,596                                   |
| MARTINSVILLE                                                                          | .2229                        | 1,655                       | 22,748,339             | (691,915)         | 25,672                      | 306,669                           | (88,325)                        | (1,790)       | 194,928                 | 22,493,578                                   |
| NEWPORT NEWS                                                                          | .2729                        | 24,113                      | 283,931,378            | (3,191,658)       | (352,298)                   | (382,826)                         | (1,094,888)                     | (28,731)      | 2,654,100               | 281,535,077                                  |
| NORFOLK                                                                               | .3212                        | 24,733                      | 279,840,513            | (2,089,128)       | 677,189                     | 215,169                           | (959,715)                       | (37,172)      | 2,563,912               | 280,210,767                                  |
| NORTON                                                                                | .2412                        | 807                         | 9,957,342              | (213,186)         | 193,897                     | 109,900                           | 1,888                           | (575)         | 95,437                  | 10,144,704                                   |
| PETERSBURG                                                                            | .2075                        | 4,237                       | 57,357,241             | (4,398,039)       | 158,817                     | 636,000                           | (193,145)                       | (3,691)       | 482,085                 | 54,039,267                                   |
| PORTSMOUTH                                                                            | .2369                        | 12,064                      | 152,927,911            | (2,496,323)       | 316,502                     | (372,722)                         | (136,113)                       | (12,844)      | 1,344,889               | 151,571,301                                  |
| RADFORD                                                                               | .1658                        | 3,089                       | 36,812,321             | (1,600,742)       | 31,615                      | 58,207                            | (144,801)                       | (926)         | 391,439                 | 35,547,114                                   |
| RICHMOND CITY                                                                         | .5740                        | 20,149                      | 187,370,412            | 303,101           | 254,727                     | (1,124,141)                       | (436,717)                       | (53,093)      | 1,463,540               | 187,777,829                                  |
| ROANOKE CITY                                                                          | .3388                        | 13,080                      | 160,126,906            | (6,252,362)       | 289,779                     | (531,880)                         | (1,015,151)                     | (19,131)      | 1,346,684               | 153,944,845                                  |
| STAUNTON                                                                              | .3767                        | 2,478                       | 27,848,786             | 640,168           | 576,806                     | 178,005                           | 7,893                           | (4,774)       | 232,573                 | 29,479,456                                   |
| SUFFOLK                                                                               | .3493                        | 13,999                      | 134,381,378            | (75,616)          | 14,198                      | 484,583                           | 37,952                          | (21,579)      | 1,320,990               | 136,141,906                                  |
| VIRGINIA BEACH                                                                        | .4138                        | 62,504                      | 518,776,896            | (4,978,073)       | (292,496)                   | (4,329,842)                       | (685,628)                       | (107,103)     | 5,262,731               | 513,646,485                                  |
| WAYNESBORO                                                                            | .3633                        | 2,792                       | 29,711,869             | (381,585)         | 309,559                     | 475,997                           | (194,589)                       | (4,733)       | 274,314                 | 30,190,832                                   |
| WILLIAMSBURG                                                                          | .7426                        | 1,219                       | 8,353,392              | (504,270)         | 9,169                       | (36,333)                          | (101,390)                       | (3,535)       | 46,249                  | 7,763,283                                    |
| WINCHESTER                                                                            | .4151                        | 4,182                       | 42,180,673             | (929,244)         | (46,174)                    | (656,549)                         | (340,308)                       | (6,786)       | 389,391                 | 40,591,003                                   |
| FAIRFAX CITY                                                                          | .8000                        | 3,159                       | 13,721,756             | (771,388)         | (23,825)                    | (30,247)                          | (33,548)                        | (10,200)      | 105,400                 | 12,957,948                                   |
| FRANKLIN CITY                                                                         | .2884                        | 1,114                       | 15,370,482             | (1,438,008)       | (55,332)                    | 16,457                            | (10,524)                        | (1,464)       | 119,197                 | 14,000,808                                   |
| CHESAPEAKE CITY                                                                       | .3273                        | 40,014                      | 394,865,277            | (7,571,634)       | (3,504,161)                 | (2,715,716)                       | (786,451)                       | (53,285)      | 3,914,625               | 384,148,655                                  |
| LEXINGTON                                                                             | .3987                        | 687                         | 5,644,639              | (247,323)         | (2,745)                     | (77,919)                          | (15,085)                        | (903)         | 59,390                  | 5,360,054                                    |
| EMPORIA                                                                               | .2340                        | 894                         | 12,288,683             | (658,672)         | 11,710                      | (169,279)                         | (123,956)                       | (886)         | 106,161                 | 11,453,761                                   |
| SALEM                                                                                 | .3632                        | 3,718                       | 35,080,896             | 2,680,710         | (72,708)                    | (15,297)                          | 448                             | (4,652)       | 388,192                 | 38,057,588                                   |
| POQUOSON                                                                              | .3466                        | 1,983                       | 17,824,356             | 505,318           | 74,953                      | (136,775)                         | 15,778                          | (2,809)       | 203,782                 | 18,484,604                                   |
| MANASSAS CITY                                                                         | .3371                        | 7,302                       | 85,135,799             | 5,158,661         | (19,123)                    | (914,660)                         | (834,543)                       | (9,718)       | 926,556                 | 89,442,972                                   |
| MANASSAS PARK                                                                         | .2716                        | 3,168                       | 43,108,932             | (1,841,608)       | (147,188)                   | 45,910                            | (589,968)                       | (3,037)       | 413,655                 | 40,986,696                                   |
| COLONIAL BEACH                                                                        | .3675                        | 556                         | 6,727,092              | (140,355)         | 61,665                      | (44,134)                          | (10,125)                        | (748)         | 66,879                  | 6,660,274                                    |
| WEST POINT                                                                            | .2489                        | 784                         | 8,232,101              | 442,894           | 9,929                       | 56,827                            | 15,068                          | (655)         | 94,173                  | 8,850,337                                    |
| TOTAL:                                                                                |                              | 1,213,646                   | \$ 10,902,419,344      | (\$117,205,636)   | (\$7,557,123)               | (\$33,109,858)                    | (\$30,164,924)                  | (\$2,222,583) | \$106,464,309           | \$ 10,818,623,530                            |

\*Based on data received from the Department of Planning and Budget and the Department of Education as of 12/17/2025.





**The Senate Finance  
& Appropriations  
Committee's**

# **Summary of the Governor's Proposed 2026-28 Budget**

**Introduced as SB 30**

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**January 2026**



# Introduction

This document was prepared by the staff of the Senate Finance & Appropriations Committee as a summary of the Governor's proposed budget for the 2026-2028 biennium, introduced as Senate Bill 30 during the 2026 Session.

## SENATE FINANCE & APPROPRIATIONS COMMITTEE

### Staff

April Kees, Director  
Cailin Bownas  
Melissa Mayes  
Anya Pfeiffer  
Catie Robertson  
Kendra Brown Shifflett  
Ren Spotts  
Michael Tweedy  
Tyler Williams

# Table of Contents

|                                                |     |
|------------------------------------------------|-----|
| Overview of the Proposed 2026-2028 Budget..... | 4   |
| Resources.....                                 | 22  |
| Legislative .....                              | 29  |
| Judicial .....                                 | 30  |
| Executive Offices .....                        | 32  |
| Administration.....                            | 34  |
| Agriculture and Forestry.....                  | 39  |
| Commerce and Trade .....                       | 41  |
| Public Education.....                          | 45  |
| Higher Education.....                          | 57  |
| Other Education .....                          | 67  |
| Finance .....                                  | 68  |
| Health and Human Resources.....                | 73  |
| Labor .....                                    | 99  |
| Natural and Historic Resources.....            | 101 |
| Public Safety and Homeland Security .....      | 106 |
| Transportation .....                           | 112 |
| Veterans and Defense Affairs .....             | 116 |
| Central Appropriations.....                    | 119 |
| Independent Agencies.....                      | 125 |
| Capital Outlay .....                           | 129 |
| SB 30 Appendices.....                          | 138 |

# Overview of the Proposed 2026-2028 Budget

The proposed budget for the 2026-28 biennium proposes a net increase of almost \$4.7 billion in general fund operating expenses above the current base budget, plus \$890.0 million in GF cash for capital outlay. Approximately \$6.8 billion in additional resources in FY 2027 and FY 2028 are available for appropriation, including an assumed carryforward of \$2.1 billion from FY 2026 as proposed in Senate Bill 29, 2026 Session. The introduced budget for the 2026-28 biennium assumes an unappropriated balance of \$305.4 million at the close of the biennium. The unusually large unappropriated balance is required as carry-forward to the 2028-30 biennium to achieve structural balance in FY 2029, pursuant to the Six-Year Financial Plan required to be submitted in Section 2.2-1503.1, Code of Virginia.

| General Fund Resources Available for Appropriation<br>(\$ in millions) |                   |                   |                   |
|------------------------------------------------------------------------|-------------------|-------------------|-------------------|
|                                                                        | FY 2027           | FY 2028           | Biennium          |
| <b>Chapter 725 GF Revenue and Transfers</b>                            | <b>\$32,256.8</b> | <b>\$32,256.8</b> | <b>\$64,513.6</b> |
| Economic GF Forecast Adjustments                                       | 2,038.0           | 3,254.9           | 5,292.9           |
| Net Assumed Tax Policy Actions                                         | (242.5)           | (390.2)           | (632.7)           |
| FY 2026 Carryforward Balance                                           | 2,124.7           | -                 | 2,124.7           |
| Adjustments to Balance                                                 | (0.5)             | (0.5)             | (1.0)             |
| Transfer Adjustments                                                   | <u>(5.2)</u>      | <u>(1.9)</u>      | <u>(7.1)</u>      |
| <b>Total GF Resources Available for Appropriation</b>                  | <b>\$36,171.3</b> | <b>\$35,119.1</b> | <b>\$71,290.4</b> |
| <b>Chapter 725 Base Budget, Adjusted Base</b>                          | <b>\$32,718.3</b> | <b>\$32,718.3</b> | <b>\$65,436.6</b> |
| Operating Spending                                                     | 2,041.9           | 2,616.5           | 4,658.4           |
| Capital Outlay Spending                                                | <u>690.0</u>      | <u>200.0</u>      | <u>890.0</u>      |
| <b>Total Appropriations</b>                                            | <b>\$35,450.2</b> | <b>\$35,534.8</b> | <b>\$70,985.0</b> |
| <b>Unappropriated Balance</b>                                          | <b>\$721.1</b>    | <b>(\$415.7)</b>  | <b>\$305.4</b>    |

**Revenue.** SB 30, as introduced, provides \$71.3 billion in general fund resources available for appropriation. It assumes a FY 2026 carryforward balance of \$2.1 billion from a \$915.1 million revenue forecast adjustment in FY 2026, positive

net transfer adjustments from the ABC profit transfer, a net \$1.7 billion balance adjustment comprised of the FY 2025 GF surplus reservations, vetoes in Chapter 725, and reversion of discretionary FY 2025 appropriation balances, and a voluntary \$323.4 million withdrawal from the Revenue Reserve Fund in FY 2026 as proposed in SB 29, 2026 Session.

The 2026-28 general fund revenue forecast, as introduced, assumes revenue growth of 3.0 percent in FY 2027 and 3.2 percent in FY 2028, after accounting for a biennial net general fund reduction of \$632.7 million from assumed tax policy actions. Excluding assumed tax policy actions, general fund revenue is projected to grow 3.5 percent in FY 2027 and 3.6 percent in FY 2028. The baseline economic forecast used in developing SB 29 and SB 30 assumes slower job growth, modest wage and personal income growth, and decelerating real consumer spending. Virginia employment is projected to continue growing, but at a slower pace than in FY 2025, with employment growth estimated at 0.7 percent in FY 2027 and 0.8 percent in FY 2028. Average wages are projected to increase 4.6 percent in FY 2027 and 4.0 percent in FY 2028, following 5.0 percent growth in FY 2025.

The official forecast in SB 30 assumes a \$331.8 million revenue reduction to conform state law to certain tax provisions in the federal 2025 Budget Reconciliation Act (P.L. 119-21), or H.R.1, and \$300.9 million in assumed tax policy actions separate from federal conformity. H.R. 1 extends many expiring provisions in the Tax Cuts and Jobs Act of 2017 and established new provisions that flow through to Virginia's starting point for calculating state income tax liability. As introduced, Virginia would conform to most provisions in H.R.1 except Virginia would deconform from the retroactive portion of the domestic research expense deduction and allow only half of the special depreciation allowance for qualified property. In addition, H.R. 1 establishes federal deductions for tip income, overtime pay, and auto loan interest; SB 30 proposes corresponding state deductions equal to 25.0 percent of the federal amount in tax year 2026 and 50.0 percent in tax years 2027 and thereafter. These proposed provisions are not related to conformity since they do not alter the starting point for Virginia's tax purposes. SB 30 also proposes changing the corporate income tax apportionment sales factor from cost-of-performance to market-based sourcing beginning in taxable year 2027, an action estimated to reduce revenue by

\$29.1 million in FY 2028. SB 30 also proposes to extend the data center sales and use tax exemption from June 30, 2035, to June 30, 2050.

| <b>Proposed Tax Policy Actions Impacting General Fund</b><br>(\$ in millions) |                  |                  |                  |
|-------------------------------------------------------------------------------|------------------|------------------|------------------|
|                                                                               | <b>FY 2027</b>   | <b>FY 2028</b>   | <b>Biennium</b>  |
| Tax Conformity, H.R. 1                                                        | (\$148.6)        | (\$183.2)        | (\$331.8)        |
| Market Based Sourcing (effective TY 2027)                                     | -                | (29.1)           | (29.1)           |
| Tip Income Deduction (25% TY 26, 50% TY 27 and TY 28)                         | (18.3)           | (35.2)           | (53.5)           |
| Overtime Deduction (25% TY 26, 50% TY 27 and TY 28)                           | (60.6)           | (104.4)          | (165.0)          |
| Car Loan Interest Deduction (25% TY 26, 50% TY 27 and TY 28)                  | <u>(15.0)</u>    | <u>(38.3)</u>    | <u>(53.3)</u>    |
| <b>Total</b>                                                                  | <b>(\$242.5)</b> | <b>(\$390.2)</b> | <b>(\$632.7)</b> |

| <b>Proposed H.R. 1 Conformity Provisions</b><br>(\$ in millions)                     |                   |                   |                   |
|--------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
|                                                                                      | <b>FY 2026</b>    | <b>FY 2027</b>    | <b>FY 2028</b>    |
| Miscellaneous provisions                                                             | \$3.0             | \$12.7            | \$20.7            |
| 1% floor on charitable contributions                                                 | 4.3               | 7.7               | 9.2               |
| 0.5% floor on charitable contributions                                               | 15.8              | 40.4              | 42.5              |
| Restructure of opportunity zones program                                             | 10.9              | 22.9              | (27.0)            |
| New limit on the value of itemized deductions <small>(repeal of Pease limit)</small> | (10.2)            | (26.1)            | (27.9)            |
| Increases section 179 expensing limit to \$2.5 million                               | (28.2)            | (19.3)            | (16.1)            |
| Increases the business interest deduction                                            | (33.6)            | (16.0)            | (14.8)            |
| 50% of special depreciation allowance for qualified property                         | (63.6)            | (86.8)            | (90.8)            |
| Domestic research deduction (effective TY26)                                         | <u>0.0</u>        | <u>(84.1)</u>     | <u>(79.0)</u>     |
| <b>Total Conformity to H.R. 1</b>                                                    | <b>(\$101.60)</b> | <b>(\$148.60)</b> | <b>(\$183.20)</b> |

**Transfers.** The introduced budget includes a net transfer adjustment reduction of \$7.1 million compared to Chapter 725. It includes the customary transfers from the

ABC profit transfer and sales tax transferred from the Local Real Estate/Standard of Quality Fund for public education.

**Appropriations.** The Governor's proposed budget recommends \$5.5 billion in general fund spending over the base budget for the 2026-2028 biennium. The starting point for the operating budget is the base funding level in FY 2026 included in Chapter 725, 2025 Acts of Assembly. Base budget adjustments reduce the overall base budget by \$89.6 million GF over the biennium and reflect technical changes to distribute funding to agencies that was centrally appropriated for salary increases and fringe benefits, to reflect the removal of one-time funding, and make other technical adjustments to the base budget. The detail for the centrally appropriated funding distributed to agencies is reflected in Appendix D, and other technical adjustments are reflected in more detail in the narrative sections that follow for each Secretariat.

The proposed budget increases operating spending by \$4.7 billion and recommends \$890.0 million GF for capital outlay. The unappropriated balance would be \$305.4 million GF at the close of FY 2028, as introduced. Major general fund spending items include:

- \$2.8 billion to fully fund the projected costs of the Medicaid program;
- \$1.2 billion to reflect rebenchmarking costs in K-12;
- \$785.8 million to provide 2.0 percent salary increases in each year for state employees, state-supported local employees, and teachers;
- \$243.5 million for the employers' share of state health insurance premiums;
- \$144.1 million for deposit in the Water Quality Improvement Fund;
- \$140.6 million for nutrient removal programs;
- \$137.6 million for early childhood care and education slots;
- \$136.1 million to fund the estimated costs of the Children's Services Act; and
- \$100.4 million for the increase in state administrative costs for the Supplemental Nutrition Assistance Program pursuant to federal changes.

Major general fund operating spending and savings items are detailed in the table below:

**Major Operating Budget Spending and Savings in  
HB 30/SB 30, as Introduced**

(General Fund \$ in millions)

**2026-28  
Biennium**

**Major Spending**

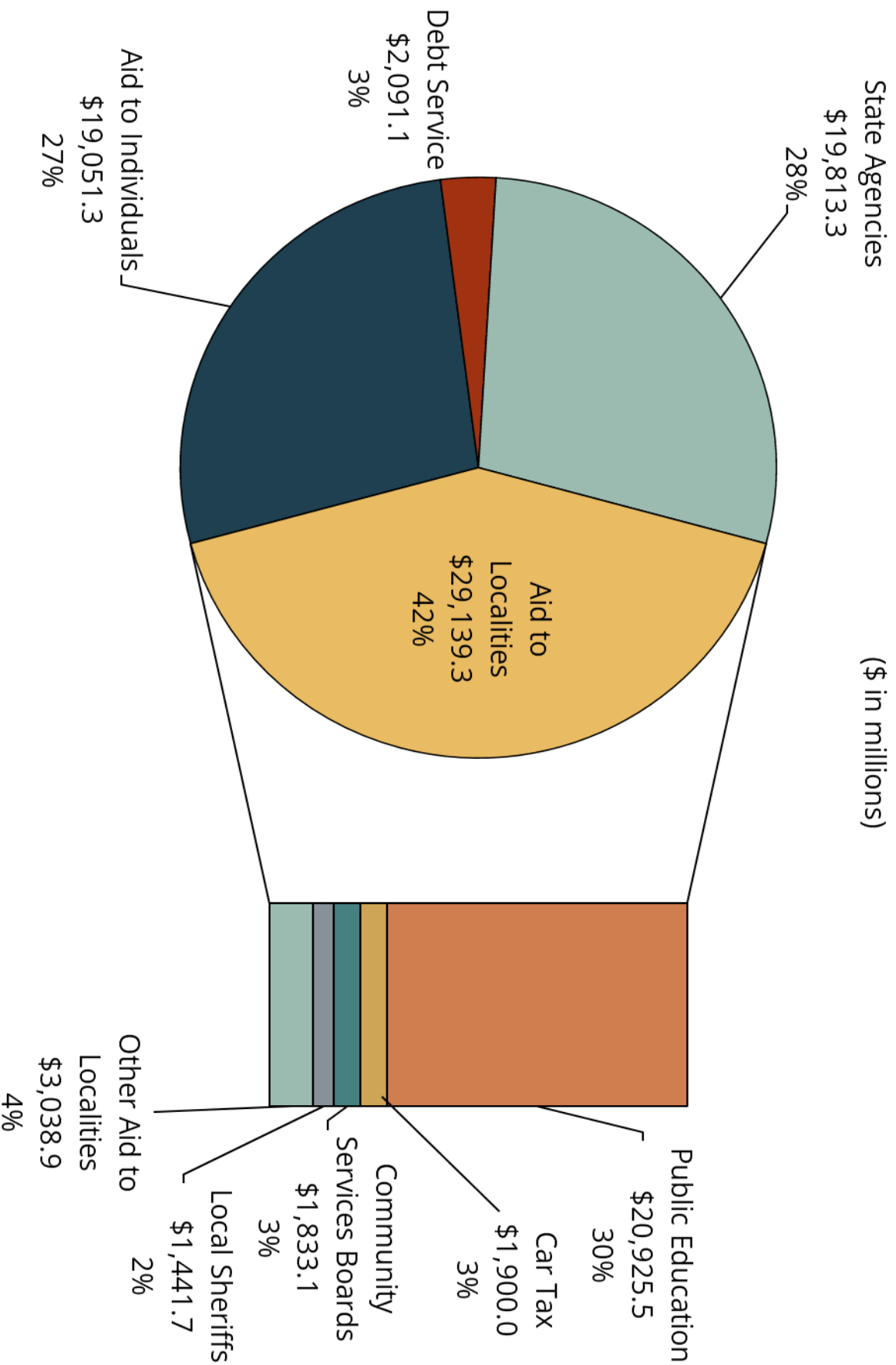
|                                                                                     |           |
|-------------------------------------------------------------------------------------|-----------|
| DMAS: Medicaid Utilization and Inflation                                            | \$2,771.4 |
| K-12: Rebenchmarking                                                                | 1,151.5   |
| Salary Increases for State & State-Supported Local Employees                        | 402.9     |
| K-12: Salary Increases                                                              | 382.9     |
| State Employee Health Insurance Premium Costs                                       | 243.5     |
| DCR: Water Quality Improvement Fund/VA Agriculture Cost-Share Program               | 144.1     |
| DEQ: Nutrient Removal Programs                                                      | 140.6     |
| K-12: Early Childhood Care and Education Slots                                      | 137.6     |
| Children's Services Act Forecast                                                    | 136.1     |
| DSS: SNAP Administrative Costs                                                      | 100.4     |
| DSP: Operational Costs                                                              | 95.8      |
| DMAS: Health Care Fund                                                              | 93.6      |
| DMAS: FAMIS Utilization and Inflation                                               | 80.1      |
| Debt Service Payments                                                               | 67.9      |
| DOC: Inmate Medical Costs                                                           | 59.7      |
| DMAS: Developmental Disability Waiver Rates                                         | 59.3      |
| K-12: Sales Tax Update                                                              | 54.1      |
| Economic Incentive Grant Programs                                                   | 46.9      |
| DEQ: Stormwater Local Assistance Program                                            | 43.5      |
| Criminal Fund and Involuntary Mental Commitment                                     | 40.8      |
| SCHEV: Virginia Military Survivors and Dependents Program Tuition Waiver Assistance | 40.0      |
| K-12: Lottery Proceeds                                                              | 35.2      |
| University of Virginia's Institute for Biotechnology                                | 35.0      |
| VPA: Inland Port                                                                    | 35.0      |
| K-12: Update for Fall Enrollment                                                    | 33.9      |
| DSS: Centralized Child Protective Services Intake System                            | 32.7      |
| Information Technology Costs for State Agencies                                     | 29.1      |
| Higher Education Credit Card Rebates and Interest Earning                           | 24.8      |
| DSP: Information Technology Costs                                                   | 18.6      |
| K-12: Update Lottery Supported Programs                                             | 15.9      |

| <b>Major Operating Budget Spending and Savings in<br/>HB 30/SB 30, as Introduced</b><br>(General Fund \$ in millions)                                            |                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
|                                                                                                                                                                  | <b>2026-28<br/>Biennium</b> |
| VDH: Complete and Sustain Electronic Health Record System                                                                                                        | 15.1                        |
| SCHEV: New Economy Workforce Credential Grant Program                                                                                                            | 13.6                        |
| VDEM: Disaster Management                                                                                                                                        | 12.0                        |
| Virginia Business Ready Sites Program                                                                                                                            | 10.0                        |
| Other Spending Items                                                                                                                                             | <u>241.1</u>                |
| <b>Total Spending</b>                                                                                                                                            | <b>\$6,844.8</b>            |
| <b>Major Savings</b>                                                                                                                                             |                             |
| DMAS: Medicaid Saving Strategies                                                                                                                                 | (\$611.4)                   |
| K-12: Membership Projections                                                                                                                                     | (381.9)                     |
| K-12: Literary Fund                                                                                                                                              | (285.0)                     |
| K-12: Retirement and Post-Employment Benefits                                                                                                                    | (213.9)                     |
| State Employee Retirement Costs/Post-Employment Benefits                                                                                                         | (145.2)                     |
| K-12: Early Childhood Care and Education Slots                                                                                                                   | (137.3)                     |
| K-12: Update Composite Index of Local Ability-to-Pay                                                                                                             | (68.9)                      |
| DEQ: Richmond Combined Sewer Overflow *                                                                                                                          | (50.0)                      |
| CSA: Saving Strategies                                                                                                                                           | (33.4)                      |
| K-12: Update English Language Learner Data                                                                                                                       | (31.9)                      |
| Redistribute Criminal Fund Appropriation                                                                                                                         | (15.5)                      |
| VDH: Supplant GF with TANF                                                                                                                                       | (14.8)                      |
| DSS: Underutilization of the Relative Maintenance Payment Program                                                                                                | (12.0)                      |
| Other Saving Items                                                                                                                                               | <u>(95.6)</u>               |
| <b>Total Savings</b>                                                                                                                                             | <b>(\$2,096.8)</b>          |
| <b>Net Operating Spending</b>                                                                                                                                    | <b>\$4,748.0</b>            |
| <i>* Funding was not removed as a base budget adjustment. The Executive Budget Document states that the removal is technical since it was a one-time action.</i> |                             |

# 2026-28 GF Operating Budget = \$70.1 Billion

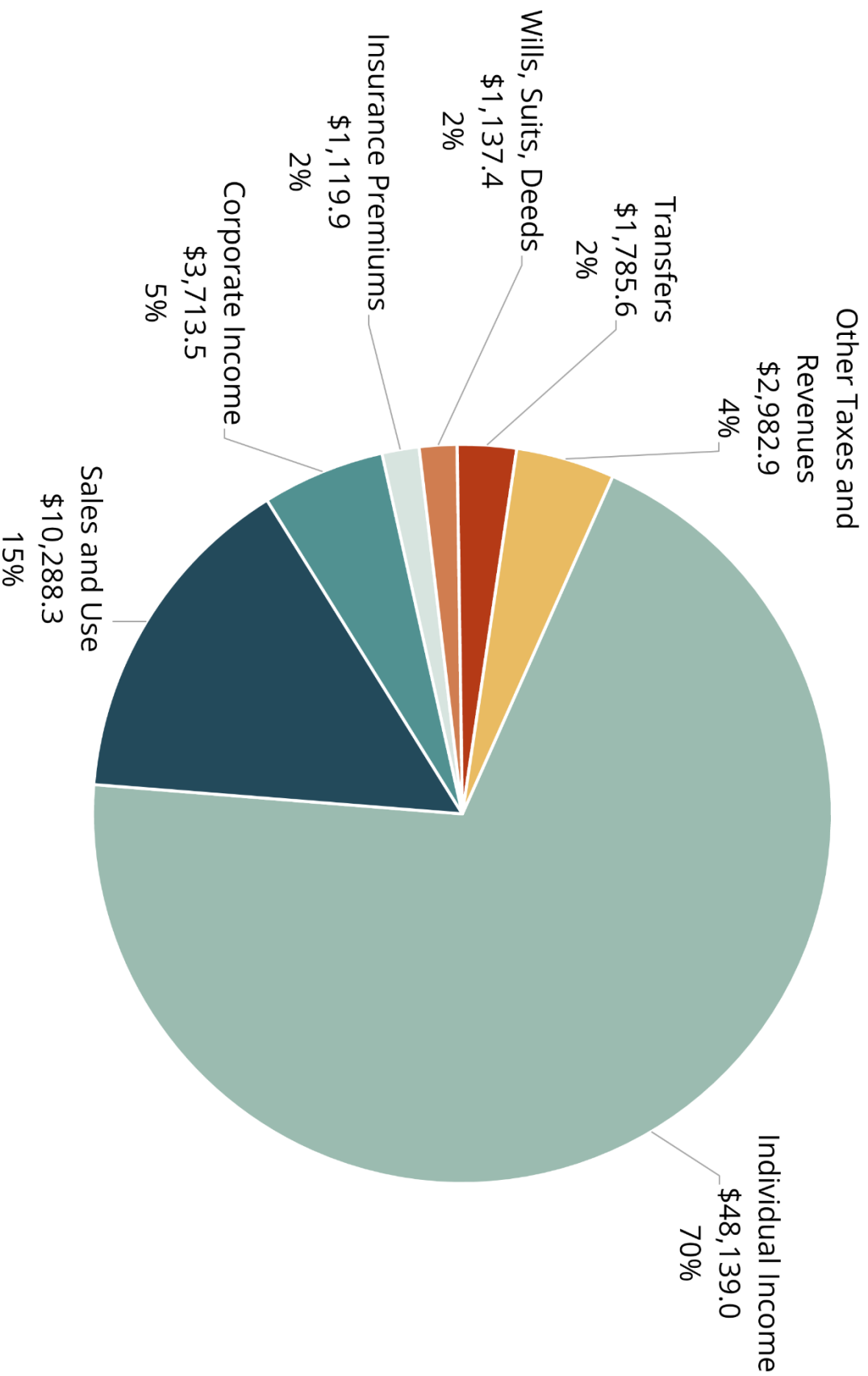
(HB 30/SB 30, as Introduced)

(\$ in millions)



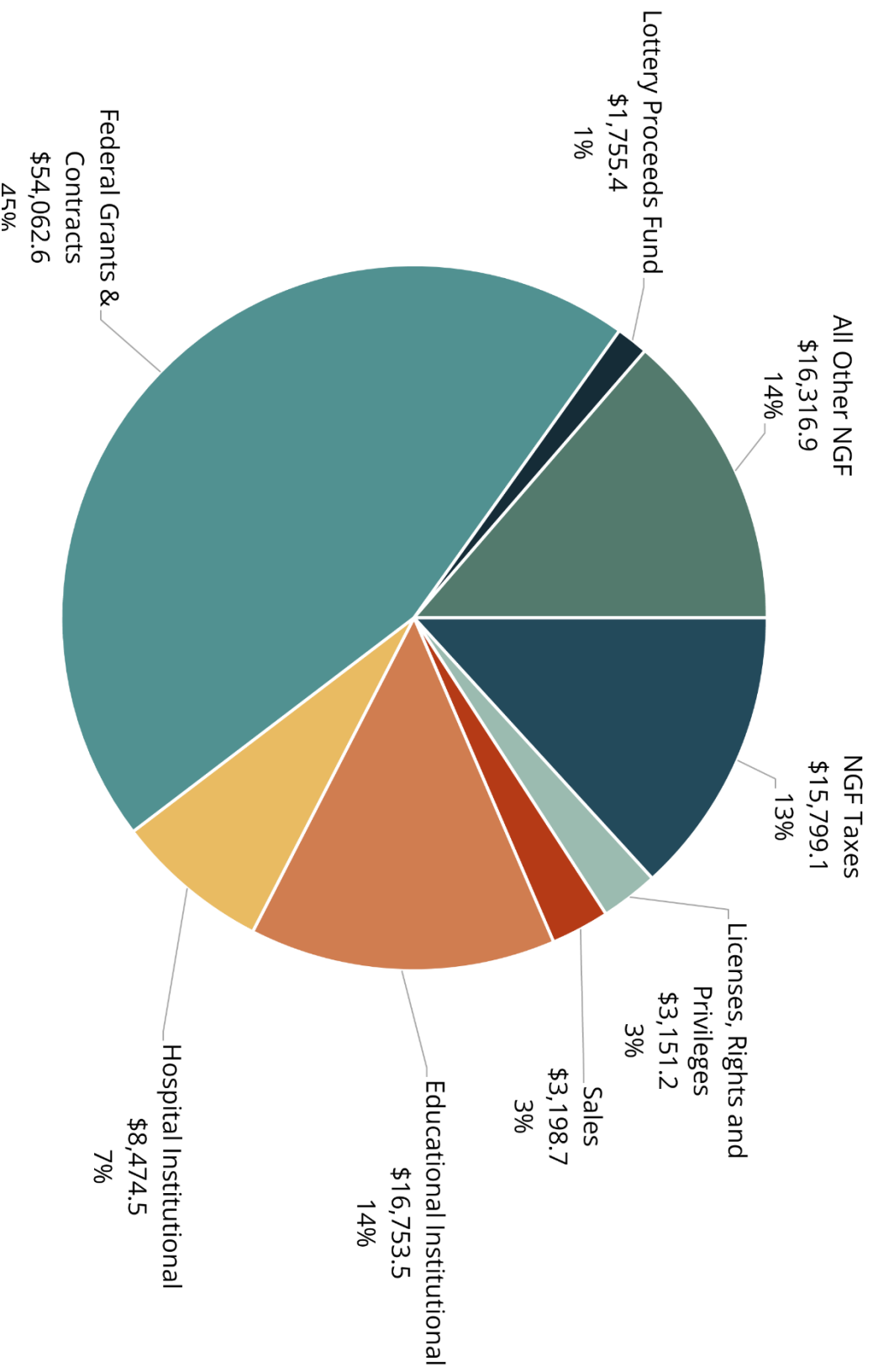
## 2026-2028 General Fund Revenues = \$69.2 Billion

(HB/SB 30, 2026 Session)  
(\$ in millions)



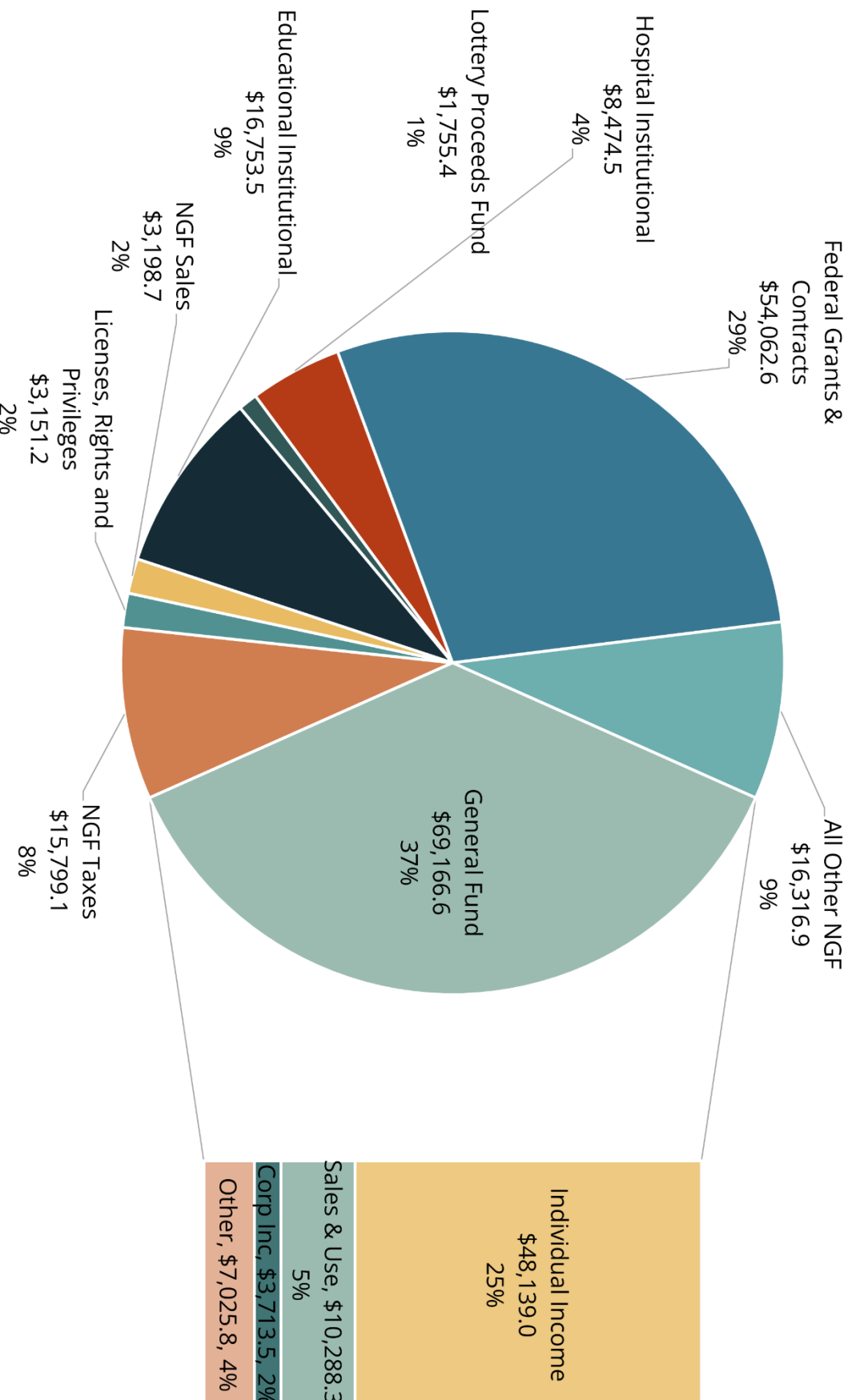
## 2026-2028 Nongeneral Fund Revenues = \$119.5 Billion

(HB/SB 30, 2026 Session)  
(\$ in millions)



## 2026-2028 Total Revenues = \$188.7 Billion

(HB/SB 30, 2026 Session)  
(\$ in millions)



**Legislative Department.** The Governor's proposed budget proposes no GF changes other than the adjustments to the base budget to reflect centrally funded salary and fringe benefit changes. The only proposed change is \$600,000 NGF over the biennium to increase payments to local Alcohol Safety Action Program offices.

**Judicial Department.** The introduced budget recommends an additional \$51.3 million GF over the biennium for the Judicial Department. The most significant item is \$20.4 million GF each year for projected payments from the Criminal Fund and the Involuntary Commitment Fund, primarily driven by recent increases in payments owed to court-appointed counsel beyond what was budgeted in Chapter 2, 2024 Special Session I. Additional proposals include \$3.4 million GF to expand videoconferencing infrastructure, \$3.0 million to increase the hourly payment rate for guardians ad litem, and \$2.0 million GF to increase the base IT budget for the Office of the Executive Secretary.

**Executive Offices.** The Governor's proposed budget recommends \$681,500 GF and \$1.0 million NGF over the biennium for the Executive Offices. The GF amounts are to fund 2.0 additional positions in the Office of the Children's Ombudsman and increases in membership dues to various interstate organizations. The NGF funding is proposed for the Secretary of the Commonwealth for information technology improvements.

**Administration.** The introduced budget proposes \$14.0 million GF and \$51.9 million NGF over the biennium for the Administration agencies. The largest proposed GF amounts are \$9.2 million GF in the Compensation Board to provide state support for 71.0 additional deputy sheriff positions and 18.0 administrative positions in sheriff offices. In the Department of Elections, \$3.3 million GF is proposed for the implementation of a new campaign finance system. The recommended NGF increases reflect higher operating costs of the Department of General Services building management, fleet services and procurement operations, and the increase in costs of state agency utilization of Virginia Information Technologies Agency services.

**Agriculture and Forestry.** The introduced budget for Agriculture and Forestry proposes a net increase of \$215,265 GF in FY 2027 and \$215,265 GF in

FY 2028 in addition to net nongeneral funding increases of \$2.2 million in the first year and \$2.1 million in the second year.

Within these amounts, new spending recommendations for the Department of Agriculture and Consumer Services include funding for hemp products enforcement and regulation, grain products inspections, funding for testing fees, and support for metrology regulation. For the Department of Forestry, proposals include funding for firefighting equipment and an agreement to improve infrastructure with the U.S. Forest Service. The budget recommends a reduction of \$190,487 GF to reflect anticipated matching fund needs for the Timberlands Reforestation program.

**Commerce and Trade.** The introduced budget for Commerce and Trade proposes increased general fund spending of \$79.9 million GF over the biennium. Investments are proposed for economic development, including an additional \$10.0 million GF the first year for business ready sites, \$5.0 million GF to establish the Virginia Artificial Intelligence Institute, and \$35.0 million GF in FY 2027 for the second phase of development of the University of Virginia's Institute for Biotechnology. In addition, \$5.0 million GF the first year is recommended to capitalize the Virginia Sports Tourism Incentive Program, and an additional \$1.0 million GF over the biennium is proposed for the Main Street Program.

Recommended savings actions across the Secretariat total \$19.9 million GF over the biennium and include: reducing trade mission support by \$1.0 million GF; decreasing the deposit to the New Airline Services Incentive Fund by \$1.3 million GF; capturing estimated interest earnings from various authorities totaling \$3.9 million GF; and reducing Virginia Growth and Opportunity Fund support by \$9.3 million GF. Recommended budget language redirects \$35.0 million NGF the first year from the Low-Income Energy Efficiency Program Fund to the newly established Cardinal Disaster Relief Fund at the Department of Emergency Management.

**Labor.** The Governor's proposed amendments for the Labor Secretariat include a net increase of \$350,000 GF in FY 2027 and \$350,000 GF in FY 2028 in addition to nongeneral funding increases of \$8.0 million in the first year and \$8.0 million in the second year.

Within these amounts, support of \$700,000 GF is recommended for legal resources for the Department of Labor and Industry. A \$7.25 annual fee per licensed professional is proposed for the Department of Professional and Occupational

Regulation to support an \$8.0 million NGF technology upgrade. In addition, a \$5.0 million GF line of credit is proposed for the Department of Workforce Development and Advancement to continue federally funded programs during delays in federal support.

**Public Education.** The proposed amendments for Direct Aid to Public Education for the 2026-28 biennium total a net increase of \$678.3 million GF and \$548.8 million NGF. These amounts include costs related to the biennial rebenchmarking process and policy changes.

The introduced budget reflects initial biennial rebenchmarking and technical costs of \$579.0 million GF. Cost increases for the biennium are primarily driven by changes in non-personnel costs but are offset by declines in enrollment and adjustments to rates for the Virginia Retirement System. The Composite Index of Local Ability-to-Pay (LCI) is also updated during rebenchmarking, resulting in a decrease of \$68.9 million GF in costs to the state over the biennium.

Proposed policy changes include: 1) \$382.9 million GF over the biennium to support the state share of a 2.0 percent compensation increase each year for instructional and support positions; 2) supplanting \$285.0 million GF over the biennium with a like amount of Literary Fund to support teacher retirement; and 3) a one-time investment of \$299.0 million NGF over the biennium in additional support for school construction. Of this amount, \$172.0 million NGF is from the Literary Fund, and \$127.0 million NGF represents new actual or projected casino revenues.

In addition to the changes noted above, the introduced budget proposes redirecting nonparticipation savings from the Virginia Preschool Initiative to create an estimated additional 6,745 birth-to-five slots in the Child Care Subsidy Program.

**Higher Education.** The introduced budget proposes a total net increase of \$120.1 million over the biennium for higher education institutions and related agencies. This includes \$128.8 million GF in new spending and \$8.6 million in proposed savings and reductions.

Major investments include: \$27.5 million GF the first year to maintain affordability for in-state undergraduate students; \$15.0 million GF the first year for undergraduate financial aid; \$13.6 million GF the second year (plus \$13.6 million the

first year from NGF resources) for the Workforce Credential Grant program; \$40.0 million GF (in addition to \$150.0 million NGF from actuarial surpluses of the Defined Benefit 529 Programs) for the Virginia Military Survivors and Dependents Education waivers; \$7.6 million GF to expand healthcare workforce programs at Virginia Commonwealth University and Virginia Tech; and \$3.9 million GF to enhance nursing education programs at James Madison University, Radford University, and University of Mary Washington.

Major savings and reduction recommendations include: \$3.2 million GF the second year to remove general fund support for the New College Institute and \$245,110 GF from the Southern Virginia Higher Education Center to account for one-time equipment funding provided in a prior biennium.

Recommended budget language in Higher Education caps tuition and mandatory fee annual increases at 2.5 percent or the rate of inflation, whichever is lower. In addition, the New College Institute is directed to develop a sustainability plan, including a comprehensive business plan and customer recruitment and expansion strategy.

**Finance.** The introduced budget includes a net increase of \$72.2 million GF and \$22.8 million NGF over the biennium. The most significant proposed increase in spending is \$67.9 million GF to address updated debt service payments.

Within the proposed increases, \$4.3 million GF is recommended for information technology initiatives at the Departments of Accounts, Taxation and Treasury. The expenses of the Commonwealth's financial and payroll systems are expected to be higher by \$20.0 million NGF over the biennium. A working capital advance of up to \$15.6 million is proposed to make updates to the Cardinal Financials System. The budget also recommends language authorizing issuers of tax-advantaged bonds, such as state and local governments, the authority to use the proceeds from the sale of property as an effort to maintain its tax-advantaged status.

**Health and Human Resources.** The proposed amendments to the Health and Human Resources Secretariat include a net increase of \$2.6 billion GF and \$4.9 billion NGF over the biennium. The largest spending item is the required \$2.8 billion GF and \$5.8 billion NGF to fund the projected expenditures for inflation and utilization in the Medicaid program. Other mandatory spending includes \$80.1 million GF and \$142.0 million NGF for the Family Access to Medical Insurance

Security program, projected increases for the Medicaid Children's Health Insurance Program, and projected increases for the Health Care Fund. The introduced budget also recommends \$136.1 million GF to fund projected growth in services provided through the Children's Services Act, with growth in private day special education services as the largest driver. An additional \$100.4 million GF is required to fund the increase in state share of the Supplemental Nutrition Assistance Program administrative cost per federal changes in H.R.1.

Discretionary spending in Health and Human Resources is limited. Over the biennium, discretionary spending includes \$32.7 million GF to create a centralized child protective services intake system for child abuse and neglect reports, \$15.1 million GF for the Department of Health to complete and sustain an electronic health records system, and \$6.9 million GF to fund an increase in the salary minimum for local departments of social services family services employees.

The introduced budget also proposes \$611.4 million GF savings over the biennium to reflect Medicaid savings strategies and \$33.4 million GF savings over the biennium to reflect Children's Services Act saving strategies.

**Natural and Historic Resources.** The introduced budget proposes changes to the Natural and Historic Resources budget that provide an additional \$303.4 million GF the first year and a reduction of \$34.7 million GF the second year. The introduced budget recommends \$144.1 million GF and \$141.9 million NGF the first year for deposit to the Water Quality Improvement Fund (WQIF) for agricultural best management practices. This Includes the mandatory deposit of FY 2025 surplus funds of \$107.9 million GF, an additional \$36.2 million GF, and nongeneral fund support from the interest earnings on the Virginia Natural Resources Commitment Fund and the WQIF reserve. No deposit is designated to the WQIF reserve, which was created to support the Virginia Water Quality Improvement Act of 1997 when year-end general fund surpluses are unavailable. The introduced budget also proposes \$140.6 million GF the first year to be deposited to the Water Quality Improvement Fund (WQIF) for point source remediation, and it directs the funding to support the Hampton Roads Sanitation District Boat Harbor Treatment Plant project. The funding is intended to reimburse the district under the Enhanced Nutrient Removal Certainty program for project costs for which local bonds have been issued. The proposed

budget actions also include language delineating additional WQIF application acceptance requirements.

The net decrease in GF spending the second year is attributed to the proposed technical action to remove \$25.0 million GF each year, originally authorized for one-time funding, provided to the City of Richmond to pay a portion of the costs of its combined sewer overflow control project, and the proposed removal of the addition of \$8.0 million GF the second year that was previously provided for the Department of Environmental Quality to meet a temporary increase in federal water protection funding.

**Public Safety.** The Governor's proposed amendments to the Public Safety and Homeland Security Secretariat represent a net increase of \$194.9 million GF above the base budget over the biennium. The most significant proposed increase is \$114.4 million GF for the Virginia State Police, primarily to address significant budget shortfalls due in part to larger trooper training class sizes. Other proposals include \$59.7 million GF for increased inmate medical costs at the Department of Corrections and \$12.0 million GF to support Department of Emergency Management operations in anticipation of potential reductions in federal support.

**Transportation.** The proposed actions to the Transportation Secretariat include a net increase of \$34.8 million GF and \$998.3 million NGF over the biennium. The general fund increase is driven by the proposed \$35.0 million GF the first year for design development and site improvements for an inland port at the Oak Park Center for Business and Industry in Washington County, Virginia. The introduced budget also proposes \$29.8 million NGF and 24.0 positions the first year and \$30.9 million NGF and 24.0 positions the second year to support maintenance and operations for the February 2027 opening of two new facilities at the Hampton Roads Bridge Tunnel.

**Veterans and Defense Affairs.** The introduced budget recommends an additional \$14.4 million GF above the base budget for the Veterans and Defense Affairs Secretariat. The proposal includes \$9.1 million GF for start-up operations at the new Puller Veterans Care Center, which would supplement \$20.8 million GF provided last biennium to support recently opened veterans care centers. In addition, the introduced budget recommends \$2.0 million for additional Military Community Infrastructure Grants, \$1.0 million GF to cover a budget shortfall at the Department

of Military Affairs, and \$962,304 GF for additional fire and emergency medical services staffing at Fort Pickett.

**Central Appropriations.** The Governor's proposed budget for Central Appropriations recommends \$584.8 million GF and \$10.1 million NGF over the biennium. The largest proposed increase of \$402.9 million GF over the biennium would fund a 2.0 percent salary increase in each year for state employees and state-supported local employees. In addition, \$243.5 million GF is recommended to fund the employer's share of state health insurance premiums. Other fringe benefits changes, agency information technology costs, rent, worker's compensation premiums, and other cost impacts impacting state agencies are included at a proposed amount of \$61.8 million. Also recommended is \$24.8 million GF to return credit card rebates and interest to institutions of higher education.

Savings of \$148.2 million GF over the biennium are proposed mainly from lower contributions for state employee retirement and other post-employment benefit programs based on payroll contribution rates that have been certified by the Virginia Retirement System Board of Trustees.

**Independent.** The introduced budget for Independent Agencies proposes \$230,000 GF and \$361.4 million NGF over the biennium. The only GF change is provided for the Virginia Volunteer's Services Award program operated by the Virginia Retirement System. The largest NGF increase is for the Virginia Lottery to reflect the operational costs for the sale of lottery products and other related costs for casino regulations and payments to localities. The other major increase is for the Virginia Retirement System, which includes a recommended \$62.1 million NGF for its operations.

**Capital Outlay.** The introduced budget proposes \$2.7 billion in total funds for the capital outlay program of the 2026-28 biennium. The proposal includes \$890.0 million in general fund cash, \$1.1 billion in tax-supported debt, \$123.6 million in 9(d) revenue bonds, and \$538.7 million in nongeneral fund cash. The major capital investments include: 1) \$1.6 billion for a construction pool of 15 projects, including eight of the ten vetoed projects in the 2025 Higher Education Pool from Chapter 725, 2025 Appropriation Act; 2) \$200.0 million GF each year for maintenance reserve allocations to state agencies and higher education institutions; 3) \$39.9 million GF for an equipment pool; 4) \$14.0 million GF cash, Central Capital

Planning Pool fund, and higher education operating funding, to authorize planning for five projects; 5) \$33.0 million GF to renovate and repair the Department of Behavioral Health and Development Services facilities; 6) \$32.1 million GF for deferred maintenance umbrella projects at Christopher Newport University, George Mason University and University of Mary Washington; and 7) \$12.0 million GF for Tech Talent Investment Program related equipment. Proposed language authorizes a NGF capital appropriation to acquire Oak Hill State Park if certain conditions are met. The proposed language states Oak Hill State Park will not receive general fund support for operating or capital expenses.

# Resources

The proposed 2026-28 budget includes \$71.3 billion in general fund resources available for appropriation.

| <b>General Fund Resources Available for Appropriation</b><br>(\$ in millions) |                   |                   |                   |
|-------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
|                                                                               | <b>FY 2027</b>    | <b>FY 2028</b>    | <b>2026-28</b>    |
| Beginning Balance                                                             | \$2,124.7         | \$0.0             | \$2,124.7         |
| Additions to Balances                                                         | (0.5)             | (0.5)             | (1.0)             |
| Official GF Revenue Estimate                                                  | 33,155.9          | 34,225.1          | 67,381.0          |
| Transfers                                                                     | <u>891.2</u>      | <u>894.5</u>      | <u>1,785.7</u>    |
| <b>GF Resources Available for Appropriation</b>                               | <b>\$36,171.3</b> | <b>\$35,119.1</b> | <b>\$71,290.4</b> |

## Available Balance

The budget, as introduced, includes a projected beginning balance of \$2.1 billion at the close of the 2024-26 biennium. The beginning balance is a result of the FY 2026 revenue forecast adjustment, positive net transfer adjustments from the ABC profit transfer, reversions from the balance sheet and Central Appropriations for vetoes in Chapter 725, reversion of discretionary FY 2025 appropriation balances, transfers from various funds to the GF, and a voluntary withdrawal from the Revenue Reserve Fund in FY 2026 as proposed in SB 29. The beginning balance is offset by reductions of \$500,000 each year pursuant to the Intergovernmental Cash Management Act.

## General Fund Forecast

The 2026-28 biennium general fund forecast, as introduced, assumes revenue growth rates of 3.3 percent in FY 2027 and 3.5 percent in FY 2028 prior to proposed policy actions. The baseline economic forecast used in developing SB 30 assumes slower job growth, modest wage and personal income growth, and decelerating real consumer spending. Employment in Virginia is projected to continue expanding but at a slower pace than in FY 2025. Employment growth is estimated at 0.7 percent in FY 2027 and 0.8 percent in FY 2028. Average wage growth in Virginia is

projected to moderate to 4.6 percent in FY 2027 and 4.0 percent in FY 2028, following a 5.0 percent increase in FY 2025. After growing 5.1 percent in FY 2025, total personal income is expected to track wage and salary trends, increasing by 5.0 percent in FY 2027 before easing to 4.4 percent in FY 2028. At the national level, real consumer spending is forecast to grow by 1.9 percent in FY 2027 and 1.7 percent in FY 2028.

| <b>Economic Variables Assumed in Forecast</b><br>(% Growth) |                |           |                |           |
|-------------------------------------------------------------|----------------|-----------|----------------|-----------|
|                                                             | <b>FY 2027</b> |           | <b>FY 2028</b> |           |
|                                                             | <b>VA</b>      | <b>US</b> | <b>VA</b>      | <b>US</b> |
| Employment                                                  | 0.7%           | 0.5%      | 0.8%           | 0.7%      |
| Personal Income                                             | 5.0            | 4.6       | 4.4            | 4.7       |
| Wages and Salaries                                          | 4.6            | 4.6       | 4.0            | 3.7       |

In addition, the introduced budget contains several proposed policy changes that result in a net decrease of \$632.7 million GF over the biennium. After accounting for the proposed policy changes and forecast adjustments, SB 30 assumes general fund revenue of \$33.2 billion in FY 2027 and \$34.2 billion in FY 2028. Including policy adjustments, the general fund forecast, as introduced, reflects general fund revenue growth of 3.0 percent in FY 2027 and 3.2 percent in FY 2028.

| <b>General Fund Revenue Estimates</b><br>(\$ in millions) |                   |                   |                   |
|-----------------------------------------------------------|-------------------|-------------------|-------------------|
|                                                           | <b>FY 2027</b>    | <b>FY 2028</b>    | <b>Biennium</b>   |
| <b>Base Revenue, Chapter 725 (2025 Session)</b>           | <b>\$31,360.4</b> | <b>\$31,360.4</b> | <b>\$62,720.8</b> |
| GACRE Adjustments November                                | 2,038.0           | 3,254.9           | 5,292.9           |
| Post-GACRE Adjustments                                    | 0.0               | 0.0               | 0.0               |
| Assumed Tax Policy Actions                                | <u>(242.5)</u>    | <u>(390.2)</u>    | <u>(632.7)</u>    |
| <b>Total GF Revenue Estimate</b>                          | <b>\$33,155.9</b> | <b>\$34,225.1</b> | <b>\$67,381.0</b> |

| Official GF Forecast by Source   |                   |              |                   |             |
|----------------------------------|-------------------|--------------|-------------------|-------------|
| (\$ in millions)                 |                   |              |                   |             |
|                                  | FY 2027           |              | FY 2028           |             |
|                                  | Forecast          | % Growth     | Forecast          | % Growth    |
| <i>Withholding</i>               | \$19,379.8        | 5.0%         | \$20,272.6        | 4.6%        |
| <i>Nonwithholding</i>            | 7,691.7           | 0.3          | 7,705.6           | 0.2         |
| <i>Refunds</i>                   | <u>(3,382.6)</u>  | <u>4.0</u>   | <u>(3,528.0)</u>  | <u>4.3</u>  |
| Net Individual                   | \$23,688.9        | 3.6%         | \$24,450.1        | 3.2%        |
| Corporate                        | 1,825.2           | 0.7          | 1,888.3           | 3.5         |
| Sales and Use                    | 5,079.0           | 2.2          | 5,209.3           | 2.6         |
| Insurance                        | 549.1             | 2.3          | 570.7             | 3.9         |
| Wills, Suits, Deeds              | 528.2             | 11.4         | 609.2             | 15.3        |
| All Other                        | <u>1,485.5</u>    | <u>(2.4)</u> | <u>1,497.4</u>    | <u>0.8</u>  |
| <b>Total GF Revenue Estimate</b> | <b>\$33,155.9</b> | <b>3.0%</b>  | <b>\$34,225.1</b> | <b>3.2%</b> |

### Policy Changes Assumed in Revenue Forecast

SB 30 revenue forecast includes tax policy actions related to general fund revenue, including a \$331.8 million revenue reduction to conform to certain provisions in the 2025 Budget Reconciliation Act (P.L. 119-21), amending the Internal Revenue Code (IRC), and \$300.9 million in assumed tax policy actions separate from federal conformity.

| Proposed Tax Policy Actions Impacting General Fund           |                  |                  |                  |
|--------------------------------------------------------------|------------------|------------------|------------------|
| (\$ in millions)                                             |                  |                  |                  |
|                                                              | FY 2027          | FY 2028          | Biennium         |
| Tax Conformity, H.R. 1                                       | (\$148.6)        | (\$183.2)        | (\$331.8)        |
| Market Based Sourcing (effective TY 2027)                    | -                | (29.1)           | (29.1)           |
| Tip Income Deduction (25% TY 26, 50% TY 27 and TY 28)        | (18.3)           | (35.2)           | (53.5)           |
| Overtime Deduction (25% TY 26, 50% TY 27 and TY 28)          | (60.6)           | (104.4)          | (165.0)          |
| Car Loan Interest Deduction (25% TY 26, 50% TY 27 and TY 28) | <u>(15.0)</u>    | <u>(38.3)</u>    | <u>(53.3)</u>    |
| <b>Total</b>                                                 | <b>(\$242.5)</b> | <b>(\$390.2)</b> | <b>(\$632.7)</b> |

## Conformity

The 2025 Budget Reconciliation Act (P.L. 119-21), or H.R. 1, extends expiring provisions of the Tax Cuts and Jobs Act of 2017 (TCJA) and introduces new federal tax policies that flow through to Virginia's income tax. Under the TCJA, Virginia experiences increased general fund revenue, primarily because of more taxpayers claiming a higher federal standard deduction rather than itemizing deductions. Many TCJA provisions were set to expire on December 31, 2025, or have been modified in recent years. Beyond influencing taxpayer behavior, federal tax actions directly affect Virginia's income tax base, depending on the Commonwealth's conformity to the Internal Revenue Code (IRC).

For administrative simplicity and taxpayer compliance, states generally conform to the same definitions of income adopted by Congress in the Internal Revenue Code (IRC). Virginia uses federal adjusted gross income (FAGI) for individuals or federal taxable income (FTI) for corporations as the starting point to calculate state liability. States conform to the IRC either through fixed-date conformity, which requires periodic legislative action to update the conformity date, or rolling conformity, which automatically incorporates federal tax law changes as they are enacted. Within this framework, Virginia's method of conformity determines whether and how federal tax changes are incorporated into state law.

During the 2023 Session, Virginia adopted rolling conformity to the IRC, replacing fixed-date conformity. The legislation incorporated mechanisms that require automatic deconformity from (i) any individual federal tax provision with a projected GF revenue impact of \$15.0 million or greater (per-provision trigger), and (ii) any additional federal changes once the cumulative projected GF impact of conforming provisions reaches \$75.0 million (aggregate trigger). In anticipation of significant federal tax legislation in 2025 and the potential general fund impact, the General Assembly suspended rolling conformity for federal tax provisions enacted during calendar years 2025 and 2026 that would have any projected revenue impact on Virginia within the subsequent five fiscal years. Accordingly, legislative action will be required to conform to any such federal provisions enacted during that period, including those in P.L. 119-21.

SB 30 proposes to substantially conform Virginia to federal changes included in H.R. 1. Most of the conformity impacts are on businesses and would reduce their

state tax liability. As proposed, Virginia would deconform from the retroactive portion of the domestic research expense deduction and allow only 50.0 percent of the special depreciation allowance for qualified property. Deconforming from these provisions reduces the GF revenue impact by \$230.3 million for qualified property and \$440.9 million for domestic research expense over the three fiscal years covered by SB 29 and SB 30. In addition, SB 29 repeals the temporary suspension of rolling conformity, which will reinstate rolling conformity provisions as enacted by Chapter 763 and 791, 2023 Acts of Assembly.

| <b>Proposed H.R. 1 Conformity Provisions</b><br>(\$ in millions)                     |                   |                   |                   |
|--------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
|                                                                                      | <b>FY 2026</b>    | <b>FY 2027</b>    | <b>FY 2028</b>    |
| Miscellaneous provisions                                                             | \$3.0             | \$12.7            | \$20.7            |
| 1% floor on charitable contributions                                                 | 4.3               | 7.7               | 9.2               |
| 0.5% floor on charitable contributions                                               | 15.8              | 40.4              | 42.5              |
| Restructure of opportunity zones program                                             | 10.9              | 22.9              | (27.0)            |
| New limit on the value of itemized deductions <small>(repeal of Pease limit)</small> | (10.2)            | (26.1)            | (27.9)            |
| Increases section 179 expensing limit to \$2.5 million                               | (28.2)            | (19.3)            | (16.1)            |
| Increases the business interest deduction                                            | (33.6)            | (16.0)            | (14.8)            |
| 50% of special depreciation allowance for qualified property                         | (63.6)            | (86.8)            | (90.8)            |
| Domestic research deduction (effective TY26)                                         | <u>0.0</u>        | <u>(84.1)</u>     | <u>(79.0)</u>     |
| <b>Total Conformity to H.R. 1</b>                                                    | <b>(\$101.60)</b> | <b>(\$148.60)</b> | <b>(\$183.20)</b> |

### Tax Policy Actions

SB 30 assumes four additional tax policy actions reducing the general fund forecast that have not been formally adopted by the General Assembly. The general fund forecast assumes a \$300.9 million revenue reduction from these policy-related adjustments and include:

- Establishing a state deduction for tip income of up to 25.0 percent of the federal deduction in tax year 2026 and 50.0 percent in tax year 2027 and thereafter. H.R. 1 provides for a deduction of up to \$25,000 for qualified tips received by an individual in an occupation which traditionally and customarily receives tips and phases out starting at \$150,000 for single filers and \$300,000 for joint filers. The deduction is set to expire beginning in tax year 2029 consistent with federal law.

This reduces general fund revenue by \$18.3 million in FY 2027 and \$35.2 million in FY 2028.

- Establishing a state deduction for overtime income of up to 25.0 percent of the federal deduction in tax year 2026 and 50.0 percent in tax year 2027 and thereafter. H.R. 1 provides for a deduction of up to \$12,500 for single filers and \$25,000 for joint filers for overtime premium pay and phases out at a rate of \$100 for each \$1,000 if a taxpayer's adjusted gross income exceeds \$150,000 for single filers and \$300,000 for joint filers. The deduction is only for the "premium" portion of a taxpayers' overtime pay, which is the amount that exceeds their regular rate of pay (i.e. the "half" portion of "time-and-a-half"). The deduction is set to expire beginning in tax year 2029 consistent with federal law. This reduces general fund revenue by \$60.6 million in FY 2027 and \$104.4 million in FY 2028.
- Establishing a state deduction for car loan interest of up to 25.0 percent of the federal deduction in tax year 2026 and 50.0 percent in tax year 2027 and thereafter. H.R. 1 provides for a deduction of up to \$10,000 for qualified vehicle loan interest and phases out starting at \$100,000 for single filers and \$200,000 for joint filers. An eligible vehicle is a car, minivan, van, sport utility vehicle, pickup truck, or motorcycle, the final assembly of which occurs in the U.S. The deduction is set to expire beginning in tax year 2029 consistent with federal law. This reduces general fund revenue by \$15.0 million in FY 2027 and \$38.3 million in FY 2028.
- Altering the method for sourcing sales for corporate income apportionment from cost-of-performance to market-based sourcing beginning in taxable year 2027. Market-based sourcing attributes a sale to the jurisdiction where the corporation's market or customers are located. Currently, Virginia has adopted market-based sourcing for limited corporations, specifically debt buyers, property information and analytics firms, and internet root infrastructure providers. As part of an existing economic development incentive, market-based sourcing is provided as an economic development incentive for CoStar, and current performance targets for employment and capital expenditures are tied to the tax incentive. The budget language proposes eliminating CoStar's performance targets, since market-based sourcing would be widely available. The language also provides a carve-out for telecom industries. The proposal provides for an alternative measure of reasonable approximation for the defense industry by assigning intangible

personal property sales using the Commonwealth's share of the total population of the relevant geographical market. The Department of Tax estimates revenue to be reduced by \$29.1 million in FY 2028 and \$4.0 million in FY 2029 and then increase by \$9.2 million in FY 2030 and \$17.3 million in FY 2031.

SB 30 also proposes to eliminate the sunset date of the existing state standard deduction of \$8,750 for single filers and \$17,500 for joint filers permanent and the 20.0 percent refundable state earned income tax credit, which are set to expire on December 31, 2026. If the current standard deduction expires, the standard deduction will revert to the taxable year 2018 deduction of \$3,000 for single and \$6,000 for joint filers. The official forecast assumes all expiring credits and deductions are extended by the General Assembly; therefore, the revenue impact is assumed in the official forecast.

SB 30 proposes to extend the data center sales and use tax exemption on qualifying computer and software purchases from June 30, 2035, to June 30, 2050. The Department of Taxation reports the exemption reduced state and local sales tax revenue by \$1.9 billion in FY 2025.

### **Changes in Transfers**

Proposed transfers to the general fund total \$1.8 billion over the biennium. Of this amount, \$1.3 billion represents the standard 0.375 percent sales tax transferred from the Local Real Estate/Standard of Quality Fund for public education.

Other customary transfers include the Alcoholic Beverage Control (ABC) profit transfer of \$279.6 million for the biennium, with an additional \$130.8 million in ABC profits and \$18.3 million of wine taxes offsetting GF costs at the Department of Behavioral Health and Developmental Services for substance abuse programs. SB 30 proposes to increase, from \$24.4 million to \$24.8 million, transfers to the Game Protection Fund from sales tax revenue from the sale of hunting, fishing, and other associated equipment. The remaining transfer actions are customary transfers that have not been adjusted beyond technical updates compared to the amounts transferred in Chapter 725.

# Legislative

| Governor's Proposed Adjustments to Legislative<br>(\$ in millions) |                |              |                |              |
|--------------------------------------------------------------------|----------------|--------------|----------------|--------------|
|                                                                    | FY 2027        |              | FY 2028        |              |
|                                                                    | <u>GF</u>      | <u>NGF</u>   | <u>GF</u>      | <u>NGF</u>   |
| <b>2026-28 Budget</b>                                              | <b>\$130.8</b> | <b>\$5.3</b> | <b>\$130.8</b> | <b>\$5.3</b> |
| Base Budget Adjustments                                            | <u>4.8</u>     | <u>0.2</u>   | <u>4.8</u>     | <u>0.2</u>   |
| <b>Adjusted Base Budget</b>                                        | <b>\$135.6</b> | <b>\$5.5</b> | <b>\$135.6</b> | <b>\$5.5</b> |
| Proposed Increases                                                 | 0.0            | 0.3          | 0.0            | 0.3          |
| Proposed Decreases                                                 | <u>0.0</u>     | <u>0.0</u>   | <u>0.0</u>     | <u>0.0</u>   |
| \$ Net Change                                                      | \$0.0          | \$0.3        | \$0.0          | \$0.3        |
| <b>SB 30, as Introduced</b>                                        | <b>\$135.6</b> | <b>\$5.8</b> | <b>\$135.6</b> | <b>\$5.8</b> |

## – Commission on the Virginia Alcohol Safety Action Program

- **Increase Nongeneral Fund Appropriation.** Proposes \$300,000 NGF each year to make payments to local Alcohol Safety Action Program offices. The NGF source is from fees paid by individuals required to complete alcohol safety programs by the courts.

## – Commission on Electric Utility Regulation

- **Removes Vetoed Funding for Operational Support.** Recommends removing \$75,000 GF each year of funding that was included in Chapter 725, 2025 Acts of Assembly, but was vetoed by the Governor.

# Judicial

| Governor's Proposed Adjustments to Judicial<br>(\$ in millions) |                |               |                |               |
|-----------------------------------------------------------------|----------------|---------------|----------------|---------------|
|                                                                 | FY 2027        |               | FY 2028        |               |
|                                                                 | <u>GF</u>      | <u>NGF</u>    | <u>GF</u>      | <u>NGF</u>    |
| <b>2026-28 Budget</b>                                           | <b>\$668.6</b> | <b>\$42.9</b> | <b>\$668.6</b> | <b>\$42.9</b> |
| Base Budget Adjustments                                         | <u>27.7</u>    | <u>0.7</u>    | <u>27.7</u>    | <u>0.7</u>    |
| <b>Adjusted Base Budget</b>                                     | <b>\$696.2</b> | <b>\$43.6</b> | <b>\$696.2</b> | <b>\$43.6</b> |
| Proposed Increases                                              | 32.6           | 1.1           | 34.2           | 1.1           |
| Proposed Decreases                                              | <u>(7.7)</u>   | <u>0.0</u>    | <u>(7.7)</u>   | <u>0.0</u>    |
| \$ Net Change                                                   | \$24.9         | \$1.1         | \$26.4         | \$1.1         |
| <b>SB 30, as Introduced</b>                                     | <b>\$721.1</b> | <b>\$44.7</b> | <b>\$722.6</b> | <b>\$44.7</b> |

## – Supreme Court

- **Courtroom Video Conferencing.** Recommends \$1.1 million GF and 1.0 position the first year and \$2.3 million GF and 2.0 positions the second year to expand courtroom video conferencing infrastructure across the Commonwealth.
- **Guardian Ad Litem Rates.** Proposes an additional \$1.5 million GF each year to the Criminal Fund to support the estimated cost of a proposed increase in the hourly rate paid to guardians ad litem, from \$78.75 to \$84.40 for time spent in court and \$57.50 to \$58.75 for time spent out of court. Since the hourly rate was established as \$75 for time spent in court and \$55 for time spent out of court in 2001, the rate has received only a modest increase in FY 2026 pursuant to Chapter 725, 2025 Acts of Assembly. The goal of the proposed increase is to address recent declines in the number of attorneys available to serve as guardians ad litem, who are appointed by the court to represent the best interests of a child or incapacitated adult.

- **Information Technology Budget.** Recommends \$1.0 million GF each year to increase the Supreme Court's base budget for information technology. According to the Office of the Executive Security (OES), the increase would improve security and accessibility amidst increasing costs and a decline in Court Technology Fund fee revenue in recent years.
- **Security Operations Center.** Recommends \$688,452 GF and 2.0 positions the first year and \$1.1 million GF and 4.0 positions the second year to establish a security operations center, which is a cybersecurity best practice and included in the Commonwealth's Information Security Standard.
- **Offset Declines in Drug Offender Assessment Fund.** Proposes \$157,828 GF each year to support 2.0 existing positions supporting drug treatment court evaluation and monitoring. The positions are currently supported by the Drug Offender Assessment Fund, which has been declining in recent years.

#### – **General District Courts**

- **Criminal Fund.** Proposes \$20.4 million GF each year to cover estimated payments from the Criminal Fund and Involuntary Mental Commitment appropriation, partially due to FY 2025 court-appointed counsel payments exceeding the cumulative amount budgeted for legislation enacted during the 2024 General Assembly Session, including Chapters 313, 428, 714, and 770.

# Executive Offices

| Governor's Proposed Adjustments to Executive Offices<br>(\$ in millions) |               |               |               |               |
|--------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                          | FY 2027       |               | FY 2028       |               |
|                                                                          | <u>GF</u>     | <u>NGF</u>    | <u>GF</u>     | <u>NGF</u>    |
| <b>2026-28 Budget</b>                                                    | <b>\$66.0</b> | <b>\$41.2</b> | <b>\$66.0</b> | <b>\$41.2</b> |
| Base Budget Adjustments                                                  | <u>4.1</u>    | <u>2.2</u>    | <u>4.1</u>    | <u>2.2</u>    |
| <b>Adjusted Base Budget</b>                                              | <b>\$70.1</b> | <b>\$43.4</b> | <b>\$70.1</b> | <b>\$43.4</b> |
| Proposed Increases                                                       | 0.3           | 0.5           | 0.3           | 0.5           |
| Proposed Decreases                                                       | <u>0.0</u>    | <u>0.0</u>    | <u>0.0</u>    | <u>0.0</u>    |
| \$ Net Change                                                            | \$0.3         | \$0.5         | \$0.3         | \$0.5         |
| <b>SB 30, as Introduced</b>                                              | <b>\$70.5</b> | <b>\$43.9</b> | <b>\$70.5</b> | <b>\$43.9</b> |

## – Office of the Governor

- **Add Staff for the Office of Children's Ombudsman.** Recommends \$300,750 GF and 2.0 positions each year for the Office of the Children's Ombudsman. One position would be deputy director and the other a data analyst.

## – Attorney General and Department of Law

- **Increase Agency Employment Level.** Proposes to increase the maximum employment level of the agency by 50.0 positions, bringing the total for the agency to 600.0 full-time employees. This is intended to match the agency's current operations.

## – Secretary of the Commonwealth

- **Increases Funding for Information Technology Improvements.** Recommends \$500,000 NGF each year from the Secretary of the Commonwealth's Technology Trust Fund for information technology and automation improvements. By law, the

Secretary charges a technology fee of \$10 in addition to the fees for commissioning of a notary public or electronic notary public. These fees may be used to obtain and update office automation and information technology equipment to improve public access to records.

– **Interstate Organization Contributions**

- **Interstate Membership Costs.** Proposes \$40,000 GF each year to support increased membership dues for the National Governor’s Association, National Association of State Budget Officers, and Federal Funds Information for States.

# Administration

| Governor's Proposed Adjustments to Administration<br>(\$ in millions) |                  |                  |                  |                  |
|-----------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                       | FY 2027          |                  | FY 2028          |                  |
|                                                                       | <u>GF</u>        | <u>NGF</u>       | <u>GF</u>        | <u>NGF</u>       |
| <b>2026-28 Budget</b>                                                 | <b>\$1,001.3</b> | <b>\$3,431.1</b> | <b>\$1,001.3</b> | <b>\$3,431.1</b> |
| Base Budget Adjustments                                               | <u>57.9</u>      | <u>4.3</u>       | <u>57.9</u>      | <u>4.3</u>       |
| <b>Adjusted Base Budget</b>                                           | <b>\$1,059.2</b> | <b>\$3,435.3</b> | <b>\$1,059.2</b> | <b>\$3,435.3</b> |
| Proposed Increases                                                    | 9.0              | 32.7             | 5.0              | 33.2             |
| Proposed Decreases                                                    | <u>0.0</u>       | <u>(7.0)</u>     | <u>0.0</u>       | <u>(7.0)</u>     |
| \$ Net Change                                                         | \$9.0            | \$25.7           | \$5.0            | \$26.2           |
| <b>SB 30, as Introduced</b>                                           | <b>\$1,068.2</b> | <b>\$3,461.1</b> | <b>\$1,064.2</b> | <b>\$3,461.5</b> |

## – Compensation Board

- **Sheriffs' Offices.** Proposes \$4.6 million GF each year to provide additional state support for local positions in sheriffs' offices, including:
  - \$3.9 million GF each year for 71 additional deputy sheriffs, which is estimated to provide a minimum of 10.0 state-funded deputy positions in each office; and
  - \$700,000 GF each year for 18.0 additional local administrative positions, which is estimated to provide a minimum of one of these administrative positions in each office.

## – Department of General Services

- **Increase Internal Services Fund Appropriations for Statewide Building Management.** Proposes \$8.3 million NGF the first year and \$8.0 million NGF the second year to reflect the increase in equipment costs and maintenance workload for state buildings operated by the Department of General Services. Agencies pay

into the rent plan to support these costs, and the GF share of such costs are reflected in a separate item in Central Appropriations. There is no proposed increase in the rental rate for agencies.

- **Increase Internal Service Fund Appropriation for Fleet Management Services.** Recommends \$5.1 million NGF the first year and \$5.5 million NGF the second year for the Division of Fleet Management Services for the increased costs for new vehicles, maintenance, and repair of vehicles maintained for use by state agencies.
- **Increase Internal Service Fund Appropriation for the Virginia Distribution Center.** Proposes \$4.3 million NGF the first year and \$4.4 million NGF the second year to adjust the appropriation of the Virginia Distribution Center to align with increases in the cost of merchandise along with higher operational costs.
- **Add Funding for Division of Consolidated Laboratory Services Operations.** Recommends \$722,861 NGF the first year and \$845,509 NGF the second year to fund the increasing costs of laboratory testing including personnel, supplies, and maintenance.
- **Increase Funding for the Virginia Institute of Procurement.** Proposes \$240,591 NGF each year to cover the increase in personnel costs, software maintenance and other operational costs. The total budget would increase to \$839,000 annually. The Institute helps improve the education quality of procurement professionals within the Commonwealth.
- **Modify Motor Fuels Testing Services Transfer.** Proposes \$161,746 NGF each year to reflect higher materials costs for motor fuels testing. The agency conducts motor fuels testing for the Virginia Department of Agriculture and Consumer Services (VDACS) to ensure fuel sold and utilized in the Commonwealth meets regulatory standards. A corresponding amendment in Part 3 increases the amount transferred by the Virginia Department of Transportation to support this appropriation.
- **Extend Treasury Loan Authority to Internal Service Funds.** Provides the agency with treasury loan authority across all internal service funds to align with the irregular timing of revenue from customers and to ensure accounting best practices.

- **Provide a Line of Credit for Federal Grant Processing.** Proposes a line of credit for the Division of Consolidated Laboratory Services of \$2.0 million for the agency to be able to adjust to the timing of federal cash drawdowns for grant-funded positions.
- **Create a Fund for Division of Real Estate Services to Track Pass-through Activity.** Proposes a new fund for the Division of Real Estate Services to allow for separate accounting of the Division's administrative expenses and the funding from agencies for administration of leases.
- **Transfer Funding from Procurement to Division of Engineering and Buildings.** Recommends transferring \$150,298 GF each year from Statewide Procurement Services to the Division of Engineering and Buildings in order to reflect the expected costs of the Division that are not reimbursed from the internal service fund. This is a net zero transfer.
- **Create a Fund for Division of Fleet Management Services to Track Pass-through Activity.** Recommends establishing a new fund for the Division of Fleet Management Services to allow for separate accounting of the Division's administrative expenses separate from the costs of fuel and vehicles to better reflect the costs of Fleet Operations.

## – Department of Human Resource Management

- **Fund Modernization of Human Resource Data Warehouse.** Proposes \$275,318 GF the first year and \$75,318 GF the second year to modernize the agency's human resource data warehouse. The funding would also support improvements in reporting capabilities, including support of new dashboards for recruitment, hiring, and retention data.
- **Fund the Commonwealth Leadership Academy.** Recommends \$200,000 GF the first year for the Commonwealth Leadership Academy, which is a Cabinet nomination-based executive development program started in 2023. The Academy uses a workshop structure and mixes learning exercises and work on real projects that come from the Cabinet focused on the priorities and initiatives of the Administration.

- **Subscribe to Disaster Recovery Service.** Proposes \$164,215 GF the first year to subscribe to the disaster recovery service offered through the Virginia Information Technologies Agency's contracts to ensure the agency has protection of data in the event of a disaster.
- **Fund the Migration of a Physical Server to the Cloud.** Recommends \$128,475 GF the first year to migrate the agency's only remaining physical server to a public cloud option provided through the Virginia Information Technologies Agency's contracts.
- **Fund Software Purchase to assist with Equal Employment Opportunity Compliance.** Proposes \$28,757 GF each year to purchase software which will assist in providing the data analytics and reporting requirements to meet the Agency's Equal Employment Opportunity compliance efforts.
- **Expand Agencies in the Human Resource Shared Service Center.** Proposes \$268,280 NGF the first year and \$284,920 NGF the second year and 2.0 positions to require several Executive branch agencies with 150 or fewer employees to join the Human Resource Shared Service Center. The funding and staff are provided to the Department to accommodate the increased workload associated with these new customer agencies. It is expected the new customer agencies will be migrated over three years.
- **Reduce Nongeneral Fund Appropriation.** Recommends reducing by \$7.0 million NGF each year unnecessary appropriation based on recent expenditures in health benefits and workers' compensation administration.

## – Department of Elections

- **Fund Replacement of the State Campaign Finance System.** Proposes \$3.3 million GF the first year for the implementation of the new campaign finance system. The replacement includes Committee Electronic Tracking (COMET) used by candidates, advocacy and political groups to create committees and for the electronic filing of scheduled and special reports. It also replaces Campaign Finance Management, which allows staff to accept or reject the required Statements of Organization entered into COMET, to set up filing or reporting schedules for committee types, process penalties assessed on committees, and to

store documents and notes on the committees. The third system it would replace is Campaign Finance Reports which enables the display of reports for public view.

- **Increase Funding for Required Mailing and Postage.** Recommends \$279,000 GF each year to account for the increased cost for postage and the anticipated increase in mailings for the upcoming election cycles. Based on the past two years the Department has averaged 450,000 pieces of mail sent for voter list maintenance.

## – **Virginia Information Technologies Agency**

- **Increase Funding for Internal Service Funds.** Proposes \$13.3 million NGF each year to adjust the internal service fund appropriation for vendor pass-through payments to reflect the latest forecast of state agencies' utilization of information technology services. The general fund impact of this increase on agencies is reflected in Central Appropriations.
- **Provide Funding for Substance Use Disorder Abatement Data Analytics Platform.** Recommends \$340,053 NGF the first year and \$407,055 NGF the second year from the Commonwealth Opioid Abatement and Remediation Fund to continue supporting the Substance Use Disorder Abatement data analytics platform. The 2024 Appropriation Act instructed VITA, in conjunction with the Office of Data Governance and Analytics, to procure a cloud-based data analytics platform that supports substance use disorder and opioid data needs across the Commonwealth. This funding provides on-going support.

# Agriculture and Forestry

| Governor's Proposed Adjustments to Agriculture and Forestry<br>(\$ in millions) |               |               |               |               |
|---------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                                 | FY 2027       |               | FY 2028       |               |
|                                                                                 | <u>GF</u>     | <u>NGF</u>    | <u>GF</u>     | <u>NGF</u>    |
| <b>2026-28 Budget</b>                                                           | <b>\$85.9</b> | <b>\$71.6</b> | <b>\$85.9</b> | <b>\$71.6</b> |
| Base Budget Adjustments                                                         | <u>3.7</u>    | <u>3.9</u>    | <u>3.7</u>    | <u>3.9</u>    |
| <b>Adjusted Base Budget</b>                                                     | <b>\$89.6</b> | <b>\$75.5</b> | <b>\$89.6</b> | <b>\$75.5</b> |
| Proposed Increases                                                              | 0.4           | 2.2           | 0.4           | 2.1           |
| Proposed Decreases                                                              | <u>(0.2)</u>  | <u>0.0</u>    | <u>(0.2)</u>  | <u>0.0</u>    |
| \$ Net Change                                                                   | \$0.2         | \$2.2         | \$0.2         | \$2.1         |
| <b>SB 30, as Introduced</b>                                                     | <b>\$89.8</b> | <b>\$77.7</b> | <b>\$89.8</b> | <b>\$77.5</b> |

## – Department of Agriculture and Consumer Services

- **Spirits Promotion Fund.** Proposes a decrease of \$28,160 GF the first year and \$28,160 GF the second year for the deposit to the Virginia Spirits Promotion Fund based on the most recent update of alcoholic beverage tax revenues attributable to Virginia distillers.
- **Wine Promotion Fund.** Recommends a decrease of \$89,598 GF the first year and \$89,598 GF the second year for the deposit to the Virginia Wine Promotion Fund based on the most recent update to the wine and cider tax revenues attributable to Virginia farm wineries and cideries.
- **Division of Consolidated Laboratory Services Testing.** Proposes \$35,000 GF and \$80,000 NGF each year to support anticipated increases in laboratory testing rates for regulatory programs.

- **Industrial Hemp Growers Program.** Recommends \$268,684 NGF each year to support 2.0 positions responsible for the regulation of industrial hemp growers and processors.
- **Hemp Enforcement.** Proposes \$869,869 NGF each year to support 4.0 positions to expand the Department's hemp product enforcement activities and cooperation with local law enforcement, including the implementation of a product sampling program.
- **Grain Inspectors.** Recommends \$564,486 NGF each year and 7.0 positions for new grain inspectors to meet the demand of increased grain terminal operations.
- **Metrology Lab Funding.** Proposes \$193,262 GF each year to support 2.0 positions in the metrology laboratory. Laboratory fee revenue is not consistent enough to support the necessary positions for testing and certification of measurement devices.

## – Department of Forestry

- **Reforestation of the Timberlands Program.** Recommends a decrease of \$95,239 GF in the first year and \$95,239 GF in the second year in matching grant funds to align with anticipated Forest Products Tax revenue.
- **Firefighting Equipment.** Proposes an additional \$200,000 GF each year for a total of \$4.6 million GF over the biennium for equipment purchases using the Master Equipment Lease program to replace aging vehicles and fire-fighting equipment.
- **Agreement with the U.S. Forest Service.** Recommends \$425,244 NGF in the first year and \$290,244 NGF in the second year and 3.0 positions to support participation in a 10-year cooperative agreement with the U.S. Forest Service, addressing trail maintenance, arborist work, and repairs to infrastructure in state parks and adjacent federal lands.
- **Sale of Properties.** Proposes removing outdated language authorizing the sale of five properties.

# Commerce and Trade

| Governor's Proposed Adjustments to Commerce and Trade<br>(\$ in millions) |                |                |                |                |
|---------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                           | FY 2027        |                | FY 2028        |                |
|                                                                           | <u>GF</u>      | <u>NGF</u>     | <u>GF</u>      | <u>NGF</u>     |
| <b>2026-28 Budget</b>                                                     | <b>\$402.1</b> | <b>\$277.9</b> | <b>\$402.1</b> | <b>\$277.9</b> |
| Base Budget Adjustments                                                   | <u>4.6</u>     | <u>1.8</u>     | <u>4.6</u>     | <u>1.9</u>     |
| <b>Adjusted Base Budget</b>                                               | <b>\$406.7</b> | <b>\$279.6</b> | <b>\$406.7</b> | <b>\$279.8</b> |
| Proposed Increases                                                        | 58.8           | 3.5            | 40.9           | 0.0            |
| Proposed Decreases                                                        | <u>(11.2)</u>  | <u>(0.3)</u>   | <u>(8.7)</u>   | <u>(0.3)</u>   |
| \$ Net Change                                                             | \$47.7         | \$3.2          | \$32.2         | (\$0.3)        |
| <b>SB 30, as Introduced</b>                                               | <b>\$454.4</b> | <b>\$282.9</b> | <b>\$438.9</b> | <b>\$279.5</b> |

## – Economic Development Incentive Payments

- **Decrease Appropriation.** Proposes a reduction of \$30,000 GF each year to align with existing economic development project obligations.
- **Motion Picture Opportunity Fund.** Recommends reducing the appropriation for the Motion Picture Opportunity Fund by \$135,000 NGF each year to reflect the projected digital medial fee revenues.
- **Reduce Trade Mission Support.** Proposes reducing supplemental funding for trade mission costs by \$500,000 GF each year.
- **Virginia Economic Development Incentive Grant Program.** Recommends an increase of \$710,00 GF in FY 2027 and a reduction of \$450,000 GF in FY 2028 to reflect the anticipated grant payment schedule.
- **Adjust Appropriation for Custom Performance Grants.** Proposes \$7.6 million GF the first year and \$39.3 million GF the second year for economic

development custom incentive grant payments. The funding includes two projects which have not yet been approved by the Major Employment and Investment Commission and three that are contingent on legislation to be considered by the 2026 General Assembly.

- **Virginia Business Ready Sites Program.** Recommends \$10.0 million GF in FY 2027 for the Business Ready Sites Program Fund. The total funding available will be \$30.0 million GF the first year and \$20.0 million GF the second year for improvements to local economic development sites.
- **Virginia Investment Performance Grant.** Proposes a reduction of \$2.9 million GF the first year and an increase of \$1.1 million GF the second year to meet payment obligations for performance grants. An additional \$3.5 million NGF from fund balances will be appropriated the first year for grant payments.
- **New Airline Services Incentive Fund.** Recommends a reduction of \$625,000 GF each year in support for the New Airline Services Incentive Fund to reflect current utilization. A balance of \$200,000 GF each year remains for deposit to the special fund.

## – Department of Housing and Community Development

- **Reduce Enterprise Zone Support.** Proposes a reduction of \$500,000 GF in each year to reflect declining demand for the Enterprise Zone Grant Fund. A balance of \$14.3 million GF each year remains in the grant program.
- **Reduce Virginia Growth and Opportunity Fund Support.** Recommends a reduction of \$4.7 million GF the first year and \$4.7 million GF the second year to reflect past utilization of the Virginia Growth and Opportunity Fund. A balance of \$23.3 million GF each year remains in the program.
- **Fund Virginia Main Street Program.** Proposes an increase of \$500,000 GF the first year and \$500,000 GF the second year and 3.0 positions for the Virginia Main Street Program.
- **Redirect Fund Interest.** Recommends language redirecting \$35.0 million NGF the first year in interest earnings from the Low-Income Energy Efficiency Program Fund to the newly established Cardinal Disaster Relief Fund at the Department of

Emergency Management. A companion amendment in Item 399 appropriates the funding.

- **Modify Broadband Equity, Access, and Deployment.** Proposes changes to the language governing disbursement of the federal Broadband Equity, Access, and Deployment funding to incorporate federal program changes. The language modifies the list of eligible purposes and requires federal validation of subrecipient agreements.

– **Department of Small Business and Supplier Diversity**

- **Reduce Business One-Stop Program Funding.** Proposes a reduction of \$18,000 GF in FY 2027 and \$18,000 GF in FY 2028 for the Business One-Stop Program.

– **Fort Monroe Authority**

- **Reduce Support to Capture Interest Earnings.** Proposes a reduction of \$100,000 GF the first year and \$100,000 GF the second year to capture savings based on the approximate yearly interest earnings.

– **Virginia Economic Development Partnership**

- **Reduce Support to Capture Interest Earnings.** Recommends a reduction of \$800,000 GF the first year and \$800,000 GF the second year to capture savings based on the approximate yearly interest earnings.

– **Virginia Tourism Authority**

- **Virginia Sports Tourism Incentive Program.** Proposes \$5.0 million GF the first year for the Virginia Sports Tourism Incentive Program to support local sports tourism activities and attract sporting events to the Commonwealth.
- **Reduce Support to Capture Interest Earnings.** Recommends a reduction of \$350,000 GF the first year and \$350,000 GF the second year to capture savings based on the approximate yearly interest earnings.

## – Virginia Innovation Partnership Authority

- **Support Bioscience Research.** Proposes \$35.0 million GF the first year for phase two development of the University of Virginia's Institute for Biotechnology (Paul and Diane Manning Institute of Biotechnology). Budget language requires that the funding be matched two-to-one from other sources.
- **Fund Artificial Intelligence Institute.** Recommends authorization to use \$5.0 million GF the first year from existing resources to plan and develop the Virginia Artificial Intelligence Institute to coordinate Artificial Intelligence ecosystem building and other activities in collaboration with higher education institutions and stakeholders.

**Reduce Support to Capture Interest Earnings.** Proposes a reduction of \$700,000 GF the first year and \$700,000 GF the second year to capture savings based on the approximate yearly interest earnings.

# Public Education

| Governor's Proposed Adjustments to Public Education<br>(\$ in millions) |                   |                  |                   |                  |
|-------------------------------------------------------------------------|-------------------|------------------|-------------------|------------------|
|                                                                         | FY 2027           |                  | FY 2028           |                  |
|                                                                         | <u>GF</u>         | <u>NGF</u>       | <u>GF</u>         | <u>NGF</u>       |
| <b>2026-28 Budget</b>                                                   | <b>\$10,250.0</b> | <b>\$3,009.8</b> | <b>\$10,250.0</b> | <b>\$3,009.8</b> |
| Base Budget Adjustments                                                 | 2.7               | (2.4)            | 2.7               | (2.4)            |
| <b>Adjusted Base Budget</b>                                             | <b>\$10,252.7</b> | <b>\$3,007.4</b> | <b>\$10,252.7</b> | <b>\$3,007.4</b> |
| Proposed Increases                                                      | 841.1             | 472.2            | 985.4             | 142.5            |
| Proposed Decreases                                                      | (593.4)           | (13.6)           | (543.4)           | (21.6)           |
| \$ Net Change                                                           | \$247.6           | \$458.5          | \$442.0           | \$120.9          |
| <b>SB 30, as Introduced</b>                                             | <b>\$10,500.3</b> | <b>\$3,466.0</b> | <b>\$10,694.8</b> | <b>\$3,128.3</b> |

## – Direct Aid to Public Education

| Summary of Proposed Actions for Direct Aid to Public Education<br>(GF \$ in millions) |           |           |           |
|---------------------------------------------------------------------------------------|-----------|-----------|-----------|
|                                                                                       | FY 2027   | FY 2028   | Biennium  |
| <b>Rebenchmarking &amp; Technical Updates</b>                                         |           |           |           |
| Update VRS Rates for Retirement and Other Post-Employment Benefits                    | (\$106.9) | (\$107.0) | (\$213.9) |
| Rebenchmark the Cost of Direct Aid to Public Education                                | 580.3     | 571.2     | 1,151.5   |
| Update Average Daily Membership Projections                                           | (160.0)   | (205.5)   | (365.5)   |
| Update Career and Technical Education Data                                            | 16.9      | 17.0      | 33.9      |
| Update Categorical Programs                                                           | 0.1       | 0.2       | 0.3       |
| Update Composite Index of Local Ability-to-Pay                                        | (34.8)    | (34.1)    | (68.9)    |
| Update Distributions for School Age Population                                        | 0.2       | 0.2       | 0.5       |

## Summary of Proposed Actions for Direct Aid to Public Education

(GF \$ in millions)

|                                                                                                                                                 | FY 2027         | FY 2028        | Biennium       |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|
| Update English Language Learner Data                                                                                                            | (19.6)          | (12.3)         | (31.9)         |
| Update Fall Membership Data in Direct Aid Program Formulas                                                                                      | (7.4)           | (9.0)          | (16.5)         |
| Update Incentive Programs                                                                                                                       | (2.2)           | (2.1)          | (4.2)          |
| Update Lottery Proceeds for Public Education (supplants a like NGF amount)                                                                      | 13.6            | 21.6           | 35.2           |
| Update Lottery Supported Programs                                                                                                               | 6.1             | 9.8            | 15.9           |
| Update Remedial Summer School Program Participation                                                                                             | (3.6)           | (4.2)          | (7.8)          |
| Update Sales Tax Revenues for Public Education                                                                                                  | 16.5            | 37.6           | 54.1           |
| Update Supplemental GF Payment in Lieu of Food and Hygiene Tax                                                                                  | 0.6             | 1.1            | 1.7            |
| Update VRS Rates for Non-Professional Employees                                                                                                 | (3.0)           | (3.0)          | (5.9)          |
| Update Supplemental Education Programs                                                                                                          | <u>0.2</u>      | <u>0.2</u>     | <u>0.4</u>     |
| <b>Subtotal, Rebenchmarking &amp; Technical Updates</b>                                                                                         | <b>\$297.2</b>  | <b>\$281.9</b> | <b>\$579.0</b> |
| <b>Policy Changes – Direct Aid</b>                                                                                                              |                 |                |                |
| Two Percent Compensation Supplement for Instructional and Support Positions                                                                     | \$127.2         | \$255.6        | \$382.9        |
| Literary Fund Support for Teacher Retirement (supplants GF with NGF from the Literary Fund)                                                     | (185.0)         | (100.0)        | (285.0)        |
| Early Childhood Provisional Licensure Program                                                                                                   | 0.1             | 0.1            | 0.2            |
| State Share of Funding for New River Valley Governor's School                                                                                   | 0.1             | 0.2            | 0.4            |
| State Share of Funding for Linwood Holton Governor's School                                                                                     | <0.1            | <0.1           | 0.1            |
| <b>Subtotal, Direct Aid Policy Changes</b>                                                                                                      | <b>(\$57.5)</b> | <b>\$156.0</b> | <b>\$98.6</b>  |
| <i>Note: Table does not include new support for school construction, totaling a proposed increase of \$299.0 million NGF over the biennium.</i> |                 |                |                |
| <b>Policy Changes – Supplemental Education</b>                                                                                                  |                 |                |                |
| Opportunity Scholars                                                                                                                            | \$0.5           | \$0.0          | \$0.5          |
| American Civil War Museum                                                                                                                       | <u>0.2</u>      | <u>0.0</u>     | <u>0.2</u>     |
| <b>Subtotal, Supplemental Edu. Policy Changes</b>                                                                                               | <b>\$0.7</b>    | <b>\$0.0</b>   | <b>\$0.7</b>   |
| <b>Total, Rebenchmarking, Technical, &amp; Policy Changes</b>                                                                                   | <b>\$240.4</b>  | <b>\$437.9</b> | <b>\$678.3</b> |
| <i>Note: Some totals may not add due to rounding.</i>                                                                                           |                 |                |                |

## State's Share of Biennial Rebenchmarking

As part of the biennial budget process, the Department of Education updates the total cost of maintaining a public education system that meets the Standards of Quality and costs for other K-12 programs. This process is called rebenchmarking. Rebenchmarking updates are primarily driven by student enrollment projections and historic cost data reported by school divisions. Updates are also impacted by changes in projections for sales tax and lottery proceeds, as those revenues offset a portion of state general fund support. The local composite index of ability-to-pay (LCI) is also updated during rebenchmarking, which determines how costs are shared between the state and localities. Updates for the 2026-2028 rebenchmarking process are calculated by using FY 2024 base year expenditures. Updates to LCI are calculated using data from taxable year 2023.

Total costs for rebenchmarking and technical updates for the 2026-2028 biennium are \$297.2 million GF in FY 2027 and \$281.9 million GF in FY 2028, equaling a total biennial increase of \$579.0 million GF. Cost increases represent changes in support position costs, non-personnel costs (including items such as transportation and textbook costs), and data updates for certain programs. These increases are offset by declines in student enrollment, changes to Virginia Retirement System rates, and other data updates.

### – **Rebenchmarking & Routine Updates - Direct Aid to Public Education**

- **Rebenchmark the Cost of Direct Aid.** Provides \$580.3 million GF the first year and \$571.2 million GF the second year to rebenchmark the cost of direct aid to public education. This cost includes the impact of changes in enrollment, funded instructional salaries, school instructional and support expenditures, and other technical factors to address the cost of continuing Direct Aid programs. Updates for the 2026-2028 biennium are primarily driven by increases in non-personnel costs. No policy changes are reflected in this amount.

| <b>Rebenchmarking Actions, by Category</b><br>(\$ in millions)                                            |                |                |                  |
|-----------------------------------------------------------------------------------------------------------|----------------|----------------|------------------|
|                                                                                                           | <b>FY 2027</b> | <b>FY 2028</b> | <b>Biennium</b>  |
| Enrollment                                                                                                | \$19.1         | \$21.7         | \$40.9           |
| Non-Personnel Costs                                                                                       | 340.5          | 325.7          | 666.2            |
| Targeted Student Support (includes special education add-on and updates to identified student percentage) | 95.2           | 96.3           | 191.5            |
| Fringe Benefits                                                                                           | 52.7           | 52.6           | 105.3            |
| Federal Revenue Deduct                                                                                    | (23.0)         | (22.7)         | (45.7)           |
| Other Updates (includes updates to VPI and categorical programs)                                          | <u>95.7</u>    | <u>97.6</u>    | <u>193.4</u>     |
| <b>Total, Rebenchmarking Actions</b>                                                                      | <b>\$580.3</b> | <b>\$571.2</b> | <b>\$1,151.5</b> |
| Note: Some totals may not add due to rounding.                                                            |                |                |                  |

Biennial rebenchmarking also updates funded instructional position salaries.

| <b>2026-2028 Funded Instructional Position Salaries</b> |                  |                  |                 |
|---------------------------------------------------------|------------------|------------------|-----------------|
|                                                         | <b>2024-2026</b> | <b>2026-2028</b> | <b>% Change</b> |
| <b>Elementary Level</b>                                 |                  |                  |                 |
| Teachers                                                | \$61,514         | \$64,762         | 5.3%            |
| Assistant Principals                                    | 84,990           | 89,240           | 5.0%            |
| Principals                                              | 105,277          | 110,059          | 4.5%            |
| <b>Secondary Level</b>                                  |                  |                  |                 |
| Teachers                                                | \$65,655         | \$68,417         | 4.2%            |
| Assistant Principals                                    | 91,978           | 95,663           | 4.0%            |
| Principals                                              | 115,271          | 118,441          | 2.8%            |
| Instructional Aides                                     | 24,673           | 27,513           | 11.5%           |

- **Average Daily Membership (ADM) Projections.** Includes a reduction of \$365.5 million GF over the biennium, reflecting updated student enrollment projections based on actual fall membership data submitted by school divisions. Student enrollment projections are estimated to total 1,187,485 students in FY 2027 and 1,180,127 students in FY 2028, which is a decrease from

1,213,646 students for FY 2026 used in Chapter 725 of the 2025 Acts of Assembly. The updated projection for FY 2026 in the caboose bill (HB/SB 29) is 1,196,460 students.

- **Retirement and Other Post-Employment Benefits.** Decreases the funding for retirement and other post-employment benefits by \$106.9 million GF the first year and \$107.0 million GF the second year, reflecting changes in the employer contribution rates for teacher retirement certified by the Virginia Retirement System (VRS) Board of Trustees and estimated employer contributions for the defined contribution component of the hybrid plan. The employer rates changed for teacher retirement from 15.23 percent to 13.37 percent, retiree health care credit from 1.21 percent to 0.88 percent, and the group life rate of 0.47 percent to 0.42 percent.
- **VRS Rates for Non-Professional Employees.** Reduces funding for non-professional retirement and health insurance credits by \$5.9 million GF over the biennium based on new VRS rates, detailed above.
- **Composite Index of Local Ability-to-Pay.** Reduces funding by \$34.8 million GF the first year and \$34.1 million GF the second year to reflect the recalculation of locality's local composite index (LCI), or ability-to-pay.
- **Sales Tax Revenues for Public Education.** Updates sales tax revenues provided to local school divisions to reflect the November 2025 sales tax forecast, resulting in an increase of \$16.5 million GF the first year and \$37.6 million GF the second year.
- **Lottery Proceeds for Public Education.** Adjusts the amount of Lottery proceeds to support public education to reflect a decrease in the forecast compared to the base appropriation from Chapter 725, resulting in an increase of \$35.2 million GF over the biennium and a corresponding decrease in NGF.
- **Career and Technical Education.** Updates data for career and technical education programs based on updated enrollment, resulting in a reduction of \$33.9 million GF over the biennium.

- **English Language Learners.** Reduces the funding provided for English Language Learners by \$31.9 million GF over the biennium to reflect updated data for English learner enrollment and proficiency data.
- **Lottery Supported Programs.** Updates the state support for Lottery-funded programs based on updated projections and participation data, resulting in an increase of \$6.1 million GF the first year and \$9.8 million GF the second year.
- **Fall Membership in Direct Aid Program Formulas.** Adjusts the Fall membership data used in certain Direct Aid program formulas based on actual Fall 2025 data, resulting in a decrease of \$16.5 million GF over the biennium.
- **Remedial Summer School.** Reduces the cost of the Remedial Summer School program by \$7.8 million GF over the biennium based on actual participation data reported by local school divisions.
- **Incentive Programs.** Adjusts the funding provided for certain programs that are outside of the Standards of Quality based on updated membership, participation rates, and test scores, resulting in a decrease of \$4.2 million GF over the biennium.
- **Supplemental Payment in Lieu of Food and Hygiene Tax.** Provides an additional \$1.7 million GF over the biennium to reflect updates to the Supplemental General Fund Payment in Lieu of Sales Tax on Food and Personal Hygiene Products, based on the Department of Taxation's original estimates for the amount of revenue that would have been distributed in FY 2027 and FY 2028.
- **Distributions for School Age Population.** Updates sales tax distributions to school divisions based on the latest Weldon Cooper Center for Public Service estimates of school age population, resulting in an increase of \$466,233 GF over the biennium.
- **Supplemental Education.** Provides an additional \$402,500 GF over the biennium to update state support for the National Board Certification Bonus program based on the projected number of staff eligible for the bonus in the 2026-2028 biennium.
- **Categorical Programs.** Adjusts funding for categorical programs by \$300,559 GF over the biennium to support certain programs that exceed the Standards of Quality based on data revisions.

## – Policy Changes – Direct Aid

- **Salary Increase for Instructional and Support Positions.** Recommends \$127.2 million GF the first year and \$255.6 million GF the second year to support the state share of up to a 2.0 percent raise for instructional and support positions in each year. Language stipulates that divisions must certify local support for an equivalent increase with the Department of Education in each year, and that the state share may be prorated for divisions that provide less than a 2.0 percent increase in either year. School divisions that provide an average increase greater than 2.0 percent in the first year may credit the excess amount of the increase towards accessing the funds in the second year.
- **Literary Fund Support for School Employee Retirement.** Proposes supplanting \$185.0 million GF the first year and \$100.0 million GF the second year with Literary Fund dollars to support school employee retirement contributions. This brings the total Literary Fund support for teacher retirement to \$360.0 million NGF the first year and \$275.0 million NGF the second year. This is a one-time action, and the base amount will remain \$175.0 million in future years.
  - The Literary Fund forecast estimates that \$361.2 million in FY 2027 and \$366.9 million in FY 2028 will be available for disbursement.
  - The Literary Fund must maintain a balance of at least \$80.0 million as per the Virginia Constitution.
- **Support for School Construction.** Proposes \$274.0 million NGF the first year and \$25.0 million NGF the second year to increase state support for school construction. The proposed action:
  - Updates the School Construction Fund amount supporting the School Construction Assistance Program grants to reflect an additional \$127.0 million of actual and projected casino revenue; and
  - Appropriates \$172.0 million from the Literary Fund for deposit to the School Construction Fund in support of school construction grants.

- Language does not authorize Literary Fund loans for the 2026-2028 biennium. Chapter 725, 2025 Session, authorized up to \$200.0 million the first year and \$50.0 million the second year.

| <b>2026-2028 School Construction Support</b><br>(\$ in millions) |                |                |                 |
|------------------------------------------------------------------|----------------|----------------|-----------------|
|                                                                  | <b>FY 2027</b> | <b>FY 2028</b> | <b>Biennium</b> |
| Base Casino Revenue                                              | \$110.0        | \$110.0        | \$220.0         |
| Forecast Increases (including interest)                          | 102.0          | 25.0           | 127.0           |
| One-Time Investments (Literary Fund)                             | <u>172.0</u>   | <u>0.0</u>     | <u>172.0</u>    |
| <b>Total, School Construction Support</b>                        | <b>\$384.0</b> | <b>\$135.0</b> | <b>\$519.0</b>  |

- **Early Childhood Provisional Licensure Program.** Recommends \$118,900 GF each year to increase funding for the Early Childhood Provisional Licensure Program for grants to school divisions to provide incentives to provisionally licensed early childhood educators who are working towards full licensure. This proposed addition would bring total funding for the program to \$425,000 GF per year.
- **New River Valley Governor's School.** Proposes \$127,406 GF the first year and \$240,911 GF the second year to support the state share of funding for the New River Valley Governor's School based on estimated enrollment, scheduled to open in fall 2026. The new school will serve Floyd, Giles, Montgomery, and Pulaski Counties and Radford City Public Schools. Recommended language specifies that the state share of costs supporting enrollment or participation changes is subject to the approval and appropriation of the Governor and General Assembly.
- **Linwood Holton Governor's School.** Recommends \$93,086 GF over the biennium to support the state share of funding for Fredericksburg City students attending Linwood Holton Governor's School. Proposed language would require divisions to receive approval from the Board of Education to begin participating in an existing Governor's School program and specifies that the state share of costs supporting

enrollment or participation changes is subject to the approval and appropriation of the Governor and General Assembly.

## – **Policy Changes - Supplemental Education**

- **Opportunity Scholars.** Recommends \$500,000 GF the first year to support Opportunity Scholars to expand access to high-quality training and work-based learning across the Commonwealth.
- **American Civil War Museum.** Proposes \$200,000 GF the first year to increase support for the American Civil War Museum. This would bring the total appropriation to \$400,000 GF the first year and \$200,000 GF the second year, and the proposal maintains language specifying support for the advancement of experiential learning opportunities for K-12 students.

## – **Language Amendments**

- **Annual School Report Requirements.** Proposes language authorizing the Department of Education (DOE) to withhold a portion of Lottery-funded payments to school divisions that do not comply with the reporting requirements for the Annual School Report. Recommended language:
  - Has a delayed effective date of FY 2028;
  - Includes guidance on what actions school divisions can take to correct compliance; and
  - Requires DOE to establish a policy for this action that includes how much funding can be withheld, an appropriate extension period consistent with existing Code, and the process for local divisions to have their funding allocations restored during the fiscal year. This policy is to be communicated to school divisions no later than September 30, 2026, and be included in Annual School Report instructions in subsequent years.
- **Eligibility for Literacy Resources.** Recommends language clarifying that any local school board must ensure that any public charter school serving students in grades K-8 that they contract with is provided resources to meet literacy requirements and associated professional development.

- **School Construction Assistance Program Eligibility.** Proposes language to clarify that public charter schools, regional public charter schools, and joint and regional schools must not be excluded from consideration for School Construction Assistance Program grants by local school boards. Language:
  - Specifies that local school boards that fail to consider the needs of such schools may be disqualified from receiving such grants; and
  - Notes that funds awarded under the Program may not be diverted for other projects in the division. Funds used for something other than the awarded purpose must be repaid to DOE.
- **Extended School Year Grants.** Recommends a language change to reflect eligibility for the Targeted Extended/Enriched School Year and Year-Round School Grants based on the School Performance and Support Framework.
- **School Program Innovation Grants.** Recommends updating language for School Program Innovation Grants to allow DOE to award more grants within the current appropriation and approve grants for new submissions to increase program utilization.
- **Governor's School Funding.** Proposes language to require divisions to receive approval from the Board of Education to begin participating in an existing Governor's School program. Language specifies that any additional state funding that supports new participation is subject to the approval and appropriation of the Governor and General Assembly.

## – Department of Education (DOE)

- **Virginia Individualized Education Program (IEP) System Enhancements.** Proposes \$1.0 million GF each year to provide ongoing support for system enhancements to the Virginia IEP system. Chapter 725 provided \$5.0 million GF in FY 2025.
- **Updated Assessment System Costs.** Proposes \$2.4 million GF the first year in additional funding to support the costs associated with extending the existing statewide assessment contract through December 31, 2027. No funding is proposed to support a new assessment contract nor potential transition costs.

- **Child Care Subsidy Accounts.** Proposes \$500,000 GF each year to support the cost of building and maintaining a platform for affordable child care subsidy accounts. Proposes an additional one-time investment of \$1.0 million GF the first year to incentivize employers to contribute to the accounts for their employees by providing one-to-one state matching funds in family accounts.
  - Language proposes limiting the amount to \$1,000 per child or \$2,500 per family and requiring DOE to establish guidelines and criteria for disbursing the funds, including a process for verifying employer contributions.
- **Electronic Benefits Transfer (EBT) Program Administration.** Recommends \$143,200 GF each year in state matching funds for the administrative costs associated with the federal summer EBT program, administered in partnership with the Department of Social Services.
- **Office of School and Community Programs Positions.** Recommends increasing the nongeneral fund maximum employment level by 7.0 positions to reflect employees in the Office of School and Community Programs who are supported by federal funds.
- **Employment Classification.** Proposes a language-only change to specify that DOE will ensure that any positions supported by non-continuous or non-recurring funding sources are identified and filled with the appropriate category and type of state employment.

## – **Virginia School for the Deaf and the Blind**

- **Support Enrollment Growth and Increased Operating Costs.** Proposes \$2.2 million GF each year and 27.0 positions to support actual and projected enrollment growth and full compliance with state and federal special education laws at the Virginia School for the Deaf and the Blind (VSDB).
  - In recent years, VSDB has turned students away or put them on a waiting list. They have used vacancy savings to support some expenses, but that is no longer sustainable with enrollment growth.

## – Early Childhood Education

- **Redirect Virginia Preschool Initiative (VPI) Nonparticipation Savings to the Child Care Subsidy Program (CCSP).** Proposes \$71.0 million GF the first year and \$66.6 million GF the second year to increase the number of birth-to-five slots provided through the CCSP. Additional funding would provide approximately 6,745 additional slots.
  - Recommends updating the VPI nonparticipation rate to 34.0 percent in FY 2027 and 32.0 percent in FY 2028 based on actual historical participation and assumed growth for the biennium. The nonparticipation rate provides \$71.0 million GF the first year and \$66.3 million GF the second year, which are redirected to support CCSP slots.
  - Recognizing savings from the non-participation rate is a policy decision and does not represent ongoing funding.
- **Increase Federal Appropriation.** Adjusts the federal appropriation for the Child Care Subsidy Program based on estimated revenues by \$13.2 million NGF the first year and \$17.5 million NGF the second year.

# Higher Education

| Governor's Proposed Adjustments to Higher Education |                  |                   |                  |                   |
|-----------------------------------------------------|------------------|-------------------|------------------|-------------------|
| (\$ in millions)                                    |                  |                   |                  |                   |
|                                                     | FY 2027          |                   | FY 2028          |                   |
|                                                     | <u>GF</u>        | <u>NGF</u>        | <u>GF</u>        | <u>NGF</u>        |
| <b>2026-28 Budget</b>                               | <b>\$3,675.9</b> | <b>\$12,733.4</b> | <b>\$3,675.9</b> | <b>\$12,733.4</b> |
| Base Budget Adjustments                             | <u>160.6</u>     | <u>238.7</u>      | <u>160.6</u>     | <u>238.7</u>      |
| <b>Adjusted Base Budget</b>                         | <b>\$3,836.5</b> | <b>\$12,972.1</b> | <b>\$3,836.5</b> | <b>\$12,972.1</b> |
| Proposed Increases                                  | 79.5             | 1,018.4           | 49.3             | 1,283.5           |
| Proposed Decreases                                  | <u>(2.7)</u>     | <u>(7.4)</u>      | <u>(5.9)</u>     | <u>(7.4)</u>      |
| \$ Net Change                                       | \$76.7           | \$1,011.0         | \$43.4           | \$1,276.1         |
| <b>SB 30, as Introduced</b>                         | <b>\$3,913.2</b> | <b>\$13,983.1</b> | <b>\$3,879.9</b> | <b>\$14,248.2</b> |

| Summary of Higher Education Proposed Actions |                |                |              |
|----------------------------------------------|----------------|----------------|--------------|
| (GF \$ in millions)                          |                |                |              |
|                                              | <u>FY 2027</u> | <u>FY 2028</u> | <u>Total</u> |
| Workforce Credential Grant                   | \$0.0          | \$13.6         | \$13.6*      |
| VA Military Survivors & Dependents Stipends  | 0.0            | 2.5            | 2.5          |
| Virtual Library of Virginia Consortium       | 0.4            | 0.7            | 1.1          |
| Mental Health Workforce Grants               | 0.3            | 0.3            | 0.5          |
| VA Military Survivors & Dependents Waivers   | 20.0           | 20.0           | 40.0**       |
| Maintain Affordability                       | 27.5           | 0.0            | 27.5         |
| Undergraduate Financial Aid                  | 15.0           | 0.0            | 15.0         |
| VIMS – Harmful Algal Blooms Study            | 0.4            | 0.3            | 0.7          |
| VIMS – Blue Crab Stock Assessment            | 0.5            | 0.4            | 0.9          |
| JMU – Fast Flex Nursing Program              | 1.0            | 0.0            | 1.0          |
| RU – Nursing Programs Support                | 2.1            | 0.0            | 2.1          |
| UMW – Graduate Nursing Program               | 0.7            | 0.0            | 0.7          |
| VCU – Expand Healthcare Workforce            | 1.9            | 1.9            | 3.8          |
| VT – Expand Healthcare Workforce             | 1.9            | 1.9            | 3.8          |

| Summary of Higher Education Proposed Actions                                                                                                                |                |                |                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
| (GF \$ in millions)                                                                                                                                         |                |                |                |
|                                                                                                                                                             | <u>FY 2027</u> | <u>FY 2028</u> | <u>Total</u>   |
| VT- Co-op Ext – Operating Support                                                                                                                           | 0.5            | 0.5            | 1.0            |
| IALR – GO TEC administration                                                                                                                                | 4.7            | 4.7            | 9.3            |
| SVHEC – Equipment Funding                                                                                                                                   | (0.1)          | (0.1)          | (0.2)          |
| NCI – Address Status                                                                                                                                        | <u>0.0</u>     | <u>(3.2)</u>   | <u>(3.2)</u>   |
| <b>Total</b>                                                                                                                                                | <b>\$76.7</b>  | <b>\$43.4</b>  | <b>\$120.1</b> |
| <i>Note: Some totals may not add due to rounding.</i>                                                                                                       |                |                |                |
| <i>*Recommends an additional \$13.6 million NGF from community college system balances for the Workforce Credential Grant Program in FY 2027.</i>           |                |                |                |
| <i>**Proposes an additional \$75.0 million NGF each year from actuarial amounts of the Defined Benefit 529 Programs under the Commonwealth Savers Plan.</i> |                |                |                |

| Proposed Funding to Maintain Affordability for In-State Undergraduate Students                                     |                |                |               |
|--------------------------------------------------------------------------------------------------------------------|----------------|----------------|---------------|
| (GF \$ in millions)                                                                                                |                |                |               |
|                                                                                                                    | <u>FY 2027</u> | <u>FY 2028</u> | <u>Total</u>  |
| Christopher Newport University                                                                                     | \$0.8          | \$0.0          | \$0.8         |
| College of William and Mary                                                                                        | 1.0            | -              | 1.0           |
| George Mason University                                                                                            | 3.7            | -              | 3.7           |
| James Madison University                                                                                           | 2.0            | -              | 2.0           |
| Longwood University                                                                                                | 0.6            | -              | 0.6           |
| Norfolk State University                                                                                           | 0.7            | -              | 0.7           |
| Old Dominion University                                                                                            | 2.4            | -              | 2.4           |
| Radford University                                                                                                 | 0.9            | -              | 0.9           |
| Richard Bland College                                                                                              | 0.2            | -              | 0.2           |
| University of Mary Washington                                                                                      | 0.6            | -              | 0.6           |
| University of Virginia                                                                                             | 3.0            | -              | 3.0           |
| University of Virginia's College at Wise                                                                           | 0.2            | -              | 0.2           |
| Virginia Commonwealth University                                                                                   | 3.6            | -              | 3.6           |
| Virginia Community College System                                                                                  | 3.8            | -              | 3.8           |
| Virginia Military Institute                                                                                        | 0.3            | -              | 0.3           |
| Virginia Polytechnic and State University                                                                          | 3.2            | -              | 3.2           |
| Virginia State University                                                                                          | <u>0.6</u>     | <u>0.0</u>     | <u>0.6</u>    |
| <b>Total</b>                                                                                                       | <b>\$27.5</b>  | <b>\$0.0</b>   | <b>\$27.5</b> |
| <i>Note: Some totals may not add due to rounding.</i>                                                              |                |                |               |
| <i>Recommends funding to maintain affordability at 50 percent of the one-time support provided in Chapter 725.</i> |                |                |               |

| <b>Proposed Financial Aid Funding for In-State Undergraduate Students</b><br>(GF \$ in millions)            |                       |                       |                     |
|-------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|---------------------|
|                                                                                                             | <b><u>FY 2027</u></b> | <b><u>FY 2028</u></b> | <b><u>Total</u></b> |
| Christopher Newport University                                                                              | \$0.3                 | \$0.0                 | \$0.3               |
| College of William and Mary                                                                                 | 0.2                   | -                     | 0.2                 |
| George Mason University                                                                                     | 2.0                   | -                     | 2.0                 |
| James Madison University                                                                                    | 1.0                   | -                     | 1.0                 |
| Longwood University                                                                                         | 0.4                   | -                     | 0.4                 |
| Norfolk State University                                                                                    | 0.7                   | -                     | 0.7                 |
| Old Dominion University                                                                                     | 2.1                   | -                     | 2.1                 |
| Radford University                                                                                          | 0.6                   | -                     | 0.6                 |
| Richard Bland College                                                                                       | <0.1                  | -                     | <0.1                |
| University of Mary Washington                                                                               | 0.2                   | -                     | 0.2                 |
| University of Virginia                                                                                      | 0.3                   | -                     | 0.3                 |
| University of Virginia's College at Wise                                                                    | 0.1                   | -                     | 0.1                 |
| Virginia Commonwealth University                                                                            | 2.1                   | -                     | 2.1                 |
| Virginia Community College System                                                                           | 2.8                   | -                     | 2.8                 |
| Virginia Military Institute                                                                                 | <0.1                  | -                     | <0.1                |
| Virginia Polytechnic and State University                                                                   | 1.3                   | -                     | 1.3                 |
| Virginia State University                                                                                   | <u>0.6</u>            | <u>0.0</u>            | <u>0.6</u>          |
| <b>Total</b>                                                                                                | <b>\$15.0</b>         | <b>\$0.0</b>          | <b>\$15.0</b>       |
| <i>Note: Some totals may not add due to rounding.</i>                                                       |                       |                       |                     |
| <i>Recommends funding for financial aid at 100 percent of the one-time support provided in Chapter 725.</i> |                       |                       |                     |

## – State Council of Higher Education for Virginia

- New Economy Workforce Credential Grant Program.** Proposes \$13.6 million NGF the first year and \$13.6 million GF the second year for the New Economy Workforce Credential Grant Program (known as Fast Forward). The source of the nongeneral fund support is the statewide Virginia Community College System prior-year balances.

- Recommends budget language requiring expanded reporting on the Workforce Credential Grant Program. The Council is directed to provide an analysis of grant fund utilization by occupational field and a summary of actions taken to ensure compliance with the restriction that no more than 25.0 percent of grant funds may be used in an individual occupational field.
- **Virginia Military Survivor and Dependents Education Program Stipend.** Recommends \$2.5 million GF in FY 2028 for the Virginia Military Survivor and Dependents Education Program (VMSDEP) Stipend, based on projected enrollment growth for the program. The stipend provides up to \$2,200 for approximately 12,500 qualified students to offset the cost of room, board, books, and supplies.
  - Stipend eligibility is limited to children and spouses of qualifying military service members who are killed in action, missing in action, taken prisoner of war, totally and permanently disabled or at least 90.0 percent permanently disabled.
- **Virtual Library of Virginia Consortium.** Proposes an additional \$414,065 GF the first year and \$728,130 GF the second year for cost increases related to maintaining access to online databases and journals for both Virginia public and private non-profit institutions.
- **Higher Education Mental Health Workforce.** Recommends an additional \$250,000 GF each year to expand higher education mental health workforce grants. The additional funding will provide a total of \$750,000 GF each year for graduates pursuing licensure to provide therapy under supervision at student health or counseling centers on campuses.
- **Virginia Military Survivor and Dependents Education Program Waiver.** Proposes \$75.0 million NGF and \$20.0 million GF each year to support the costs of VMSDEP waivers at institutions of higher education.
  - The proposed \$20.0 million GF each year will continue the base funding recommended in SB 29, 2026 Session. The proposed \$20.0 million in SB 29 was reserved from FY 2025 surplus balances in Chapter 725, 2025 Acts of Assembly. This action will increase general fund support for the waiver program to \$85.0 million each year.

- The source of the nongeneral fund support is actuarial surplus amounts of the Defined Benefit 529 Programs under the Commonwealth Savers Plan. A companion action in Item 481 directs the funding to the VMSDEP waiver program. The proposed actions would bring the total state support for the tuition waiver to \$160.0 million each year.

#### – **Christopher Newport University**

- **Adjust Position Level to Reflect Operations.** Recommends increasing the nongeneral fund position level by 125.0 positions each year to reflect operations.

#### – **Virginia Institute of Marine Science**

- **Monitoring and Forecasting of Harmful Algal Blooms.** Proposes \$402,400 GF the first year, \$314,209 GF the second year, and 2.34 positions for monitoring and forecasting harmful algal blooms to mitigate risks to humans and the Virginia aquaculture industry.
- **Survey Juvenile Blue Crab Stock.** Recommends \$496,100 GF in FY 2027, \$378,125 GF in FY 2028, and 2.15 positions to conduct surveys to assess juvenile blue crab stock to better inform the population management in support of the industry.

#### – **George Mason University**

- **Transfer Nongeneral Fund Appropriation.** Recommends net zero transfers of nongeneral fund appropriation between Education and General and Student Financial Assistance programs and Auxiliary Enterprise programs to reflect historic and planned expenditures. The rebalancing of appropriation reflects updated assumptions and projections.

#### – **James Madison University**

- **Fast Flex Nursing Program.** Proposes \$1.0 million GF the first year to support the fast flex nursing program to support continued growth of nursing education and meet the demands of the healthcare workforce.

- **Auxiliary Programs.** Proposes an increase of \$21.4 million NGF the first year and \$41.4 million NGF the second year in auxiliary enterprise programs to reflect expenditure levels authorized by the Board of Visitors. The increase is determined based on historical growth patterns, university initiatives, and projected revenue.
- **Educational and General Programs.** Recommends an increase of \$5.3 million NGF in FY 2027 and \$9.5 million NGF in FY 2028 to reflect the six-year plan revenue estimates. Driving the increases are academic instruction, counseling and career guidance, and information technology.
- **Adjust Employment Level.** Proposes to increase the maximum employment level by 224.5 NGF positions each year to reflect the institution's operations. An increase in positions related to sponsored programs is included in the adjustment.

#### – Longwood University

- **Adjusts Auxiliary Appropriation.** Proposes \$6.0 million NGF each year to realign appropriation with historic spending patterns based on inflation and other cost drivers.

#### – Old Dominion University

- **Reallocate Central Appropriations Funding.** Proposes to transfer \$2.6 million GF each year in incremental base appropriation for salary increases and health care premiums to support the operations of Virginia Health Sciences at Old Dominion University. A corresponding amendment under Eastern Virginia Medical School reflects receipt of this transfer.

#### – Eastern Virginia Medical School

- **Virginia Health Sciences Revenue.** Proposes \$145.8 million NGF each year based on historical revenue and projected expenses.
- **Reallocated Central Appropriations Funding.** Proposes to transfer \$2.6 million GF in incremental base support for the operations of Virginia Health Sciences at Old Dominion University. A corresponding amendment under Old Dominion University reflects the other side of the transfer.

## – Radford University

- **Nursing Program.** Recommends \$2.1 million GF the first year and 13.0 positions both years to recruit and retain faculty to support continued growth of nursing education and meet healthcare workforce needs.

## – University of Mary Washington

- **Graduate Level Nursing Program.** Recommends \$740,000 GF and 2.0 positions the first year to support a Master of Science in Nursing to continue growth of nursing education and meet healthcare workforce needs.

## – University of Virginia

- **Increase Nongeneral Fund Appropriation.** Proposes to increase nongeneral fund spending authority by \$50.0 million NGF each year to support expenditure of indirect cost recovery funds. This will align the budget with existing expenditure patterns and reduce the need for administrative adjustments.
- **Increase Maximum Employment Level.** Recommends increasing the maximum employment level by 4,334.0 GF/NGF positions in each year. This action will align the employment level data with full-time positions as reported to the Department of Human Resource Management. The positions are distributed 85.0 percent NGF and 15.0 percent GF; it has been several years since a similar technical adjustment has been made.

## – University of Virginia Medical Center

- **Reflect Nongeneral Fund Revenue Estimate.** Proposes \$541.4 million NGF and 739.0 positions the first year and \$795.5 million NGF and 974.0 positions the second year to account for the projected increase in revenue for the medical center.

## – University of Virginia's College at Wise

- **Increase Nongeneral Fund Appropriation.** Proposes to increase nongeneral fund appropriation by \$1.5 million NGF each year to account for revenue from full-

time student enrollment growth, successful graduate programs, and enrollment within the Center for Teaching Excellence.

- **Continue Indirect Cost Recovery Relief.** Recommends budget language to continue the institution's authority to suspend the transfer of the recovery of the full indirect cost of auxiliary programs to the Education and General program for the biennium.

## – **Virginia Commonwealth University**

- **Healthcare Workforce.** Recommends \$1.9 million GF each year to expand health sciences degree production to meet the needs of the healthcare workforce.
- **Engineering Buildings Support Language.** Proposes to remove budget language that requires all costs for maintenance, operations, renovation, repairs or improvements of engineering buildings to be supported by nongeneral fund revenue.
- **Adjust Nongeneral Fund Appropriations.** Recommends increasing the spending authority for various nongeneral fund revenue sources by \$120.9 million NGF each year to align with expected expenditures and operations for funds including auxiliary, hospital services, sponsored research, and financial aid.

## – **Virginia Community College System**

- **Workforce Credential Grant Program.** Proposes a one-time transfer of \$13.6 million NGF from the system's educational and general program prior year cash balances for deposit to the New Economy Workforce Credential Grant Program Fund within the State Council for Higher Education in Virginia. A companion amendment appropriates the funding in FY 2027 to support increased enrollment in the program.

## – **Virginia Polytechnic and State University**

- **Healthcare Workforce.** Recommends \$1.9 million GF each year to support an in-state tuition rate for Virginia residents at the Virginia Tech Carilion School of Medicine to meet the needs of the healthcare workforce.

- **Align Nongeneral Fund Appropriation for Auxiliary Enterprises.** Proposes \$7.2 million NGF each year to align appropriation with projected activities.
- **Virginia Cooperative Extension and Agricultural Experiment Station**
  - **Additional Operating Support.** Proposes \$500,000 GF each year to support unavoidable cost increases and inflationary pressures.
- **Institute for Advanced Learning and Research**
  - **Great Opportunities in Technology and Engineering Careers Initiative.** Proposes almost \$4.7 million GF each year for the administrative costs of the Great Opportunities in Technology and Engineering Careers Initiative (GO TEC) to continue its expansion across Virginia middle schools. GO TEC is a talent pathway initiative that introduces middle school students to strategic sectors, such as healthcare technologies, automation and robotics, precision machining, metrology, precision agriculture, and energy. Previously, support for the program was provided through GO Virginia matching grants in select regions.
- **New College Institute**
  - **Address Institute Sustainability.** Proposes a reduction of almost \$3.2 million GF the second year to remove ongoing general fund support for the Institute. Budget language directs the Board of Directors, in collaboration with state and regional partners, to develop a sustainability plan and comprehensive business plan. The plan will be submitted to the Governor and Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than August 1, 2026.
- **Maintain Affordable Access**
  - **Limit Tuition Growth.** Recommends budget language to establish an annual cap on tuition growth to the lower of 2.5 percent over the prior fiscal year or inflation, as measured by the Consumer Price Index for All Urban Consumers (CPI-U) for the most recent 12 months at the time of approval by the Board of Visitors.
    - The State Council of Higher Education for Virginia will certify compliance by institutions and report its findings to the Governor, Secretary of Education, and

Director of the Department of Planning and Budget by September 1 of each year.

# Other Education

| Governor's Proposed Adjustments to Other Education<br>(\$ in millions) |               |               |               |               |
|------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                        | FY 2027       |               | FY 2028       |               |
|                                                                        | <u>GF</u>     | <u>NGF</u>    | <u>GF</u>     | <u>NGF</u>    |
| <b>2026-28 Budget</b>                                                  | <b>\$93.4</b> | <b>\$66.4</b> | <b>\$93.4</b> | <b>\$66.4</b> |
| Base Budget Adjustments                                                | <u>3.5</u>    | <u>1.8</u>    | <u>3.5</u>    | <u>1.8</u>    |
| <b>Adjusted Base Budget</b>                                            | <b>\$96.9</b> | <b>\$68.2</b> | <b>\$96.9</b> | <b>\$68.2</b> |
| Proposed Increases                                                     | 1.4           | 3.3           | 1.8           | 3.4           |
| Proposed Decreases                                                     | <u>0.0</u>    | <u>0.0</u>    | <u>0.0</u>    | <u>0.0</u>    |
| \$ Net Change                                                          | \$1.4         | \$3.3         | \$1.8         | \$3.4         |
| <b>SB 30, as Introduced</b>                                            | <b>\$98.3</b> | <b>\$71.5</b> | <b>\$98.7</b> | <b>\$71.5</b> |

## – Science Museum of Virginia

- **Northern Virginia Science Center.** Proposes \$900,000 GF and \$3.2 million NGF the first year, \$1.3 million GF and \$3.2 million NGF the second year, and 15.0 positions to support start-up and ongoing operations costs at the Northern Virginia Science Center. The Center is under construction and is expected to open in spring 2027.

## – Virginia Museum of Fine Arts

- **Support Inflated Costs.** Recommends \$500,000 GF and \$114,558 NGF the first year and \$500,000 GF and \$143,506 NGF the second year to support the increased cost of information technology, security personnel, and utility costs.

# Finance

| Governor's Proposed Adjustments to Finance<br>(\$ in millions) |                  |                |                  |                |
|----------------------------------------------------------------|------------------|----------------|------------------|----------------|
|                                                                | FY 2027          |                | FY 2028          |                |
|                                                                | <u>GF</u>        | <u>NGF</u>     | <u>GF</u>        | <u>NGF</u>     |
| <b>2026-28 Budget</b>                                          | <b>\$2,164.5</b> | <b>\$674.3</b> | <b>\$2,164.5</b> | <b>\$674.3</b> |
| Base Budget Adjustments                                        | (3.4)            | (0.5)          | (3.4)            | (0.5)          |
| <b>Adjusted Base Budget</b>                                    | <b>\$2,161.1</b> | <b>\$673.8</b> | <b>\$2,161.1</b> | <b>\$673.8</b> |
| Proposed Increases                                             | 22.9             | 11.5           | 49.4             | 14.8           |
| Proposed Decreases                                             | 0.0              | (1.4)          | 0.0              | (2.1)          |
| \$ Net Change                                                  | \$22.9           | \$10.1         | \$49.4           | \$12.7         |
| <b>SB 30, as Introduced</b>                                    | <b>\$2,184.0</b> | <b>\$683.9</b> | <b>\$2,210.5</b> | <b>\$686.5</b> |

## – Department of Accounts

- **Fund Information Technology Replacements.** Recommends \$831,693 GF the first year to convert legacy information technology programs into the Cardinal Financials platform while maintaining existing operations. The Department plans to convert 30 legacy ColdFusion programs into a new platform.
- **Support Annual Report Automation.** Recommends \$415,000 GF the first year and \$148,500 GF the second year to automate the process for compiling agency data for the Annual Comprehensive Financial Report. This would allow agencies to input data directly in the Department's system.
- **Increase Internal Services Fund Appropriation for Cardinal Financials.** Recommends \$3.6 million NGF the first year and \$5.4 million NGF the second year to meet projected operating expenses for Cardinal Financials system. Agencies are charged for use of the state's accounting system.

- **Increase Internal Services Fund Appropriation for Cardinal Human Capital Management.** Proposes \$4.0 million NGF the first year and \$5.2 million NGF the second year to meet projected operating expenses for the Cardinal Human Capital Management system, which is used by agencies for provide payroll, human resources, and benefits services to employees.
- **Increase Internal Services Fund Appropriation for Payroll Service Bureau.** Recommends \$190,230 NGF the first year and \$417,847 NGF the second year to meet projected operating expenses for the Payroll Service Bureau, which provides payroll services for approximately 24,000 employees in 65 agencies. The Payroll Service Bureau (PSB) supports agency payroll, leave, and certain human resource and benefit data entry activities.
- **Increase Internal Services Fund Appropriation for Performance Budgeting System.** Proposes \$70,172 NGF the first year and \$200,711 NGF the second year to meet projected operating expenses for the Performance Budgeting system, which is used by agencies for making budget requests as part of budget developmental and execution.
- **Convert Administrative Position to Full-Time.** Recommends 1.0 additional administrative position, converted from an equivalent temporary contractor position, for accounting support activities.
- **Expand the Payroll Service Bureau.** Proposes \$431,302 NGF the first year and \$452,865 NGF the second year and 3.0 positions each year to support prompt payroll processing and improve customer service of new agencies added to the Payroll Service Bureau.
- **Authorize a Cardinal Financial Systems Capital Advance.** Recommends a working capital advance of up to \$15.6 million to expand the functionality of the Cardinal Financial System as recommended by the Cardinal Governance Committee. Cardinal Financials is the state's accounting system and functional updates were suspended during the period when the Cardinal Human Capital Management system was being implemented. The Department is proceeding with evaluation and implementation of functional updates that would improve Cardinal Financials.

## – Department of Taxation

- **Fund Cybersecurity Positions.** Proposes \$537,051 GF each year to support 3.0 positions to develop cybersecurity initiatives within the Department.
- **Enhance Communication with Localities.** Recommends \$374,223 GF the first year and \$154,223 GF the second year and 1.0 position to develop and maintain the SharePoint site to improve communication between the Department and localities. This site is used as a two-way channel between the agency and about 3,600 employees in 133 localities regarding tax data.
- **Increase Funding for Outside Collection Agency Fund Operations.** Recommends \$1.5 million NGF each year for the Outside Collections Agency fund to cover the additional costs of the increased tax collection efforts. The funding for the collections agency is paid from the revenues recovered.
- **Fund Court Debt Fund Operations.** Proposes \$500,000 NGF each year to address increased operating costs for the Court Debt fund. Revenue for the fund comes from court collections.
- **Fund Railroad and Pipeline Fund Operations.** Proposes \$250,000 NGF each year to address increased operating costs of administering the Railroad and Pipeline tax for the State Corporation Commission, which provides the revenue for this fund.
- **Authorize Exemption from Court Records Fees.** Recommends language to exempt the Department from paying court fees to remotely access land records. Currently, the Department retrieves hard copies of court records from approximately 90 percent of court jurisdictions that charge a fee for remote access. This exemption allows the Department to access the land records remotely rather than by hard copy improving access to such information.
- **Remove One-Time Funding from the Base Budget.** Proposes to remove as technical changes to the base budget one-time funding, provided in Chapter 725, the 2025 Appropriation Act, as follows:

- **Equipment and Contractual Services.** Recommends reducing one-time funding by \$9,938 GF each year for development of open space values, while maintaining \$126,100 GF for ongoing expenditures.
- **Unsupported Critical Systems.** Proposes reducing one-time funding by \$1.7 million GF each year for the replacement of four unsupported critical systems, while maintaining \$1.5 million GF for ongoing expenditures.
- **Information Technology Security.** Recommends reducing one-time funding by \$880,060 GF each year for data center security updates and the creation of a data catalog, while maintaining \$938,009 GF for ongoing expenditures.
- **Electronic Nicotine Delivery Systems Fund.** Proposes reducing \$771,000 NGF each year in one-time funding for the administrative costs of the Electronic Nicotine Delivery Systems fund.

## – Department of the Treasury

- **Fund Information Technology Positions.** Recommends \$650,368 GF and \$797,192 NGF each year to support 5.0 positions for improving cybersecurity at Treasury. These positions are based on a cybersecurity risk assessment related to ensuring the agency's systems are secure.
- **Add a Division of Risk Management Position.** Proposes \$119,126 NGF each year and 1.0 position for a property claims coordinator in the Division of Risk Management to support expanding needs of the property claims and risk management program. This position would support property claims handling and property-related risk management activities.

## – Treasury Board

- **Adjust Debt Service Funding.** Proposes \$20.0 million GF the first year and \$47.8 million GF the second year and reduce \$660,373 NGF the first year and \$1.3 million NGF the second year to adjust funding for updated estimates of debt service payments.
- **Modify Language to Maintain Tax-Advantaged Bonds.** Recommends language authorizing issuers of tax-advantaged bonds, such as state and local governments,

the authority to use the proceeds from the sale of real property as an effort to remediate and maintain the tax-advantaged status of bonds.

# Health and Human Resources

| Governor's Proposed Adjustments to Health and Human Resources<br>(\$ in millions) |                   |                   |                   |                   |
|-----------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                                   | FY 2027           |                   | FY 2028           |                   |
|                                                                                   | <u>GF</u>         | <u>NGF</u>        | <u>GF</u>         | <u>NGF</u>        |
| <b>2026-28 Budget</b>                                                             | <b>\$10,663.6</b> | <b>\$23,368.5</b> | <b>\$10,663.6</b> | <b>\$23,368.5</b> |
| Base Budget Adjustments                                                           | 42.4              | (37.2)            | 42.4              | (37.2)            |
| <b>Adjusted Base Budget</b>                                                       | <b>\$10,706.0</b> | <b>\$23,331.3</b> | <b>\$10,706.0</b> | <b>\$23,331.3</b> |
| Proposed Increases                                                                | 1,304.5           | 2,732.1           | 2,021.4           | 4,097.3           |
| Proposed Decreases                                                                | (286.6)           | (781.1)           | (421.5)           | (1,123.1)         |
| \$ Net Change                                                                     | \$1,017.8         | \$1,951.0         | \$1,600.0         | \$2,974.2         |
| <b>SB 30, as Introduced</b>                                                       | <b>\$11,723.8</b> | <b>\$25,282.4</b> | <b>\$12,305.9</b> | <b>\$26,305.6</b> |

## – Children's Services Act

### *Forecast*

- **Fund Children's Services Act Forecast.** Proposes \$49.6 million GF and \$14.0 million NGF the first year and \$86.5 million GF and \$16.0 million NGF the second year to fund projected growth in services provided through the Children's Services Act. The latest expenditure forecast from the Department of Planning and Budget projects growth of 8.7 percent in FY 2026 and 8.1 percent in FY 2027. The caseload increased to 16,086 in FY 2025 from 15,923 in FY 2024. Overall expenditures in FY 2025 increased 11.0 percent over FY 2024, with a total cost of \$601.7 million, and a general fund cost of \$400.9 million. Private day special education remains the primary driver of the growth in costs with an additional \$28.5 million in FY 2025 compared to FY 2024. FY 2025 private day special education totaled \$268.6 million. In FY 2025, private day special education placements accounted for 45 percent of net CSA expenditures, including state

general and local matching funds. Residential Placements totaled \$106.1 million in FY 2025, an increase of \$9.2 million compared to FY 2024.

### ***Savings Strategies***

- **Reduce Match Rate on Community-Based Services.** Proposes \$10.8 million GF savings the first year and \$11.8 million GF savings the second year by reducing the average state match for community-based services from 81.0 percent to 71.0 percent.
- **Limit Growth Rate in Private Day Services.** Recommends \$3.4 million GF savings the first year and \$3.7 million GF savings the second year by reducing the state reimbursable private day services growth rate from 5.0 percent to 2.5 percent each year.
- **Eliminate Automatic Inflationary Adjustments for Residential Treatment Providers.** Proposes \$1.3 million GF and \$2.3 million NGF savings the first year and \$2.4 million GF and \$4.3 million NGF savings the second year by removing automatic inflationary adjustments in Medicaid rates for private residential treatment facilities, which are also reflected in the rates paid under the Children's Services Act.

### **– Department for the Deaf and Hard-of-Hearing**

- **Add a Sign Language Interpreter.** Proposes adding 1.0 position to hire a full-time sign language interpreter using existing general fund appropriation and savings from contract interpreter spending.
- **Convert Wage Positions into One Full-Time Central Virginia Regional Specialist.** Recommends converting 2.0 wage positions, currently vacant Central Virginia regional specialists into 1.0 full-time position to assist in recruitment and retention for the position.
- **Adjust Nongeneral Fund Appropriation.** Proposes to reduce \$497,935 NGF each year to reflect lower utilization of federal and special funds.

## – Department of Health

- **Complete and Sustain the Electronic Health Record System.** Proposes \$8.2 million GF the first year and \$6.8 million GF the second year to complete and sustain the full implementation of a cloud-based Electronic Health Record (EHR) system across all 120 local health departments. This total includes a one-time request of \$8.2 million GF in the first year to fully complete implementation of the EHR in all districts by February 28, 2027. The ongoing cost of \$6.8 million GF the second year is needed for maintenance and management of EHR and associated systems.
  - In FY 2024, the Department received \$30.0 million NGF from the American Rescue Plan Act (ARPA) grant for implementation.
- **Rent Increases at Local Health Department Facilities.** Recommends \$655,913 GF and \$423,335 NGF each year to offset increased rental costs at the following facilities: Roanoke City, Salem, West Piedmont, Eastern Shore, New River, Lord Fairfax, Central Shenandoah, Prince William, Chickahominy, Henrico, Piedmont, Mount Rogers, Southside, Alexandria, Virginia Beach, and Richmond City.
- **Nursing Home Complaint Backlog.** Recommends \$291,627 GF and 2.0 positions in each year to address the backlog of nursing home complaints with two additional medical facility inspectors.
- **Northern Virginia Firefighter Occupational Cancer Screening Pilot Program.** Proposes an additional \$70,000 GF in the first year, totaling \$500,000 GF, to continue the cancer screenings for firefighters for an additional year. Removes \$430,000 GF from the second year as the pilot program ends. The proposal does not include language requiring an additional report on the pilot program to the General Assembly, as previously included in Chapter 725, 2025 Acts of Assembly.
- **Office of Drinking Water Excess General Funds.** Recommends removing \$4.5 million GF the second year from the Office of Drinking Water. The GF is used as a state match to draw down federal Drinking Water State Revolving Funds, however, the match requirement for the grant will be fulfilled on June 30, 2027, without the additional funding. A total of \$19.1 million GF the first year and

\$14.6 million GF the second year would remain to support the Office of Drinking Water operations.

- **Transfers the Opioid Overdose Reversal Agent Program to the Virginia Innovation Partnership Authority.** Proposes transferring \$8.0 million NGF each year for the Opioid Overdose Reversal Agent Program to the Virginia Innovation Partnership Authority as the Department of Health does not have the proper expertise to oversee the manufacturing and pharmaceutical development required in the program. The NGF is from the Commonwealth Opioid Abatement and Remediation Fund.
- **Adjust Appropriation.** Proposes removing \$80.1 million NGF the first year and \$91.5 million NGF the second year to allow for alignment with agency operations and expenditures.
- **Remove One-Time Funding for the Perinatal Health Hub Pilot Program.** Proposes removing one-time funding of \$2.5 million GF each year for the perinatal health hub pilot program. In Chapter 725, 2025 Acts of Assembly, \$2.5 million GF was provided the second year to provide two-year grant awards for community-based providers (hubs) to improve perinatal outcomes and to reduce maternal and infant mortality in their communities and submit a report to the General Assembly on June 30, 2026. Language also allowed for any unexpended balance on June 30, 2026, to be carried forward and reappropriated to complete this work.
- **Supplant GF with TANF.** Proposes supplanting \$7.4 million GF each year with TANF block grant funds for discretionary activities.
- **Remove One-Time Funding for Non-Emergency Medical Transportation Services in Rural Areas.** Proposes removing \$1.0 million GF each year for the non-emergency medical transportation pilot program. Chapter 725 of the 2025 Acts of Assembly provided \$1.0 million GF the second year for a pilot program to provide non-emergency medical transportation services for uninsured Virginians living in medically underserved or unserved areas in the catchment area of a federally qualified health center, prioritizing people living in rural localities.

## ***Language***

- **Office of the Chief Medical Examiner.** Proposes eliminating carryforward language allowing the Office of the Chief Medical Examiner to reappropriate unexpended general fund appropriation for salaries or unfilled positions in the following fiscal year.
- **Taxpayer Funding for Abortion Services.** Recommends modifying language to restrict taxpayer funding for abortion services to only what is allowed under federal law, commonly termed the Hyde amendment. The Hyde Amendment restricts taxpayer funding for abortions services except for pregnancies that are a result of rape, incest, or where a woman would be in danger of death if an abortion is not performed. State law currently permits funds to also be used in cases of gross fetal abnormality. The proposal would remove gross fetal abnormality as a state exemption.

## **– Department of Health Professions**

- **Virginia Center for the Nursing Workforce.** Proposes \$153,850 GF the first year, \$176,620 NGF the second year, and 1.0 position each year from fees generated by the Board of Nursing, to create the Virginia Center for the Nursing Workforce to address nursing shortages. The Center is charged with creating and maintaining a database to facilitate scheduling clinical experiences for nursing students, coordinating interagency and public-private efforts to maximize enrollment in Virginia's nursing education programs for workforce growth, and exploring strategies to address Virginia's nursing shortage. The proposal stems from a Department of Planning and Budget study as a potential low-cost option being taken in by other states to produce more nurses.
- **Prescription Monitoring Program (PMP) Changes.** Proposes \$400,000 NGF each year from the Commonwealth Opioid Abatement and Remediation (COAR) Fund to support the changes pursuant to Chapter 487 of the 2025 Acts of Assembly, requiring the PMP to report on opioid overdoses.
- **COAR Funding for PMP System Changes.** Recommends removing \$600,000 COAR NGF each year, provided as one-time funding in Chapter 487 of

the 2025 Acts of Assembly, for systems changes to the PMP to implement additional reporting on opioid overdoses.

## – Department of Medical Assistance Services

### ***Forecasts***

- **Medicaid Utilization and Inflation.** Recommends \$1.1 billion GF and \$2.3 billion NGF the first year and \$1.7 billion GF and \$3.6 billion NGF the second year to fund the forecasted costs of utilization and inflation for the Medicaid program, based on the forecast developed by the Department of Medical Assistance Services (DMAS). Expenditures in the program are expected to grow by 15.0 percent in FY 2026, 7.9 percent in FY 2027, and 6.6 percent in FY 2028. Enrollment in Base Medicaid decreased by 7.8 percent in FY 2025 and is expected to continue to decline at a slower pace. Despite the overall drop in Medicaid enrollment, higher-cost populations (particularly in nursing facilities, intermediate care facilities, and home and community-based waivers) continue to increase, partially offsetting any savings from enrollment decline. The growth in costs is mainly due to managed care rate increases (\$2.0 billion GF), fee for service costs (\$246.6 million GF), lump sum payments to hospitals (\$47.6 million GF), the federal match rate change (\$167.0 million GF), and the full cost to implement the Developmental Disability waivers authorized in Chapter 2, 2024 Special Session I (\$288.0 million GF).
- **Adjust Health Care Fund Appropriation.** Recommends \$41.5 million GF the first year and \$52.2 million GF the second year to reflect lower revenue estimates for the Health Care Fund, which is used as a state match for Medicaid. The main GF cost is due to lower tobacco tax revenues, however, revenues from the Master Settlement Agreement with tobacco manufacturers and pharmacy rebates are also expected to be lower. Regular Medicaid Recoveries are expected to increase and offset a portion of the revenue losses from the other funding streams.
- **Family Access to Medical Insurance Security (FAMIS) Utilization and Inflation.** Recommends \$31.6 million GF and \$55.6 million NGF the first year and \$48.6 million GF and \$86.4 million NGF the second year to fund the utilization and inflation costs of the FAMIS program as projected by DMAS. Expenditures in the

program are expected to increase 17.2 percent in FY 2026 and 6.5 percent in FY 2027. The main cost driver is managed care costs for acute medical services for which the rates increased 20.6 percent in FY 2026, much higher than projected last year. FAMIS covers children aged zero to 18 living in families with incomes between 133.0 and 200.0 percent of the federal poverty level.

- **Medicaid Children's Health Insurance Program (CHIP) Utilization and Inflation.** Proposes capturing \$2.0 million GF and \$5.1 million NGF the first year and recommends adding \$6.7 million GF and \$10.5 million NGF the second year to reflect the latest expenditure forecast as projected by DMAS. Decreasing enrollment of children in Medicaid causes a downward trend in costs, however, the higher managed care rates for Medicaid offset those savings in the second year and result in a net additional GF cost.
- **Adjust Funding for the Cost of Medical Services for Involuntary Mental Commitments.** Proposes capturing \$1.1 million GF the first year and \$2.1 million GF the second year to reflect the projected cost of hospital and physician services for persons subject to an involuntary mental commitment.

### ***Medicaid Savings Strategies***

**Savings Strategies.** Proposes \$611.4 million GF savings and \$1.5 billion NGF savings over the biennium to reflect Medicaid savings strategies.

- **Remove Biennial Inflation for Medical Assistance Providers.** Recommends \$74.0 million GF and \$145.2 million NGF the first year and \$164.1 million GF and \$320.8 million NGF the second year in savings by eliminating automatic inflation adjustments that would have been provided for hospitals, freestanding psychiatric facilities, disproportionate share hospitals payments, graduate medical education payments, nursing facilities, and any other provider rates for FY 2027 and FY 2028.
- **Ensure Appropriate Utilization of Crisis Services.** Recommends \$49.1 million GF and \$212.1 million NGF the first year and \$58.9 million GF and \$253.8 million NGF the second year in savings by ensuring appropriate utilization of mobile crisis services by applying a four-hour limit per incident, modifying the mobile crisis services network to only reimburse the Department of Behavioral Health and Developmental Services (DBHDS) licensed and approved mobile crisis

providers contracted with community services boards, and removing Community Stabilization as a covered service. In FY 2025, Mobile Crisis Response increased by 50.1 percent from FY 2024, totaling \$181.3 million. Community Stabilization was the first service that grew rapidly after the 2021 behavioral health redesign, reaching a total cost of \$119.9 million in seven months resulting in service limitations to ensure appropriate utilization.

- **Modify Applied Behavioral Analysis Services.** Proposes \$30.8 million GF and \$32.8 million NGF the first year and \$36.8 million GF and \$39.0 million NGF the second year in savings by limiting behavioral analysis (ABA) services from 40 hours to 20 hours per week and requiring a diagnosis of autism spectrum disorder before receiving ABA services. The proposed language would require DMAS to provide guidance on required ABA documentation and coordinate periodic pre- and post-payment reviews of ABA payments. In FY 2025, ABA services totaled \$300.3 million, with an average annual cost per member of \$30,524.
- **Capture Managed Care Administrative Efficiencies.** Recommends \$22.0 million GF and \$46.8 million NGF the first year and \$23.8 million GF and \$50.4 million NGF the second year in savings to account for potential administrative inefficiencies in managed care. Proposed language authorizes DMAS to require its contracted actuary to review each managed care organization's (MCO) administrative expenses, after the administrative expense audit is complete, for reasonability of reported administrative expenses to the covered population, to include benchmarking for competitiveness and efficiencies. The capitation rate development calculation would be adjusted based on the results of this review to ensure efficient use of capitation revenues by the MCOs. These adjustments would take effect July 1, 2026. In FY 2025, the MCOs' administrative expenses totaled \$1.2 billion and MCOs suffered a total net loss of \$990.0 million.
- **Modify Community-Based Waivers Hourly Limits.** Proposes \$21.0 million GF and \$22.9 million NGF the first year and \$23.8 million GF and \$25.8 million NGF the second year in savings by implementing a 56-hour limit on personal care/assistance services provided under the Community Living and Family and Individual Support developmental disability waivers to mirror the 56-hour cap limit in the Commonwealth Coordinated Care Plus waiver.

- **Remove Coverage of Maternity Services for Individuals who do not Qualify for Medicaid.** Recommends \$13.2 million GF and \$21.4 million NGF the first year and \$16.3 million GF and \$26.2 million NGF the second year in savings by eliminating the FAMIS Prenatal Coverage program for pregnant and postpartum individuals otherwise ineligible due to undocumented immigration status. Services for these individuals would be limited to the services covered under the Emergency Medicaid program.
- **Align Adult Dental Benefit.** Recommends \$9.9 million GF and \$41.9 million NGF the first year and \$13.7 million GF and \$58.1 million NGF the second year in savings by aligning the Medicaid adult dental benefit with other insurance plans by creating a \$2,000 annual spending limit per adult recipient.
- **Capture Preferred Rebate on GLP-1 Drugs.** Recommends \$6.5 million GF and \$31.5 million NGF the first year and \$19.4 million GF and \$94.1 million NGF the second year in savings through proposed language allowing DMAS to use any rebate negotiated directly between the Commonwealth and a manufacturer of GLP-1 receptor agonist medications, if the negotiated net price (the gross price minus all applicable rebates) is lower than the net price obtained under the existing rebate agreement through the program's Pharmacy Benefit Manager. The proposed language also prohibits DMAS from covering an individual GLP-1 receptor agonist medications for any indication if the net price per unit exceeds \$245 per month.
- **Eliminate Duplicative Medicaid Members Enrolled in Other States.** Proposes \$7.0 million GF and \$17.4 million NGF the first year and \$4.5 million GF and \$11.2 million NGF the second year in savings by removing duplicative Medicaid members enrolled in Virginia Medicaid and residing in other states. The Centers for Medicare & Medicaid Services identified individuals enrolled in Medicaid in two or more states and provided this data to states for states to recheck individuals' eligibility and disenroll ineligible individuals.
- **Capture Drug Rebates for Continuous Glucose Monitors and Related Supplies.** Proposes \$2.4 million GF and \$8.2 million NGF savings the first year and \$2.4 million GF and \$8.1 million NGF savings the second year by authorizing supplemental drug rebates for continuous glucose monitors and related supplies.

The proposed language expands the supplemental rebate program to include continuous monitors and certain diabetic supplies and includes funding to support the administrative contract.

- **Improve Service Facilitation.** Proposes \$2.1 million GF and \$2.2 million NGF the first year and \$2.2 million GF and \$2.3 million NGF the second year in savings by incorporating service facilitation into the statewide service broker model via the Fiscal Employer contract and eliminating service facilitation as a standalone service. Service facilitation is provided under consumer-directed services where a service facilitator provides information and assists the member and their family/primary caregivers with learning the responsibilities of a consumer-directed employer of record.
- **Modify Preferred Drug List.** Recommends \$1.6 million GF and \$8.2 million NGF each year in savings by accounting for changes adopted by the Pharmacy and Therapeutics committee related to the Preferred Drug List (PDL), or the common core formulary. The PDL program savings are the net of administrative expenses to implement and administer the program. Recent changes approved by the Committee have removed Humira from the PDL with its biosimilars becoming preferred on January 1, 2026.
- **Modify Requirements for Personal Care Services.** Proposes \$1.1 million GF and \$1.1 million NGF each year in savings by eliminating the live-in caregiver exemption from electronic visit verification (EVV) requirements. EVV is a mandatory electronic system for tracking Medicaid-funded in-home personal care and home health visits to confirm service delivery, location, time, and caregiver/patient details. On January 1, 2021, DMAS exempted live-in caregivers from EVV requirements meaning consumer-directed attendants or agency-directed aides who live in the same residence as the individual receiving personal assistance, respite, or companion services are no longer required to use EVV compliant methods to submit work shift entries. The removal of the exemption produces savings from strengthened oversight and enforcement processes to ensure consumer-directed personal care, respite and companion service providers meet electronic visit verification requirements.

- **Eliminate Automatic Increases for Psychiatric Residential Treatment Facilities and Qualifying Addiction and Recovery Treatment Services.** Proposes \$669,055 GF and \$4.1 million NGF the first year and \$1.3 million GF and \$7.6 million NGF the second year in savings by eliminating automatic inflation and rebasing increases for psychiatric residential treatment facilities and qualifying addiction and recovery treatment services providers. The proposed language authorizes DMAS to maintain the rate ceilings in effect on June 30, 2026.

### ***Other Spending***

- **Increase Rates for Developmental Disability Waiver Services.** Recommends \$28.0 million GF and \$31.5 million NGF the first year and \$31.2 million GF and \$35.0 million NGF the second year by increasing rates for services authorized under developmental disability waivers. These increases are related to the permanent injunction resulting from the settlement agreement with the U.S. Department of Justice. The General Assembly has two Sessions to act upon any rate study as required by the injunction. The following seven services are included in this increase: Community Coaching, Community Engagement, Companion Care, Independent Living Supports, In-Home Support Services, Therapeutic Consultation, and Workplace Assistance. The 2025 General Assembly authorized the rate study for the 11 services pursuant to the permanent injunction and this would fund seven of these services.
- **Fund Centralized Call Center.** Proposes \$2.3 million GF and \$16.6 million NGF each year to cover the expected cost of the Cover Virginia Call Center and centralized eligibility processing unit.
- **Convert Information Technology Contractors.** Proposes adding 3.0 positions each year by converting three information technology contractors to classified positions. DMAS states that the converted positions will not increase net agency costs.

### ***Funding Removals***

- **Remove Mobile Maternal Health Pilot Program.** Proposes removing one-time funding of \$1.3 million GF and \$1.3 million NGF each year from the base budget for the Mobile Maternal Health Pilot Program. In the previous biennium,

\$2.5 million GF was provided for DMAS to consult with Virginia universities and private businesses to create a pilot program for mobile clinics within maternal health deserts in Virginia, as well as funding for data collection to measure program effectiveness. DMAS provided the General Assembly with an evaluation of the program's effectiveness and options for transitioning it to managed care organizations.

- **Remove Vetoed Nursing Facility Rate Increase.** Proposes removing \$10.0 million GF and \$11.7 million NGF each year from the base budget for a Medicaid rate increase for nursing facilities to reflect the Governor's Veto of this funding included in Chapter 725, 2025 Acts of Assembly.
- **Remove Funding for Weight Loss Medication Coverage.** Recommends removing \$6.9 million GF and \$39.8 million NGF each year from the base budget for expanded weight loss medication coverage in Medicaid approved in the 2025 Session to reflect the Governor's Veto in Chapter 725, 2025 Acts of Assembly.

### ***Nongeneral Fund Only Items***

- **Fund Rural Health Transformation Program.** Proposes \$200.0 million NGF and 13.0 positions each year to support the Rural Health Transformation Program. The Department is authorized to hire up to 13.0 restricted positions that must be supported with program funds. These funds cannot be used to create any current or future obligation of state funding or state-supported services, and DMAS cannot initiate agency systems or personal actions that generate state costs outside the window of the federal grant.
  - The Rural Health Transformation Program is a new federal initiative led by the Centers for Medicare and Medicaid Services (CMS) and created under H.R. 1. The grant totals \$50 billion, distributed over five years (Federal FY 2026 – FY 2030), and provides grants to U.S. states to improve rural healthcare. All fifty states were instructed to apply for \$200.0 million per year. Funds were split amongst states, with half distributed equally to states with approved applications, and the other half based on factors like rural population, facility density, hospital need, and economic strength.
  - On December 29, 2025, CMS announced funding levels per state. Virginia will receive \$189.5 million NGF each year.

- **Fund Federal Community Engagement and Eligibility Verification Requirements.** Proposes \$69.2 million NGF and 9.0 positions the first year and \$65.2 million NGF and 12.0 positions the second year to support federal community engagement and eligibility verification requirements pursuant to H.R. 1, 119th Congress (2025-2026). Funding would be used to expand Cover Virginia Call Center operations to implement the community engagement and six-month renewal provisions. The NGF source is from federal funds and the coverage assessment on private acute hospitals.
- **Increase Physician Supplemental Payments.** Proposes \$35.6 million NGF each year to support the estimated cost of future private health system physician supplemental payments and agency administrative costs. Pursuant to Appropriation Act language, DMAS is authorized to make supplemental payments to private hospitals and related health systems that execute affiliation agreements with public entities that can transfer funds to DMAS for purposes of covering the non-federal share of the authorized payments. The proposed funds appropriated through this technical adjustment would support three such agreements subject to future federal approvals.
- **Fund Nursing Home Staffing Campaign.** Proposes \$4.1 million NGF the first year to authorize participation in the federal Nursing Home Staffing Campaign administered by the Centers for Medicare and Medicaid Services (CMS). CMS announced an investment plan of over \$75.0 million collected from Civil Monetary Penalties (CMP) imposed on Medicare and Medicaid nursing homes for certain types of noncompliance with health and safety standards to implement a campaign aimed at increasing the number of nurses working in nursing facilities through financial incentives and training opportunities. By investing state CMP funds, CMS will proportionally match the contribution.
- **Adjust Federal Appropriation for State Facilities.** Proposes removing \$1.0 million NGF the first year and \$1.1 million NGF the second year to adjust the state facility appropriation to reflect the latest federal medical assistance percentage.
- **Virginia Center for Health Innovation.** Proposes \$100,000 NGF each year to allow DMAS to use federal Medicaid matching funds in its contract with the Virginia

Center for Health Innovation for research, development and tracking of innovative approaches to healthcare delivery. The proposed language limits DMAS to only reimburse the Virginia Center for Health Innovation with federal matching funds for expenses eligible for federal reimbursement.

### ***Language***

- **Prohibit Supplemental Payments to Hospitals that Close Labor and Delivery Units.** Proposes language to restrict DMAS from providing supplemental payments in the form of state directed payments to any hospital that does not currently operate a labor and delivery unit but such unit was operational in the hospital on January 1, 2026.
- **Authorize Ballard Health System Supplemental Payments.** Recommends language providing authority to make supplemental payments through an adjustment to the formula for indirect medical education reimbursement for Ballard Health, upon the execution of affiliation agreements with public entities that are capable of transferring funds to DMAS to cover the non-federal share of costs. Any funds to be transferred must comply with 42 CFR 433.51 and 433.54. DMAS must require all parties to attest to compliance with applicable federal criteria. The non-federal share of the agency's administrative costs directly related to administering these payments must be funded by participating public entities.
- **Delay Implementation of the Redesigned Behavioral Health Services.** Recommends language delaying the implementation of the next phase of redesigned behavioral health services until January 1, 2027.
- **Delay Single Pharmacy Benefit Manager System.** Proposes language delaying the implementation of a single pharmacy benefit manager system until January 1, 2027, and until sufficient general fund support is provided through a general appropriation act. The single pharmacy benefit manager system was authorized by the 2025 General Assembly.
- **Modify Nursing Facility Value-Based Purchasing Program.** Recommends language modifying the nursing facility value-based purchasing program to ensure that payments are only provided to those facilities that demonstrate a sufficiently high quality of care.

- **Improve Long-Term Services and Supports Screenings.** Proposes language requiring DMAS, in cooperation with the Virginia Department of Health (VDH), to create an assessment tool for children under the age of 18 to utilize long-term services and supports screenings. In addition, the Departments must implement measures necessary to ensure the consistent statewide application of screening criteria. Assessments cannot be conducted more frequently than once every six months unless a major life change occurs, regardless of the individual's age.
- **Require Hospitals Receiving Rate Assessment Payments to Contract with all Medicaid Managed Care Organizations.** Proposes language requiring hospitals that receive hospital supplemental payments to contract with the network of each Medicaid managed care organization to ensure sufficient access to care for all Medicaid members.
- **Authorize New Graduate Medical Education Residencies.** Proposes language authorizing 21 graduate medical education residency slots that will begin in July 2026. DMAS states that new slots will be funded within existing appropriation.

## – **Department of Behavioral Health and Developmental Services**

- **Fund Service Dogs of Virginia.** Proposes \$250,000 GF the first year to contract with Service Dogs of Virginia to provide service dogs for individuals with disabilities.
- **Problem Gambling Treatment, Recovery, and Prevention Services.** Recommends \$1.0 million NGF each year for problem gambling programs. These funds are from dedicated revenue sources that are deposited into the Problem Gambling Treatment and Support Fund (PGTS). PGTS is used to provide counseling and treatment for compulsive and problem gamblers as well as provide grants to support organizations that provide assistance to compulsive and problem gamblers. The current appropriated amount is \$4.3 million NGF.
- **Transfers Data Service Support from Community Services Boards to Central Office.** Proposes transferring \$1.6 million GF each year enabling the department to continue to support vendor contractual obligations for FY 2027 and FY 2028 in fielding and sustaining the CSB Data Exchange. The Department is currently

charging the CSBs for contractual obligations, however this transfer will eliminate that need. This zero-sum transfer has no fiscal impact.

- **Transfers State Hospital Discharge Transportation Funding Appropriation to Facilities.** Recommends transferring \$1.2 million GF each year from the agency's central office to the mental health facilities for state hospital discharge transportation. This zero-sum transfer has no fiscal impact.
- **Dementia Services.** Proposes capturing \$1.0 million GF each year by removing funding for dementia services from the base to reflect the Governor's veto of Paragraph N of Item 296, Chapter 725, 2025 Acts of Assembly.

### ***Language***

- **Clarify Evaluation of Sexually Violent Predators (SVP).** Recommends technical changes to language for funds that are earmarked for the evaluation of individuals being considered for civil commitment or conditional release for certain sexual offenses. Current language requires individuals coming from state correction facilities to be screened for SVP, however, the Code of Virginia 19.2-169.3 and 37.2-903 requires individuals found unrestorably incompetent for qualifying sexual offenses (i.e., unrestorably incompetent to stand trial) who meet certain criteria to also be screened for SVP, but these individuals are in hospital or community settings, not state correctional settings. Current language also states the Clinical Review Committee is responsible for screening the SVP population, however, it is actually the Commitment Review Committee (CRC). Current language also specifies that the evaluations are specifically for when the "state (is seeking) civil commitment", however, the code requires the CRC to make recommendations for civil commitment or conditional release. The proposal clarifies language and does not change the original language intent.
- **Allow Extension for Electronic Health Records.** Proposes language allowing for the extension of the current electronic health records contract to ensure continuation of services for individuals treated by state mental health and developmental disability facilities. The proposal would allow DBHDS to utilize the Department of Health's EHR contract vehicle to extend the use of DBHDS's current capability. While DBHDS has a sole source determination on its EHR with optional renewals for the next four years, DBHDS would need to begin its procurement

process for its EHR capability without this language, given the complexity and associated timelines of a project. Additionally, DBHDS would need to seek a general fund appropriation beginning in FY 2028 to meet the request for proposal (RFP) stipulations.

- **Modify Adolescent Substance Use Services Funding.** Recommends amending language for earmarked appropriation for adolescent substance use disorder treatment to allow funds to be utilized for more levels of care. DBHDS was appropriated \$1.1 million GF in FY 2025 and \$210,000 GF in FY 2026 to support the costs of supporting medically monitored high-intensity inpatient services American Society of Addiction Medicine (ASAM) level of care 3.7, ASAM 3.7 (medically managed residential) for youth and adolescents with serious mental illness or substance use disorder who may otherwise require inpatient hospitalization. This budget request seeks to change the budget language to expand the levels of ASAM from only supporting ASAM 3.7 to supporting ASAM 3.1 (clinically managed low-intensity residential), 3.5 (clinically managed high-intensity residential), or 3.7. DBHDS states that the Office of Child and Family Services (OCFS) attempted multiple strategies to disperse funding, however, did not receive any offers.

### ***Grants to Localities***

- **Support Virginia 988 Suicide and Crisis Lifeline Service.** Proposes replacing \$2.7 million GF each year with \$5.7 million NGF from the Crisis Call Center Fund each year. This allows the state's 988 line to be fully funded by dedicated nongeneral funds and therefore no longer needs to use GF appropriation.
- **Modify Reimbursement of Community Jail Diversion and Discharge Funds.** Recommends language that allows for payments to community services boards (CSB) for jail diversion and discharge programs to be provided on a reimbursement basis, rather than 24 equal installments to CSBs throughout the fiscal year, regardless of whether there have been any grant expenditures, as current language requires.
- **Modify Marcus Alert Funding.** Proposes removing language that requires each program to receive \$600,000 each year to allow for funding flexibility. Current language requires DBHDS to distribute a flat amount of Mental Health Awareness

Response and Community Understanding Services (Marcus) Alert funding to each CSB, which does not reflect variation in community size, infrastructure, or implementation readiness. This proposal allows DBHDS to distribute funds based on need, with the intent of ensuring that all regions of the Commonwealth are equipped to meet statutory Marcus Alert requirements for full statewide implementation by 2028. This language change would allow for the establishment of programs based on local funding needs in any given year. Additionally, previous language is modified to clarify that mobile crisis units are sufficient to meet any requirement to establish a community care team which does not change the original language intent.

- **Transfer of Early Intervention Services Funding.** Recommends amending language to allow for funds to be transferred to the Virginia Department of Health for those localities that utilize local health departments to administer their early intervention programs.
- **Reimbursement of Community Services Board Funding.** Proposes amending language to allow for flexibility in payments to community service boards by allowing payments to be made in accordance with performance contracts. Current language requires DBHDS to disburse payments to CSBs in 24 equal semi-monthly installments, except for necessary budget revisions or the operational phase-in of new programs. The proposed language keeps the current language intent, however, adds that DBHDS can also disburse payments in line with performance contract terms as set out by the department. The proposed language would allow DBHDS to proactively adjust disbursements in response to fluctuations in staffing, demand, and reimbursement cycles without needing budget revisions or special exceptions as long as the performance contract allows for this.
- **Transfer Data Service Support from Community Services Boards to Central Office.** Proposes transferring \$1.6 million GF each year enabling DBHDS to continue to support vendor contractual obligations for FY 2027 and FY 2028 in fielding and sustaining the CSB Data Exchange. The Department is currently charging the CSBs for contractual obligations, however this transfer will eliminate that need. This zero-sum transfer has no fiscal impact.

### ***Mental Health Treatment Centers***

- **Fund Special Hospitalizations at Mental Health Facilities.** Recommends \$725,000 NGF each year for the costs of special hospitalization services accrued by state mental health facilities. The NGF source is the agency's special fund which receives Medicaid and Medicare revenue.
- **Transfer State Hospital Discharge Transportation Funding Appropriation to Facilities.** Proposes transferring \$1.2 million GF each year from the agency's central office to the mental health facilities for state hospital discharge transportation. This zero-sum transfer has no fiscal impact.

### ***Intellectual Disabilities Training Centers***

- **Fund Special Hospitalization Costs at State Facilities.** Proposes \$25,000 NGF each year for the costs of special hospitalization services accrued by state facilities. The NGF source is the agency's special fund.

### ***Virginia Center For Behavioral Rehabilitation***

- **Fund Special Hospitalization Costs.** Proposes \$1.4 million NGF each year for the costs of special hospitalization services accrued by the facility. The NGF source is the agency's special fund which receives Medicaid and Medicare revenue.
- **Create Service Area for Special Hospitalization.** Recommends transferring existing appropriation into a separate service area for inpatient hospitalization. This adjustment is being made to increase transparency as other state mental health facilities already utilize this service area.

## **– Department for Aging and Rehabilitative Services**

- **Fund Vocational Rehabilitation State Match.** Proposes an additional \$1.0 million GF each year to increase the federal match by \$3.7 million NGF each year for the federal vocational rehabilitation block grant. This block grant funds programs to help people with disabilities prepare for, find, and keep jobs, covering services like career counseling, training, assistive tech, and job placement, with specific funds reserved for student transition services.

- **Increase Personal Assistance Services Program Rates.** Recommends an additional \$49,848 GF each year for the Personal Assistance Services (PAS) program to remain competitive with rates for similar services provided through the Medicaid Home and Community Based Services waivers. The PAS program serves individuals with severe disabilities and/or brain injuries who have been found ineligible for in-home assistance services provided through Medicaid or comparable channels.
- **Add Long Term Care Ombudsman Funding.** Proposes an additional \$375,000 GF each year for the base award allocation for 20 local Long Term Care Ombudsman units at Area Agencies on Aging to mitigate staff turnover, improve recruitment, and strengthen the quality of current services.
- **Modify Administrative Costs for Long Term Employment Support Services and Extended Employment Services.** Recommends increasing the administrative cost recovery cap for Long Term Employment Support Services (LTESS) and Extended Employment Services (EES) to support actual program management costs. The cost to administer these programs requires at least one position, which the current allocated percentage of 1.2 percent does not cover. This language change increases it to 1.6 percent to reflect the cost of administering these programs. This is a language-only adjustment and does not change overall appropriation for LTESS or EES.
- **Centers for Independent Living Budget Language.** Recommends updating the existing minimum general fund allocation for Centers for Independent Living (CILs) to reflect the actual amount of general fund appropriated to the agency as state support for CILs. This language-only action clarifies the proportion of general fund that is provided alongside nongeneral funds as part of existing state support levels and does not change the total amount of state support provided to CILs.
- **Remove Vetoed Funding for Brain Injury Workforce Retention and Community Services.** Recommends a technical adjustment to reduce the base budget appropriation by \$1.4 million GF each year to reflect the Governor's Veto of Paragraph N of Item 314, Chapter 725, 2025 Acts of Assembly, for brain injury workforce retention and community services.

- **Remove One-Time Funding for Social Isolation Pilot Program.** Proposes removing \$400,000 GF each year out of the base budget for the one-time social isolation pilot program. In Chapter 725, 2025 Acts of Assembly, \$400,000 GF the second year was provided to the County of Fairfax to support the Washington Area Villages Exchange for the creation of a pilot program to reduce the public health risk of social isolation among older Virginians by expanding the availability of Villages to additional sites.
- **Disability Determination Services Grant.** Proposes increasing the federal appropriation by \$9.8 million NGF each year to reflect increases to the Disability Determination Services grant provided by the Social Security Administration. The Social Security Disability Determination funding totals \$69.9 million NGF each year.

## – Department of Social Services

### *Forecasts*

- **Child Welfare Forecast.** Proposes \$2.8 million GF and \$3.5 million NGF savings the first year and \$2.9 million GF and \$1.4 million NGF savings the second year for the child welfare forecast based on recent expenditure trends shifting costs to the federal government and the impact of child welfare policy changes that increase federal support for foster care and adoptions.
- **Temporary Assistance for Needy Families (TANF) Benefits and Virginia Initiative for Education and Work Childcare.** Recommends \$992,889 GF savings each year and proposes \$1.3 million NGF each year to properly account for the anticipated cost of providing mandated TANF benefits, which includes cash assistance payments, employment services, and Virginia Initiative for Education and Work child care. This package also includes adjustments to the Unemployed Parents program, which is GF funded.

### *Child Welfare Reform*

- **Establish a Centralized Child Protective Services Intake System.** Proposes \$14.6 million GF the first year, \$18.1 million GF the second year, and 132.0 positions each year to fund and staff a centralized system to collect child abuse and neglect reports at the state level capable of receiving all reports of child abuse and neglect 24-hours-a-day, seven-days per week staffed with Virginia

Department of Social Services (VDSS) personnel. This system would assume responsibility for all 120 local departments of social services (LDSS). The centralized intake system would create standardized decision, enhance ability to triage, standardize data collection, monitor and evaluate all reports, and act as a single entry point for reporters of child abuse and neglect.

- In FY 2024, there were 94,728 reports of child abuse or neglect made in Virginia. Currently, reports of child abuse and neglect are received by LDSS, the VDSS State Hotline, and the Mandated Reporter Portal. Between May 2024 and April 2025, 59.0 percent of all child abuse and neglect reports were received by LDSS, 24.0 percent by the VDSS State Hotline, and 17.0 percent by the Mandated Reporter Portal.
- **Modify Child Protective Services Priority Response for Children Under the Age of Three.** Proposes \$212,046 GF each year to provide overtime funding for child protective services workers to respond to abuse and neglect complaints as a priority one category for children between the ages of two and three. Currently, child protective services workers must only respond to abuse and neglect complaints as a priority one category for children below the age of two.
- **Increase the Salary Minimum for Family Services Employees.** Recommends \$3.5 million GF and \$1.5 million NGF each year to provide an increase to the salary minimum for local family services employees. The current salary minimum is \$36,993 annually and would be increased to \$55,000 annually. Individuals employed in the Family Services Occupational Group are required to have a baccalaureate degree. LDSS' consistently report that recruiting and retaining Family Services Specialists positions are their biggest challenge in meeting the needs of Virginia's children, adults, and families with vacancy rates at 27.0 percent and turnover in Family Services Specialist I positions at 47.0 percent.
- **Enhance State Oversight Mechanisms.** Recommends \$656,842 GF, \$218,946 NGF, and 6.0 positions the first year and \$2.7 million GF, \$898,744 NGF, and 26.0 positions the second year to provide funding and staff to allow the agency head to issue corrective action plans for and proceed with state takeover of local departments of social services that underperform in providing social services

(child welfare, adult protective services, and administering public benefit programs) to their locality.

- **Supplemental Nutrition Assistance Program (SNAP) Funding in Response to H.R. 1.** Federal law, pursuant to H.R. 1 (P.L. Law 119-21) signed into law on July 4, 2025, altered the state share for SNAP benefits and administrative costs. Effective October 1, 2026, state's administrative cost share of the SNAP program will increase from 50.0 to 75.0 percent. Effective October 1, 2027, states must match from 0.0 to 15.0 percent of the benefits costs based on the state's payment error rate. Currently, benefits payments to households are 100.0 percent federally funded. For the 2026-2028 biennial budget, this new cost share will impact the last nine months of the biennium. Virginia's current error rate of 11.5 percent would result in a fiscal impact of about \$203.0 million GF in FY 2028 to cover the last nine months of the biennium. If the error rate is below 6.0 percent, then there is no cost share. The Governor's Introduced Budget did not include any funding associated with a benefits match and assumed the error rate would be below 6.0 percent. DSS has taken steps to decrease the error rate and submitted decision packages to support their effort.
- **Fund State SNAP Administrative Costs.** Proposes an increase of \$43.0 million GF the first year and \$57.4 million GF the second year and a decrease of \$43.0 million NGF the first year and \$57.4 million NGF the second year to fund the state share of a federal reduction in the SNAP administrative costs match rate. The change reduces the federal portion from 50.0 percent to 25.0 percent and increases the state share from 50.0 to 75.0 percent. This funding structure maintains a 15.5 percent local match rate on state-supported SNAP administration for local departments of social services.
- **Fund SNAP Quality Assurance (QA) Team.** Recommends \$1.1 million GF, \$520,865 NGF, and 14.0 positions the first year and \$1.3 million GF, \$416,692 NGF, and 14.0 positions the second year to create a SNAP quality assurance team charged with finding and correcting SNAP payment errors before they can affect the state's error rate. The SNAP QA Team would monitor and track the SNAP error rate by locality, conduct SNAP QA case reviews to identify case errors, and ensure that corrections are made prior to cases being sampled for review.

- **Increase SNAP Quality Control Reviewer Staff Salaries.** Proposes \$555,096 GF and \$252,316 NGF the first year and \$605,559 GF and \$201,853 NGF the second year to fund an increase in SNAP Quality Control (QC) staff salaries to be in line with the salaries of other comparable positions within the agency. QC salaries are an estimated 30.0 percent less than their VDSS counterparts with comparable responsibilities.

### ***Other***

- **Fund Centralized Printing, Postage, and Courier Services.** Recommends \$605,230 GF and \$605,230 NGF each year to fund increased costs related to postage rate increases and labor.
- **Adjust Funding for Relative Maintenance Payment (RMP) Program.** Proposes reducing the RMP program by \$6.0 million GF each year, which is currently funded in the base budget at \$12.2 million GF each year, due to lower spending than anticipated.
- **Increase Support for Youth for Tomorrow.** Proposes \$300,000 NGF each year from the TANF block grant to provide additional funding for Youth for Tomorrow (YFT). YFT provides comprehensive residential, education and counseling services to at-risk youth who have been sexually exploited, including victims of sex trafficking.
- **Supplant GF with TANF and Remove Outdated Pilot.** Supplants \$2.2 million GF with \$1.1 million TANF block grant funding each year for Early Impact and Child Advocacy Centers and removes TANF funding for the Two Family/Whole Generation pilot program.
- **Remove One-Time Funds for Electronic Identity Validation Efforts.** Recommends reducing \$25,000 GF and \$25,000 NGF each year from the base budget to remove one-time start-up costs.
- **Remove One-Time Funds for Enhanced Child Protective Services.** Recommends reducing by \$116,922 GF each year from the base budget one-time start-up costs.

- **Remove One-Time Funds for Enhanced Security of Electronic Benefit Cards.** Proposes reducing \$1.0 million GF each year from the base budget for one-time spending, leaving only funding for ongoing costs for recipient churn.
- **Remove One-Time Funding for Hanover County Master Plan.** Recommends removing \$150,000 GF each year from the base budget for one-time funding to Hanover County for the development and completion of the Health and Human Services Master Plan, which addressed the increasing need for long term planning and high-level human services policy setting in Hanover County and served as a resource to address human services needs for individuals in the community.
- **Remove One-Time Funding for Samaritan House.** Proposes removing \$200,000 GF each year from the base budget one-time funding provided in Chapter 725, 2025 Acts of Assembly, to the City of Virginia Beach to develop a multipurpose sports court for residents of the Hollow by Samaritan House.
- **Remove One-Time Funds to Modernize 2-1-1.** Recommends removing \$500,000 GF and \$500,000 NGF each year from the base budget one-time funding provided in Chapter 725, 2025 Acts of Assembly, to support one-time costs associated with modernizing the statewide 2-1-1 Information and Referral System.
- **Remove One-Time Funding for Supplemental Nutrition Assistance Program Overissuance Settlement Funding and Language.** Proposes removing \$1.3 million GF each year originally provided to meet the terms of the settlement agreement between the Department of Social Services and the federal Food and Nutrition Services for an overissuance of Supplemental Nutrition Assistance Program (SNAP) benefits that expires September 30, 2026, and proposes adding mandatory carryforward language to bring forward any unspent funding into the new biennium to be expended by the agreement end date.
- **Appropriate Funds for Local Staff and Operations.** Recommends \$8.2 million NGF each year to support the 2026 salary increases for state-supported local employees at local departments of social services.

| TANF Block Grant NGF Funding<br>SB 30, as introduced  |                      |                      |
|-------------------------------------------------------|----------------------|----------------------|
|                                                       | <u>FY 2027</u>       | <u>FY 2028</u>       |
| <b>TANF Resources</b>                                 |                      |                      |
| Annual TANF Block Grant Award                         | \$157,762,831        | \$157,762,831        |
| Carry-Forward from Prior Fiscal Year                  | <u>28,371,637</u>    | <u>21,122,560</u>    |
| <b>Total TANF Resources Available</b>                 | <b>\$186,134,468</b> | <b>\$178,885,391</b> |
| <b>TANF Mandated Services</b>                         |                      |                      |
| TANF Income Benefits                                  | \$13,239,085         | \$13,239,085         |
| 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                           | <u>71,258,772</u>    | <u>71,258,772</u>    |
| <b>Subtotal Mandated Services</b>                     | <b>\$97,156,890</b>  | <b>\$97,156,890</b>  |
| <b>TANF Programming</b>                               |                      |                      |
| Community Action Agencies (CAAs)                      | \$11,250,000         | \$11,250,000         |
| Healthy Families/Healthy Start                        | 9,035,501            | 9,035,501            |
| Child Advocacy Centers                                | 4,736,500            | 4,736,500            |
| Long-Acting Reversible Contraceptives                 | 4,000,000            | 4,000,000            |
| Local Domestic Violence Prevention Grants             | 3,846,792            | 3,846,792            |
| Federation of Virginia Food Banks                     | 3,000,000            | 3,000,000            |
| Comprehensive Health Investment Project (VDH)         | 2,400,000            | 2,400,000            |
| Boys and Girls Clubs                                  | 2,000,000            | 2,000,000            |
| Northern Virginia Family Services                     | 2,000,000            | 2,125,000            |
| Laurel Center                                         | 1,250,000            | 1,250,000            |
| Virginia Early Childhood Foundation                   | 1,250,000            | 1,250,000            |
| United Community                                      | 1,200,000            | 1,200,000            |
| Cornerstones                                          | 1,000,000            | 1,000,000            |
| Resource Mothers (VDH)                                | 1,000,000            | 1,000,000            |
| Earned Income Tax Credit (EITC) Grants                | 635,725              | 635,725              |
| Early Impact Virginia (Home Visiting)                 | 600,000              | 600,000              |
| Transit Passes                                        | 500,000              | 500,000              |
| Lighthouse Community Center                           | 500,000              | 500,000              |
| Visions of Truth STRIVE Program                       | 350,000              | 350,000              |
| FACETS                                                | 350,000              | 350,000              |
| Youth for Tomorrow                                    | 300,000              | 300,000              |
| Good Shepherd Housing and Family Services             | <u>200,000</u>       | <u>200,000</u>       |
| <b>Subtotal TANF Programming</b>                      | <b>\$52,029,518</b>  | <b>\$52,029,518</b>  |
| <b>Transfers to other Block Grants/Cost Avoidance</b> | <b>\$15,825,500</b>  | <b>\$15,825,500</b>  |
| <b>Total TANF Expenditures &amp; Transfers</b>        | <b>\$165,011,908</b> | <b>\$165,011,908</b> |

# Labor

| Governor's Proposed Adjustments to Labor<br>(\$ in millions) |               |                |               |                |
|--------------------------------------------------------------|---------------|----------------|---------------|----------------|
|                                                              | FY 2027       |                | FY 2028       |                |
|                                                              | <u>GF</u>     | <u>NGF</u>     | <u>GF</u>     | <u>NGF</u>     |
| <b>2026-28 Budget</b>                                        | <b>\$19.3</b> | <b>\$768.8</b> | <b>\$19.3</b> | <b>\$768.8</b> |
| Base Budget Adjustments                                      | <u>1.1</u>    | <u>6.6</u>     | <u>1.1</u>    | <u>6.6</u>     |
| <b>Adjusted Base Budget</b>                                  | <b>\$20.4</b> | <b>\$775.3</b> | <b>\$20.4</b> | <b>\$775.3</b> |
| Proposed Increases                                           | 0.4           | 8.0            | 0.4           | 8.0            |
| Proposed Decreases                                           | <u>0.0</u>    | <u>0.0</u>     | <u>0.0</u>    | <u>0.0</u>     |
| \$ Net Change                                                | \$0.4         | 8.0            | \$0.4         | 8.0            |
| <b>SB 30, as Introduced</b>                                  | <b>\$20.8</b> | <b>\$783.3</b> | <b>\$20.8</b> | <b>\$783.3</b> |

## – Department of Labor and Industry

- **Office of Whistleblower Protection Legal Services.** Recommends \$350,000 GF each year for 2.0 attorney positions to reduce the backlog of regulatory cases in the Division of Hearing and Legal Services.

## – Department of Professional and Occupational Regulation

- **Information Technology Fee.** Proposes language authorizing an annual information technology fee of \$7.25 per initial, renewal, or reinstatement licensure applicant to support replacement of obsolete software systems for the Department of Professional and Occupational Regulation. The fee is estimated to generate \$9.0 million NGF over four years.
- **Software Upgrade One-Time Funding.** Recommends removing \$4.0 million NGF each year in one-time funding for software upgrades.

## – **Department of Workforce Development and Advancement**

- **Line of Credit.** Proposes authorization for a line of credit of up to \$5.0 million to continue federally-supported operations when there is a significant delay in federal grant funding for programs administered by the Department. Significant delay is defined as at least one payroll cycle and may include federal budget shutdowns or other federal budget disruptions.
- **Maximum Employment Adjustment.** Recommends a reduction of 50.0 positions to be transferred to the Virginia Employment Commission to correct an error and accurately reflect the composition of both agencies.

## – **Virginia Employment Commission**

- **Maximum Employment Adjustment.** Proposes 50.0 positions to be transferred from the Department of Workforce Development and Advancement to correct an error and accurately reflect the composition of both agencies.
- **Increase Nongeneral Fund Appropriation.** Recommends \$8.0 million NGF in the first year and \$8.0 million NGF in the second year to better reflect anticipated revenue, expenditures, and balances.

# Natural and Historic Resources

| Governor's Proposed Adjustments to Natural and Historic Resources<br>(\$ in millions) |                |                |                |                |
|---------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                                       | FY 2027        |                | FY 2028        |                |
|                                                                                       | <u>GF</u>      | <u>NGF</u>     | <u>GF</u>      | <u>NGF</u>     |
| <b>2026-28 Budget</b>                                                                 | <b>\$237.6</b> | <b>\$409.8</b> | <b>\$237.6</b> | <b>\$409.8</b> |
| Base Budget Adjustments                                                               | <u>7.2</u>     | <u>6.7</u>     | <u>7.2</u>     | <u>6.7</u>     |
| <b>Adjusted Base Budget</b>                                                           | <b>\$244.8</b> | <b>\$416.5</b> | <b>\$244.8</b> | <b>\$416.5</b> |
| Proposed Increases                                                                    | 330.3          | 150.6          | 0.2            | 8.2            |
| Proposed Decreases                                                                    | <u>(27.0)</u>  | <u>(2.9)</u>   | <u>(35.0)</u>  | <u>(2.9)</u>   |
| \$ Net Change                                                                         | \$303.4        | \$147.7        | (\$34.7)       | \$5.2          |
| <b>SB 30, as Introduced</b>                                                           | <b>\$548.2</b> | <b>\$564.2</b> | <b>\$210.1</b> | <b>\$421.7</b> |

## – Department of Conservation and Recreation

- **Water Quality Improvement Fund and the Virginia Agricultural Cost-Share Program.** Proposes \$144.1 million GF and \$141.9 million NGF the first year for deposit to the Water Quality Improvement Fund (WQIF).
  - Includes a mandatory deposit of FY 2025 surplus funds of \$107.9 million GF, an additional \$36.2 million GF, and nongeneral fund support from the interest earnings on the Virginia Natural Resources Commitment Fund and the WQIF reserve.
  - Of the appropriated amount: \$6.0 million is for nonpoint source projects including direct pay initiatives for nutrient management and resource management plans as well as poultry litter transport; \$700,000 for maintenance of the Conservation Application Suite; and \$250,000 for the Commonwealth's match for participation in the Federal Conservation Reserve Enhancement Program. Funding is not included for several initiatives, such as the Virginia

Conservation Assistance and the Virginia Trees for Clean Water Programs, which were designated funding in prior biennia.

- No deposit is designated to the Virginia Water Quality Improvement Fund reserve created to support the Virginia Water Quality Improvement Act of 1997 (WQIA 1997) when year-end general fund surpluses are unavailable (Item 361 B. of the 2026 Governor's Introduced Budget).
- **Participation in a Cooperative Agreement with the United States Forest Service.** Proposes \$1.5 million NGF the first year, \$1.6 million NGF the second year, and 13.0 positions both years to fund personnel to perform trail maintenance, arborist services, and sign repair across Virginia's state park system and adjacent federal lands.
- **Dam Safety, Flood Prevention and Protection Assistance Fund.** Recommends deposit of an additional \$1.0 million GF the first year for grants to local governments and private dam owners for dams that are subject to state regulation which must meet certain design and construction criteria, maintenance standards, and public safety requirements.
- **Algal Bloom Remediation at Lake Anna.** Proposes \$750,000 GF the first year to support algal bloom remediation efforts.
- **Dam Safety Information System and the Virginia Flood Risk Information System.** Proposes \$250,000 NGF the first year to allow the agency to utilize its indirect recoveries appropriation and balances to fund upgrades to the Dam Safety Information System and the Virginia Flood Risk Information System.
- **Environmental Literacy.** Recommends removing \$500,000 GF each year to reflect the Governor's veto action in Chapter 725 of the 2025 Acts of Assembly. The veto removed an additional \$500,000 of ongoing GF support for competitive grants to provide Chesapeake Bay watershed educational experiences. The remaining funds total \$250,000 GF each year.
- **Water Quality Improvement Fund Reserve.** Proposes requiring the transfer of interest accrued in the Virginia Natural Resources Commitment Fund, that exceeds the amount provided for the five positions to administer the program, to

the reserve of the WQIF unless the balance in the reserve is at or above \$70.0 million in any year.

- **Reporting Requirements.** Recommends changing reporting requirements for the Virginia Soil and Water Conservation Districts by changing the budget and the Cost Share Program report from semi-annually (February 15 and August 15) to annually on August 15. Additionally, it recommends removing the reporting requirement for settlement agreements (that the Commonwealth entered into between July 1, 2017, and June 30, 2022) related to achieving an effective level of Soil and Water Conservation District technical assistance funding and the implementation of agricultural best management practices.
- **Cash Transfers.** Proposes authorizing the agency to transfer \$2.4 million from the State Park Acquisition and Development Fund to the Natural Area Preserve Fund. These funds were received through the sale of property originally intended to become a preserve.

## – Department of Environmental Quality

- **Hampton Roads Sanitation District Boat Harbor Treatment Plant Project.** Recommends \$140.6 million GF the first year to be deposited to the Water Quality Improvement Fund (WQIF) and directed to support the Hampton Roads Sanitation District Boat Harbor Treatment Plant project. Funding is intended to reimburse the district under the Enhanced Nutrient Removal Certainty program for the portion of the project for which local bonds have been issued. The proposed amendment includes language delineating additional WQIF application acceptance requirements.
- **Anticipated Stormwater Local Assistance Program Needs.** Proposes \$43.5 million GF the first year to support the Stormwater Local Assistance Fund (SLAF) Program for projects in localities with municipal separate storm sewer systems. The purpose of the SLAF is to provide matching grants to local governments for the planning, design, and implementation of stormwater best management practices and for nonpoint source nutrient credit purchases.

- **Ohio River Valley Water Sanitation Fee.** Proposes \$2,640 GF the first year and \$4,264 GF the second year for Ohio River Valley Water Sanitation Commission membership dues.
- **Air and Water Monitoring Needs.** Proposes removing \$2.0 million GF each year to adjust base equipment funding for alignment with ongoing needs and anticipated laboratory testing rate increases.
- **Richmond Combined Sewer Overflow.** Recommends removing \$25.0 million GF each year, originally authorized as one-time funding, provided to the City of Richmond to pay a portion of the costs of its combined sewer overflow control project.
- **Virginia Clean Water Revolving Loan Fund Match.** Recommends removing the addition of \$8.0 million GF the second year that was previously provided for the Department of Environmental Quality to meet a temporary increase in federal water protection funding. The full commitment is anticipated to be met in the first year, with the appropriation of \$8.0 million GF.

#### – **Department of Wildlife Resources**

- **Law Enforcement Dispatch Phone System.** Recommends \$413,652 NGF the first year to replace obsolete telephone systems in the agency's emergency communication center. The action requires a one-time increase in the Part 3 general fund transfer to the Game Protection Fund.

#### – **Department of Historic Resources**

- **Easement Program.** Proposes \$230,000 GF and 2.0 positions each year for additional easement program staff which will double the department's current capacity and address a growing backlog.
- **Cheroenhaka (Nottoway) Walkway.** Proposes \$160,000 GF the first year to Southampton County for a walkway project by the Cheroenhaka (Nottoway) tribe.

– **Marine Resources Commission**

- **Jamestown Channel Dredging.** Proposes \$600,000 NGF the first year from the Virginia Waterway Maintenance Fund to support the Jamestown channel dredging project at the Jamestown-Yorktown Foundation.

# Public Safety and Homeland Security

| Governor's Proposed Adjustments to Public Safety and Homeland Security<br>(\$ in millions) |                  |                |                  |                |
|--------------------------------------------------------------------------------------------|------------------|----------------|------------------|----------------|
|                                                                                            | FY 2027          |                | FY 2028          |                |
|                                                                                            | <u>GF</u>        | <u>NGF</u>     | <u>GF</u>        | <u>NGF</u>     |
| <b>2026-28 Budget</b>                                                                      | <b>\$2,646.4</b> | <b>\$472.4</b> | <b>\$2,646.4</b> | <b>\$472.4</b> |
| Base Budget Adjustments                                                                    | <u>93.2</u>      | <u>4.2</u>     | <u>93.2</u>      | <u>4.2</u>     |
| <b>Adjusted Base Budget</b>                                                                | <b>\$2,739.6</b> | <b>\$476.6</b> | <b>\$2,739.6</b> | <b>\$476.6</b> |
| Proposed Increases                                                                         | 92.8             | 35.6           | 103.0            | 0.8            |
| Proposed Decreases                                                                         | <u>(0.3)</u>     | <u>(0.1)</u>   | <u>(0.7)</u>     | <u>(0.1)</u>   |
| \$ Net Change                                                                              | \$92.6           | \$35.5         | \$102.4          | \$0.7          |
| <b>SB 30, as Introduced</b>                                                                | <b>\$2,832.2</b> | <b>\$512.2</b> | <b>\$2,842.0</b> | <b>\$477.3</b> |

## – Department of Corrections

- **Inmate Medical Costs.** Proposes \$28.9 million GF the first year and \$30.8 million GF the second year for increased inmate medical costs. According to the Department of Corrections' working papers, FY 2025 inmate medical costs were \$14.0 million (5.0 percent) over FY 2024 and \$26.5 million (9.8 percent) over the FY 2025 amount that was projected in fall 2025. The Department of Planning and Budget (DPB) estimates that inmate medical costs will continue to increase by \$4.0 million (1.3 percent) in FY 2026, \$4.0 million (1.3 percent) in FY 2027, and \$1.9 million (0.6 percent) in FY 2028, based on recent healthcare inflation, as measured by the consumer price index, and other changes such as increased demand for medication assisted treatment for opioid use disorder.
  - The most significant driver of the FY 2025 inmate medical cost overrun was personnel costs, which were approximately 17.0 percent higher than budgeted. In FY 2026, compared to FY 2025, DPB estimates an increase of

\$9.4 million (14.3 percent) in offsite specialty care, offset by a decrease of \$7.9 million (4.7 percent) in Department-managed care.

- SB 29 proposes \$24.9 million GF in FY 2026 to support increased inmate medical costs.
- **State Share for Jail Projects.** Recommends \$284,851 GF the first year for the 25.0 percent state share of two jail projects approved by the Board of Local and Regional Jails, including \$279,827 for an upgrade of the Piedmont Regional Jail and \$5,024 for renovation of the Roanoke County Jail.
- **Discontinue Correctional Officer Career Pipeline Program.** Proposes to remove \$250,000 GF each year for the Correctional Officer Career Pipeline Pilot. The funding was first provided in FY 2025 in Chapter 2, 2024 Special Session I, Acts of Assembly, to expand efforts to engage students in high school and the Virginia Community College System to pursue careers in corrections. The Program has not been fully implemented and the Department has spent \$27,581 to date, including approximately \$23,000 for a Talent Outreach Coordinator and approximately \$5,000 for booth and related costs.
- **Update Maximum Employment Level (Technical).** Recommends reducing the Department's maximum employment level by 452.75 positions to account for the FY 2025 facility changes, including the closures of four facilities (Augusta, Sussex II, Haynesville Field Unit, and Stafford Community Corrections Alternative Program) and assumption of the management of Lawrenceville Correctional Center. The position level assumes 422.25 positions at Lawrenceville, the amount needed with one housing unit closed for repairs.

## – Department of Criminal Justice Services

- **Civil Commitment Transportation Reimbursement Program.** Proposes \$2.0 million GF the first year to continue a one-time program to reimburse local law enforcement agencies for time spent transporting individuals under temporary detention orders or emergency custody orders. Prior appropriations to this program include \$5.1 million in FY 2024 in Chapter 1, 2023 Special Session I, and \$2.0 million in FY 2025 in Chapter 725.

- Language directs the Department to prioritize localities in Virginia State Police (VSP) divisions III, IV, VI, and localities whose agencies must travel far distances to transport individuals to a state facility. Language in Chapter 725 prioritized agencies traveling far distances but did not specify any VSP regions.
- **Drug Abuse Resistance Education (DARE) Program.** Recommends \$30,000 GF each year to the York-Poquoson Sheriff's Office for statewide administration of the DARE program, bringing the total to \$130,000 GF each year. This item was proposed by the Governor and adopted by the General Assembly in the 2025 General Assembly Session but ultimately vetoed by the Governor.
- **Completion of Pilot Program to Reduce Sex Trafficking of Youth.** Proposes to remove \$400,000 GF the second year to account for the completion of the two-year "Demand Reduction and Safe Harbor for Domestic Minor Sex Trafficked Youth" pilot program. The program was established by Chapter 556, 2023 Acts of Assembly, and first funded in FY 2025 in Chapter 2, 2024 Special Session I. The purpose of the pilot is to increase arrests of sex trafficking buyers, coordinate treatment for sex trafficking victims, and establish a protocol for youth victims.

## – Department of Emergency Management

- **Increase in Disaster-Related Funding to Address Potential Reductions in Federal Support.** Recommends \$5.0 million GF and \$35.0 million NGF the first year and \$7.0 million GF the second year to support the Department's emergency management capacity in order to react to any federal restructuring of disaster assistance and support to states. The \$35.0 million NGF is deposited from the Regional Greenhouse Gas Initiative Low-Income Energy Efficiency Fund (DHCD allocation) into the Cardinal Disaster Relief Fund, which is proposed in the introduced budget to support efforts to address life, safety, and disaster-related response costs not covered by federal support.
- **Emergency Communication in Rural Areas.** Proposes \$424,000 GF the first year and \$288,000 GF the second year for communications technology in rural areas. Language directs the Department to issue a request for proposals for a wireless service provider that utilizes satellites to enhance the resiliency of communications capabilities for first responders in rural areas. The amount is

estimated to be sufficient to cover 80 localities, with two communications units in each locality.

- **Vehicle Fleet Replacement.** Recommends \$114,883 GF the first year and \$189,124 GF the second year to support increased costs of vehicle replacement through the Master Equipment Leasing Program.
- **Disaster Logistics Warehouse Lease Increase.** Proposes \$121,148 GF each year for a reported 17.5 percent increase in the lease cost for the disaster logistics warehouse at Deepwater Terminal. The warehouse was established using federal funding from the Coronavirus Relief Fund and subsequently received a general fund appropriation of \$815,726 each year in Chapter 2, 2024 Special Session I, Acts of Assembly.
- **Inactive Disaster Relief Fund.** Removes \$100,000 NGF each year to eliminate the appropriation for the Disaster Relief Fund. The fund was initially established for monetary donations to support individuals during disasters but is no longer active.

## – Department of Fire Programs

- **State Fire Marshal Positions.** Recommends \$207,621 NGF the first year, \$232,692 NGF the second year, and 2.0 positions each year for two state fire marshal inspectors. The source of funding is the Fire Programs Fund, which is not currently authorized to cover fire marshal operations. The Code of Virginia provides that the Fire Programs Fund, which is funded by assessments against certain insurance companies, is primarily allocated to localities for specified uses to improve fire services.
  - Language directs the Department of Fire Programs, in cooperation with specified state entities, to conduct an assessment of fire inspection fees and submit a report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees and the Director of the Department of Planning and Budget no later than October 17, 2026, with a joint recommendation from the Virginia Fire Services Board and the Board of the Housing and Community Development on whether the fees should be adjusted based on the market cost and projected additional fee revenue. The proposed reporting requirement is identical to a report required by Chapter 725,

2025 Acts of Assembly, which was due on October 17, 2025, but has not been submitted to the General Assembly.

- Proposes an additional 2.0 NGF administrative support positions supported by the Fire Programs Fund.

## – **Department of Forensic Science**

- **Forensic Scientist Positions.** Proposes \$255,187 GF the first year, \$306,223 GF the second year, and 2.0 positions each year for two forensic scientist positions to address workload issues. The Department reports that the average case turnaround time for forensic biology cases in fall 2025 was 260 days, and the recently opened Central Laboratory provides space for these positions.

## – **Department of Juvenile Justice**

- **Central Admissions and Placements.** Proposes \$1.8 million GF each year to address reported increases in the cost of central admissions and placements.
- **Community Placement Programs.** Recommends \$942,065 GF each year to address reported increases in the cost of operating community placement programs.

## – **Department of State Police**

- **Fund Recent Increases in Personnel and Equipment Spending.** Proposes \$43.6 million GF the first year and \$52.2 million GF the second year for recent increases in personnel and equipment spending at the Department of State Police. The amount includes: (i) \$25.8 million GF the first year and \$34.4 million GF the second year for the ongoing salary and fringe costs for the officers in the 144<sup>th</sup>, 145<sup>th</sup>, and 146<sup>th</sup> Basic Trooper Schools; and (ii) \$17.8 million GF each year for vehicle and equipment costs for officers in the 146<sup>th</sup> Basic Trooper School.
- SB 29 proposes an additional \$41.0 million GF in FY 2026 to support the 144th and 145th Basic Trooper Schools and cover \$6.0 million in overtime costs.

- The Department increased the size of its trooper school classes without funding in its base budget to accommodate the increased class participation.
- **VITA Transformation.** Recommends \$9.3 million GF each year for phase two of the Virginia Information Technology Agency (VITA) Transformation. VITA Transformation began in 2021 and is the multi-year migration of select components of the Department's network to VITA's shared services model. According to the Department of Planning and Budget, the amount covers phase two project costs and operations and maintenance, after accounting for available carryover balances.
  - SB 29 proposes an additional \$9.3 million GF in FY 2026 to support VITA Transformation.
- **NGF Balances to Cover Operating Expenses (Language).** Directs the Department to use its excess nongeneral fund cash balances, excluding Federal Trust and Trust and Agency fund sources, to cover operational expenses in other program areas.

# Transportation

| Governor's Proposed Adjustments to Transportation<br>(\$ in millions) |               |                   |               |                   |
|-----------------------------------------------------------------------|---------------|-------------------|---------------|-------------------|
|                                                                       | FY 2027       |                   | FY 2028       |                   |
|                                                                       | <u>GF</u>     | <u>NGF</u>        | <u>GF</u>     | <u>NGF</u>        |
| <b>2026-28 Budget</b>                                                 | <b>\$25.5</b> | <b>\$11,000.2</b> | <b>\$25.5</b> | <b>\$11,000.2</b> |
| Base Budget Adjustments                                               | <u>0.1</u>    | <u>61.0</u>       | <u>0.1</u>    | <u>61.0</u>       |
| <b>Adjusted Base Budget</b>                                           | <b>\$25.6</b> | <b>\$11,061.3</b> | <b>\$25.6</b> | <b>\$11,061.3</b> |
| Proposed Increases                                                    | 35.0          | 1,555.6           | 0.0           | 301.7             |
| Proposed Decreases                                                    | <u>(0.1)</u>  | <u>(324.1)</u>    | <u>(0.1)</u>  | <u>(534.5)</u>    |
| \$ Net Change                                                         | \$34.9        | \$1,231.4         | (\$0.1)       | (\$232.8)         |
| <b>SB 30, as Introduced</b>                                           | <b>\$60.5</b> | <b>\$12,292.7</b> | <b>\$25.5</b> | <b>\$10,828.4</b> |

## – Virginia Commercial Space Flight Authority

- **Ground Lease.** Proposes transferring existing language related to the ground lease for the Assembly Integration and Testing Facility with Rocket Lab from the Virginia Port Authority to the Virginia Space Flight Authority.

## – Department of Aviation

- **Lease Agreement Cost.** Proposes \$9,894 NGF each year for the increased lease payments related to the fair market value of the leased property.

## – Department of Motor Vehicles

- **Federal Spending.** Proposes \$11.0 million NGF each year to support the agency's expenditure of federal highway safety and open container grant funds.
- **Washington Metropolitan Area Transit Commission Increase.** Proposes \$9,672 NGF each year to fund the increased payment for Virginia's share of the

Washington Metropolitan Area Transit Commission operations. This appropriation is required for Virginia to meet its obligations under the agreement with Washington, D.C. and Maryland for enforcement and operating authority laws for vans, taxis, and certain limousine businesses. This proposal would bring the total appropriation to \$426,028 NGF each year.

## – **Department of Rail and Public Transportation**

- **I-495 Toll Funding.** Recommends transferring \$2.3 million NGF each year from the I-495 toll concessionaire revenue collected by the Virginia Department of Transportation to the Department of Rail and Public Transportation. The transfer will enable DRPT to fund transit corridor projects, per an agreement dated June 2024.
- **Human Services Mobility Programs and State Safety Oversight.** Recommends modifying budget language that dedicates Commonwealth Mass Transit Funds for “paratransit” capital projects and enhanced transportation services for the elderly and disabled to instead be dedicated for human services mobility programs. The proposal modifies the amounts from the Commonwealth Mass Transit Fund designated for human services mobility programs and state safety oversight. Annual support for human services mobility programs would increase from \$1.5 million to \$2.0 million. This program provides funding for transportation providers for seniors and individuals with disabilities. The need for specialized transportation is increasing, particularly in more rural areas. Annual support for state safety oversight of fixed rail guideway transit agencies would be reduced from \$2.0 million to \$1.5 million. The proposal is based on a recommendation by the Joint Commission on Health Care.

## – **Department of Transportation**

- **Hampton Roads Bridge Tunnel (HRBT) Expansion.** Proposes \$29.8 million NGF the first year, \$30.9 million NGF the second year, and 24.0 positions each year to support maintenance and operations for the February 2027 opening of two new tunnels at the HRBT. Early on-boarding is necessary to train staff on the new infrastructure and establish operational readiness.

- **Public Policy Day Conference.** Recommends removing language directing the utilization of nongeneral funds for the Department to sponsor the annual Public Policy Day at the Washington, DC Auto Show. Previous language required \$50,000 NGF each year from the allocation for the Office of Intermodal Planning and Investment to sponsor the annual Public Policy Day (formerly Mobility Talks International).

## – **Virginia Port Authority**

- **Development of an Inland Port.** Recommends \$35.0 million GF the first year for design development and site improvements for an inland port at the Oak Park Center for Business and Industry in Washington County, Virginia. Prior to the allotment of funds, the Virginia Port Authority (VPA) will report to the Secretary of Finance and the Secretary of Transformation on the scope of proposed work and a schedule of estimated expenses. Following the Secretaries' verification of this information, the Director of the Department of Planning and Budget may allot funds in accordance with the proposed schedule. Any unexpended balance at the end of either fiscal year shall be carried forward and reappropriated to support the same purposes in subsequent fiscal years. The proposed language also requires VPA to report to the Governor and General Assembly on the timeline, progress to date, and overall cost for the development of the inland port.
- **Amended Lease Agreement.** Recommends \$6.5 million NGF the second year to reflect anticipated rent increases pursuant to escalation requirements in the lease agreement. The Virginia International Gateway (VIG) lease has escalation requirements that are cumulative and tied to the change in Consumer Price Index. In addition, on May 21, 2025, VPA entered into an agreement to amend the lease to ensure operational and investment control as well as set a fixed price option at the termination of the lease in 2065. This request is to increase appropriations to cover the expected VIG Lease payment amounts of \$133.4 million and \$139.1 million based on additional rent payments per the lease amendment as well as CPI escalations of 4.0 percent in FY 2027 and FY 2028. Additionally, the proposal updates budget language to reflect the date of the 2025 capital lease amendments.

- **Safety and Security of Terminals.** Proposes \$2.0 million NGF each year to support contractual increases and an increased focus on terminal security. The expansion of Norfolk International Terminal North as well as ancillary services at the Newport News Marine Terminal account for some of the increase in the cost of security contracts.
- **Physical Oceanographic Real-Time System Stations.** Proposes continuing language authorizing support for the non-federal sponsorship share of up to 12 National Oceanic and Atmospheric Administration (NOAA) Physical Oceanographic Real-Time System (PORTS) stations in the southern Chesapeake Bay. In Chapter 725, 2025 Acts of Assembly, \$325,000 NGF the first year of one-time funds were authorized to fund the non-federal sponsorship share of a maximum of twelve NOAA PORTS stations in the southern Chesapeake Bay. The proposed language recommends providing \$325,000 NGF each year. There is uncertainty of the U.S. Navy's continued funding for these stations, resulting in the Virginia Port Authority recommending to financially support the continued operation of the PORTS stations for safe navigation of vessels.

# Veterans and Defense Affairs

| Governor's Proposed Adjustments to Veterans and Defense Affairs<br>(\$ in millions) |               |                |               |                |
|-------------------------------------------------------------------------------------|---------------|----------------|---------------|----------------|
|                                                                                     | FY 2027       |                | FY 2028       |                |
|                                                                                     | <u>GF</u>     | <u>NGF</u>     | <u>GF</u>     | <u>NGF</u>     |
| <b>2026-28 Budget</b>                                                               | <b>\$57.4</b> | <b>\$182.1</b> | <b>\$57.4</b> | <b>\$182.1</b> |
| Base Budget Adjustments                                                             | <u>3.0</u>    | <u>4.5</u>     | <u>3.0</u>    | <u>4.5</u>     |
| <b>Adjusted Base Budget</b>                                                         | <b>\$60.4</b> | <b>\$186.5</b> | <b>\$60.4</b> | <b>\$186.5</b> |
| Proposed Increases                                                                  | 11.3          | 0.3            | 3.1           | 0.3            |
| Proposed Decreases                                                                  | <u>0.0</u>    | <u>(0.1)</u>   | <u>0.0</u>    | <u>(0.1)</u>   |
| \$ Net Change                                                                       | \$11.3        | \$0.2          | \$3.1         | \$0.2          |
| <b>SB 30, as Introduced</b>                                                         | <b>\$71.7</b> | <b>\$186.8</b> | <b>\$63.5</b> | <b>\$186.8</b> |

## – Secretary of Veterans and Defense Affairs

- **Virginia Military Community Infrastructure Program (VMCIP).** Recommends \$2.0 million GF the first year for additional VMCIP grants, which provide localities matching funds for federal grants related to infrastructure projects that enhance military readiness, installation resiliency, or quality of life in military communities, pursuant to Chapter 345 and 346, 2022 Acts of Assembly.
- **Encroachment (Language).** Updates budget language related to the use of dedicated special revenue to mitigate military base encroachment, expands funding eligibility to include Marine Base Quantico, and provides flexibility to the Secretary to allocate funding between the eligible bases (Naval Auxiliary Landing Field Fentress, Joint Base Langley Eustis, Naval Air Station Oceana, and Marine Corps Base Quantico).

## – Department of Veterans Services

- **Puller Veterans Care Center.** Recommends \$7.5 million GF the first year and \$1.6 million GF the second year to support start-up operations at Puller Veterans Care Center (VCC), which opened in December 2025. This funding supplements \$20.8 million GF previously provided for the two recently opened VCCs: Puller and Jones Cabacoy. The existing appropriation was designated as one-time support and the Department was directed to submit a business plan demonstrating how the veterans care centers would operate using solely nongeneral funds. The business plan submitted for Puller VCC projects it will be self-sustaining in FY 2028 once 95.0 percent of its beds are filled. The request for additional GF subsidies for Puller is driven partly by its delayed opening and the transfer of funding budgeted for Puller VCC to cover operating shortfalls at Jones Cabacoy VCC.
  - SB 29 proposes an additional \$1.8 million GF in FY 2026 for Puller VCC.
  - Proposed language directs the Department to operate the state's veterans care centers as a system and share nongeneral fund revenues between the centers.
- **Valor Farms.** Proposes \$300,000 GF each year for ongoing support to the National Center for Healthy Veterans at Valor Farms, which provides trauma recovery, life skills, and suicide prevention services to veterans through a residential program.
- **Virginia Values Veterans (V3).** Recommends \$100,000 GF the first year for the V3 program, bringing the total FY 2027 appropriation to \$200,000. The V3 program incentivizes small businesses to employ members transitioning out of military service by awarding a grant of \$1,000 for each hired veteran (up to \$10,000 annually per business). Between FY 2023 and FY 2026, the number of eligible applications exceeded the grant appropriation each year.
  - Proposes language that requires an annual report on the number of eligible individuals hired through events supported by the V3 program to gain more insight into the effectiveness of the program.

## – Department of Military Affairs

- **Payroll Shortfall.** Proposes \$500,000 GF each year to help address a payroll budget shortfall, resulting in part from personnel actions taken by the Department

over the past few years. According to the Department, the total annual payroll shortfall is \$1.6 million GF each year.

- Proposes to transfer an additional \$509,538 GF from the Department's Tuition Assistance program, which supports qualifying National Guard members enrolled in institutions of higher education. According to the Department, the funding covers two positions that previously supported program compliance but are currently vacant and no longer needed due to software and other program developments.
- Proposes language that directs the Department to develop a plan to ensure its expected funding and costs are balanced, which shall include identification of nonessential personnel and any other strategies but may not include reductions associated with the Commonwealth ChalleNGe Youth Academy program. The plan shall be submitted to the Secretaries of Finance and Veterans and Defense Affairs, the Director of the Department of Planning and Budget, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by July 15, 2026.
- **Fort Pickett Fire Department.** Recommends \$481,127 GF and 4.0 positions each year to support additional fire and emergency medical services personnel for the Fort Pickett Fire Department.
- **Security Service Contract.** Proposes \$250,000 GF each year to support security service contract cost increases that are not covered by the federal government at several military bases.
- **Cash Management System Completion.** Recommends \$200,000 GF the first year to support the remaining contract requirement for a replacement cash management system, supplementing funding provided in Chapter 2, 2024 Special Session I, Acts of Assembly.

# Central Appropriations

| Governor's Proposed Adjustments to Central Appropriations<br>(\$ in millions) |                |               |                |               |
|-------------------------------------------------------------------------------|----------------|---------------|----------------|---------------|
|                                                                               | FY 2027        |               | FY 2028        |               |
|                                                                               | <u>GF</u>      | <u>NGF</u>    | <u>GF</u>      | <u>NGF</u>    |
| <b>2026-28 Budget</b>                                                         | <b>\$498.7</b> | <b>\$53.4</b> | <b>\$498.7</b> | <b>\$53.4</b> |
| Base Budget Adjustments                                                       | (458.0)        | 0.0           | (458.0)        | 0.0           |
| <b>Adjusted Base Budget</b>                                                   | <b>\$40.7</b>  | <b>\$53.4</b> | <b>\$40.7</b>  | <b>\$53.4</b> |
| Proposed Increases                                                            | 268.1          | 6.0           | 464.9          | 6.0           |
| Proposed Decreases                                                            | (72.7)         | (0.9)         | (75.4)         | (0.9)         |
| \$ Net Change                                                                 | \$195.4        | \$5.1         | \$389.4        | \$5.1         |
| <b>SB 30, as Introduced</b>                                                   | <b>\$236.1</b> | <b>\$58.5</b> | <b>\$430.1</b> | <b>\$58.5</b> |

## – Central Appropriations Increases

- **Fund Salary Increases for State and State-Supported Local Employees.** Proposes \$126.7 million GF the first year and \$276.2 million GF the second year to fund salary increases of 2.0 percent for each year for both state employees and state-supported local employees. State employees would receive a 2.0 percent salary increase effective July 10, 2026, and an additional 2.0 percent salary increase effective June 10, 2027. State-supported local employees would receive a 2.0 percent salary increase on July 1, 2026, and an additional 2.0 percent salary increase on July 1, 2027.
- **Increase Funding for Agency Health Insurance Premium Costs.** Recommends \$99.4 million GF the first year and \$144.1 million GF the second year for the employer share of health insurance premiums for general fund-supported positions. First year premiums are projected to increase 13.0 percent and reflect plan design changes to limit the increase. The proposed changes include a new \$150 pharmacy deductible for COVA Care, a requirement for certain prescriptions

(such as Humira) to use available biosimilars, and a reduction in the cost paid for certain diabetic and weight loss medications based on a potential agreement between the state and specific pharmaceutical companies. The funding amount assumes the premiums for the state's self-insured plans will increase an additional 5.0 percent the second year. The rates for the state's two fully insured plans, Kaiser Permanente and Sentara Health, are funded at the estimated contractually determined rates.

- **Increase Funding for Agency Information Technology Costs.** Recommends \$14.6 million GF each year increased costs for information technology and telecommunications usage by state agencies. The funding reflects the latest utilization estimates provided by the Virginia Information Technologies Agency and proposed rates for 2027 and 2028.
- **Adjust Funding for Higher Education Credit Card Rebates and Interest Earnings.** Proposes \$12.4 million GF and \$6.0 million NGF each year to pay higher education credit card rebates and interest earnings to institutions of higher education that have met their performance requirements. The funding for credit card rebates and interest earnings is proposed at the FY 2025 actual levels.
- **Fund State Workers' Compensation Premiums.** Proposes \$4.6 million GF the first year and \$4.8 million GF the second year to fund state agency costs for workers' compensation premiums based on the latest actuarial report. The premiums include a scheduled payback of the working capital advance used to settle workers' compensation claims.
- **Increase Funding for Higher Line of Duty Act Premiums.** Recommends \$4.1 million GF each year to reflect the increase in Line of Duty Act premiums charged to agencies based on the latest employee enrollment data provided by the Virginia Retirement System and the new per eligible employee rate certified by the Board of Trustees.
- **Add Funding for Agencies for Division of Risk Management Premiums.** Proposes almost \$3.0 million GF the first year and \$3.4 million GF the second year to provide general fund support for state agencies to reflect changes to insurance premiums billed by the Division of Risk Management for property, automobile

liability, general liability, medical malpractice, and Constitutional Officers insurance programs.

- **Increase Funding for State Agency Rent Costs.** Recommends almost \$2.4 million GF each year and for state agency rent costs in facilities operated by the Department of General Services. This funding change reflects the latest agency square footage occupancy forecast, including movements of tenants leaving the James Monroe Building. The rent rate is assumed to remain at its existing FY 2026 level in FY 2027 and FY 2028.
- **Increase Funding for Cardinal Human Capital Management Charges.** Recommends \$620,338 GF the first year and \$1.5 million GF the second year for increases in the charges state agencies would have to pay to cover the costs of the Cardinal Human Capital Management system, which is used as the state's personnel system of record and to process payroll.
- **Increase Funding to Support Increases in the Minimum Wage.** Recommends \$392,803 GF the first year and \$1.4 million GF the second year to support state agency costs that would increase with the increases in the minimum wage scheduled for January 1, 2027, and January 1, 2028. The funding provided reflects a 3.84 percent annual increase in the Virginia minimum wage. Under current law, the minimum wage is established by the Commissioner of the Department of Labor and Industry by October 1st each year for the following calendar year.

## – Central Appropriations - Savings

- **Reflect Savings for State Employee Retirement Costs.** Proposes a reduction of \$46.7 million GF the first year and \$48.8 million GF the second year to reflect lower employer contribution rates for state employee retirement. The contribution rates for state employees drops from 12.52 percent to 11.07 percent of payroll. The funding reduction reflects the full defined benefit contribution rates certified by the Virginia Retirement System Board and based on June 30, 2025, Virginia Retirement System valuation for 2027 and 2028. The funding includes the estimated employer contributions for the hybrid retirement program's defined contribution component ranging from 1.0 percent to 3.5 percent based on member elections.

- **Reduce Funding for Other Post-Employment Benefit Programs.** Recommends a reduction of \$24.4 million GF the first year and \$25.4 million GF the second year for the lower employer contribution rates for other post-employment benefit programs for state and state-supported local employees. Funding is adjusted to reflect contribution rates certified by the Virginia Retirement System Board for the state employee sickness and disability, group life insurance, and retiree health insurance credit programs and the state-supported employee retiree health insurance credit program based on the June 30, 2025, Virginia Retirement System valuation for 2027 and 2028. The following are the rate changes:

| Program                                                         | FY 2027<br>Rates | FY 2028<br>Rates |
|-----------------------------------------------------------------|------------------|------------------|
| Retire Health Insurance Credit                                  | 1.12%            | 0.70%            |
| Group Life Insurance                                            | 1.18%            | 1.06%            |
| Virginia Sickness and Disability Program                        | 0.50%            | 0.42%            |
| Constitutional Officers Retiree Health Insurance Credit         | 0.36%            | 0.27%            |
| General Registrars Retiree Health Insurance Credit              | 0.32%            | 0.13%            |
| Local Social Services Employees Retiree Health Insurance Credit | 0.37%            | 0.20%            |

- **Reflect Savings in Cardinal Financials System Charges.** Proposes to capture savings of \$1.5 million GF the first year and \$1.2 million GF the second year from state agencies due to lower charges for the Cardinal Financials system that will be billed to agencies.
- **Adjust funding for changes in Performance Budgeting System charges.** Proposes to reduce \$93,637 GF each year to reflect lower general fund share charges of state agencies to cover the costs of the Performance Budgeting System, which is used by state agencies to request budget changes for both budget development and execution.
- **Adjust Virginia Tobacco Settlement Fund Appropriation.** Proposes to reduce \$915,060 NGF each year of the appropriation for the Virginia Tobacco Settlement Fund to reflect declining revenue from the Master Settlement Agreement with tobacco product manufacturers. The Virginia Foundation for Healthy Youth uses this funding.

## – Language

- **Modify Workforce Transition Act Language.** Makes technical changes to language pertaining to payment of Workforce Transition Act retirement benefits. Under existing law, agencies are not required to pay these benefits if the Director of the Department of Planning and Budget certifies that the action results from one of four specific criteria. These criteria include: budget reductions enacted in the Appropriation Act, budget reductions executed in response to the withholding of appropriations by the Governor pursuant to the Appropriation Act, reorganization or reform actions taken by state agencies to increase efficiency of operations or improve service delivery provided such actions have been previously approved by the Governor, or downsizing actions taken by state agencies as the result of the loss of federal or other grants, private donations, or other nongeneral fund revenue, and if the Director of the Department of Human Resource Management certifies that the action complies with personnel policy. This language adds a requirement that agencies demonstrate that no other funds are available to pay the benefit before receiving approval for the waiver.
- **Include Division of Risk Management in Internal service fund reviews.** Modifies existing language in Part 4 (General Provisions) to include the Division of Risk Management at the Department of the Treasury in the annual internal service fund review reporting process. This process requires any internal service fund that has an impact on agency expenditures to submit a report to the Department of Planning and Budget to include all information as required by the Department of Planning and Budget to conduct a thorough review of overhead surcharge rates, revenues, expenditures, full-time positions, and working capital reserves for each internal service fund.
- **FY 2026 Surplus Reservation.** Recommends language to reserve \$1.1 billion, or portion thereof, after reserving a Constitutionally-mandated deposit to the Revenue Stabilization Fund, and prior to calculating the Revenue Reserve Fund and the Water Quality Improvement Fund Part A deposits, in the Committed Fund Balance from excess FY 2026 general fund revenue for the purpose of supplanting tax-supported debt with general fund dollars. The proposed reservation would

supplant the entire amount of the tax-supported debt authorized for the 15 projects in the 2026 Capital Construction Pool in Item C-29.

# Independent Agencies

| Governor's Proposed Adjustments to Independent Agencies<br>(\$ in millions) |                |                  |                |                  |
|-----------------------------------------------------------------------------|----------------|------------------|----------------|------------------|
|                                                                             | FY 2027        |                  | FY 2028        |                  |
|                                                                             | <u>GF</u>      | <u>NGF</u>       | <u>GF</u>      | <u>NGF</u>       |
| <b>2026-28 Budget</b>                                                       | <b>\$31.3</b>  | <b>\$3,201.6</b> | <b>\$31.3</b>  | <b>\$3,201.6</b> |
| Base Budget Adjustments                                                     | <u>&lt;0.1</u> | <u>23.6</u>      | <u>&lt;0.1</u> | <u>23.6</u>      |
| <b>Adjusted Base Budget</b>                                                 | <b>\$31.3</b>  | <b>\$3,225.3</b> | <b>\$31.3</b>  | <b>\$3,225.3</b> |
| Proposed Increases                                                          | 0.2            | 176.1            | <0.1           | 185.3            |
| Proposed Decreases                                                          | <u>0.0</u>     | <u>0.0</u>       | <u>0.0</u>     | <u>0.0</u>       |
| \$ Net Change                                                               | \$0.2          | \$176.1          | <\$0.1         | \$185.3          |
| <b>SB 30, as Introduced</b>                                                 | <b>\$31.5</b>  | <b>\$3,401.4</b> | <b>\$31.3</b>  | <b>\$3,410.6</b> |

## – State Corporation Commission

- **Increase Funding and Staff for Information Technology Modernization.** Proposes \$5.0 million NGF the first year and \$4.6 million NGF the second year to fund 8.0 positions for ongoing operational costs on information technology modernization projects.
  - **Increase Appropriation for Increased Collections of Uninsured Motorist Fees.** Proposes \$3.4 million NGF each year to reflect the amount of fee revenue expected in the Uninsured Motorist Fund.
  - **Add Funding for Implementation of New Software Platforms.** Recommends \$2.2 million NGF the first year and \$2.1 million NGF the second year and 3.0 positions to support implementation costs of Microsoft Dynamics as part of the replacement of outdated software platforms.

- **Increase Staff Within the Bureau of Insurance.** Recommends \$817,478 NGF each year and 6.0 positions for the Bureau of Insurance.
- **Increase Funding for Federal Grants.** Proposes \$700,000 NGF each year to account for the increase in reimbursement by the Federal Department of Transportation for the gas and liquid pipeline safety grants.
- **Add Staff in Administration.** Proposes \$631,229 NGF each year and 5.0 positions to support converting 4.0 currently outsourced maintenance positions to in-house and also supports hiring one financial manager.
  - **Increase Funding and Staff for the Public Utility Regulation Division.** Recommends \$430,000 NGF the first year and \$392,000 NGF the second year and 3.0 positions to implement recently enacted legislation impacting the Public Utility Regulation Division.
- **Add Staff in the Health Benefit Exchange.** Proposes \$346,284 NGF each year and 3.0 positions to support three new Health Benefit Exchange personnel.
- **Increase Staff in the Bureau of Financial Institutions.** Recommends \$112,930 NGF each year and 1.0 position to fund another mortgage examiner at the Bureau of Financial Institutions.

## – Virginia Lottery

- **Address Increase in Operation Costs Related to the Sale of Lottery Products.** Proposes \$88.0 million NGF the first year and \$96.8 million NGF the second year to reflect the increase in operations costs directly related to the sale of lottery products.
- **Increase Appropriation for Casino Payments to Localities.** Recommends \$25.0 million NGF each year to distribute casino gaming tax revenues to localities on a quarterly basis.
- **Add Appropriation to Address Increase in Gaming Operation Costs.** Proposes \$11.5 million NGF each year for the Virginia Lottery to provide regulation and oversight of two additional casino locations expected to open in FY 2026.

## – Commonwealth Savers Plan

- **Fund Information Technology and Professional Services.** Proposes \$3.3 million NGF the first year and \$2.7 million NGF the second year for information technology improvements and additional professional services.
- **Fund Cybersecurity, Administrative, and Marketing Staff.** Recommends \$187,785 NGF the first year, \$832,133 NGF the second year and 10.0 positions to create and fund ten new cybersecurity, administrative, and marketing positions.
- **Direct Use of Commonwealth Savers Plan Excess Funding for Virginia Military Survivors and Dependents Program.** Proposes, through budget language, transferring \$75.0 million each year of the actuarial surplus from Defined Benefit 529 programs to the State Council of Higher Education to support the Virginia Military Survivors and Dependents financial aid program.
  - **Transfer Funding from the Prepaid 529 Program to the Tuition Track Portfolio.** Recommends that \$10.0 million NGF each year be transferred from the Prepaid 529 Program to the Tuition Track Portfolio (TTP). In 2021, TTP was launched as the successor to the legacy Prepaid529 program, which permanently closed for new enrollment as of May 1, 2019. This proposal moves funding from Prepaid529 to TTP to reflect an increase in benefits utilization as the new program matures.

## – Virginia Retirement System

- **Fund Asset Management Staff.** Proposes \$10.6 million NGF the first year and 3.0 positions and \$13.7 million NGF and 6.0 positions the second year to support new positions for the continued development and implementation of the agency's leverage investment strategy.
- **Fund Improvements to Business Systems and Service Delivery.** Recommends \$7.3 million NGF and 7.0 positions the first year and \$9.4 million NGF and 8.0 positions the second year to improve business and service delivery. This includes improving and enhancing the system of record, implementing a new Human Resources Information System, and migrating to a new Customer Relationship Management system.

- **Improve Organizational Infrastructure and Talent.** Proposes \$4.5 million NGF the first year, \$3.5 million NGF the second year, and 4.0 positions to improve internal operations, modernize procurement and facilities functions, and support long-term workforce investment with compensation and workspace improvements.
- **Fund Advance Strategic Investment Processes.** Recommends \$2.8 million NGF and 5.0 positions the first year and \$3.7 million NGF and 5.0 positions the second year to support financial management of trust fund assets.
- **Improve Data Quality and Information Security.** Proposes \$2.2 million NGF and 4.0 positions the first year and \$2.0 million NGF and 5.0 positions the second year for a data quality initiative and to strengthen information security through additional staffing, contractor support, and technology enhancements.
- **Fund Customer-Facing Operations.** Recommends \$1.2 million NGF the first year, \$1.3 million NGF the second year, and 7.0 positions to strengthen the agency's customer-facing operations.

## – **Opioid Abatement Authority**

- **Increase Appropriation to Account for Anticipated Awards and Increase Position Level.** Proposes \$5.9 million NGF the first year and \$1.8 million NGF the second year to account for anticipated awards from the Opioid Abatement Fund to various organizations and governments. In addition, the position level is increased by 1.0 position to reflect the Board's approval of a central region abatement resource coordinator.

# Capital Outlay

| Capital Outlay Funding<br>(\$ in millions) |                  |
|--------------------------------------------|------------------|
| Fund Type                                  | SB 30            |
| General Fund                               | \$890.0          |
| VPBA/VCBA Tax-Supported Bond               | 1,110.0          |
| 9(c) Revenue Bonds                         | -                |
| 9(d) Revenue Bonds                         | 123.6            |
| Nongeneral Fund Cash                       | <u>538.7</u>     |
| <b>Total</b>                               | <b>\$2,662.3</b> |

SB 30 proposes \$2.7 billion in total funds for the capital outlay program of the 2026-28 biennium. The proposal includes \$890.0 million in general fund cash, \$1.1 billion in tax-supported debt, \$123.6 million in 9(d) revenue bonds, and \$538.7 million in nongeneral fund cash. The capital outlay program includes \$200.0 million GF each year for maintenance reserve allocations to state agencies and higher education institutions.

| Capital Outlay Funding Categories<br>(\$ in millions) |                |                  |                |                |                  |
|-------------------------------------------------------|----------------|------------------|----------------|----------------|------------------|
| Major Category                                        | GF<br>Cash     | GF<br>Debt       | NGF<br>Cash    | NGF<br>Debt    | Total            |
| Acquisition                                           | \$0.0          | \$0.0            | \$23.2         | \$0.0          | \$23.2           |
| Construction/Renovation                               | 360.1          | 1,110.0          | 213.7          | 123.6          | 1,807.4          |
| Equipment                                             | 51.9           | -                | -              | -              | 51.9             |
| Improvements                                          | -              | -                | 263.9          | -              | 263.9            |
| Maintenance Reserve/Umbrella Projects                 | 476.5          | -                | 25.5           | -              | 502.0            |
| Planning                                              | <u>1.6</u>     | <u>0.0</u>       | <u>12.4</u>    | <u>0.0</u>     | <u>14.0</u>      |
| <b>Total</b>                                          | <b>\$890.0</b> | <b>\$1,110.0</b> | <b>\$538.7</b> | <b>\$123.6</b> | <b>\$2,662.3</b> |

\* May not sum due to rounding.

– **Central Capital**

- **Maintenance Reserve.** Includes \$200.0 million GF each year for maintenance reserve allocations to agencies and institutions of higher education to address maintenance needs in state-owned facilities. Language in Item 2-0 increases the allowable cost threshold for maintenance reserve projects by \$1.0 million, making the maximum \$5.0 million for roof replacements and \$3.0 million for all other projects. Language also allows the Department of Corrections to use maintenance reserve funds in conjunction with its existing Capital Infrastructure Fund umbrella project.
- **Capital Equipment Pool.** Proposes \$39.9 million GF for equipment purchases related to six previously authorized capital projects that are 18 months from substantial completion.

| Capital Equipment Pool Additions |                                                                |
|----------------------------------|----------------------------------------------------------------|
| Agency                           | Project                                                        |
| Science Museum of Virginia       | Construct Regional Science Center in Northern Virginia (18428) |
| Virginia State University (VSU)  | Construct Admissions Building (18521)                          |
| James Madison University         | Renovate Johnston Hall (18758)                                 |
| Old Dominion University          | Construct a New Biology Building (18473)                       |
| VSU Extension                    | Renovate Summerseat for Urban Agriculture Center (18545)       |

- **Workforce Development Projects Equipment.** Proposes \$12.0 million GF the first year to support capital investment associated with bolstering technology related education to address workforce needs. These equipment investments are part of the state’s Tech Talent Investment Program, a component of the Amazon HQ2 incentive package.
- **Central Planning Pool.** Proposes \$1.6 million GF, \$10.9 million from higher education operating funding, and \$1.5 million from the Central Capital Planning fund to support planning for five projects, totaling \$14.0 million for the pool.

| Planning Pool Additions        |                                                                   |                   |
|--------------------------------|-------------------------------------------------------------------|-------------------|
| Agency                         | Project                                                           | Stage             |
| Department of General Services | Construct New Pharmacy Office and Cold Storage                    | Detailed Planning |
| William and Mary               | Construct Sunken Garden Geothermal Field                          | Detailed Planning |
| Department of Juvenile Justice | Modernize utility systems at Bon Air Juvenile Correctional Center | Working Drawings  |
| William and Mary               | Renovate Sunken Garden District (HEO funding)                     | Detailed Planning |
| University of Virginia         | Construct Engineering Building (HEO funding)                      | Detailed Planning |

- 2026 Capital Construction Pool.** Proposes a total of \$1.3 billion with \$360.1 million GF, \$890.0 million tax-supported debt, \$48.8 million NGF, and \$37.3 million 9(d) revenue supported debt the first year and \$220.0 million tax-supported debt the second year to support a capital construction pool with 15 state agency and higher education projects. The tax-supported debt may be either issued as Virginia College Building Authority or Virginia Public Building Authority.

Eight of the proposed projects are higher education projects vetoed by the Governor in Chapter 725, 2025 Appropriation Act. This proposal restores all but two vetoed projects from the 2025 Higher Education Capital Pool: the University of Virginia's construction of the Center for the Arts and William and Mary's replacement of the Law School Utility Plant. William and Mary proceeded with nongeneral funds to replace the utility plant. The remaining seven projects are new projects that have been either through planning or are renovations or replacement projects.

| 2027 Capital Construction Pool                      |                                                                                                   |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Agency                                              | Project                                                                                           |
| Department of General Services                      | Commonwealth Courts Building (18537)                                                              |
| Institute for Advanced Learning and Research        | Expand Center for Manufacturing Advancement                                                       |
| James Madison University                            | Renovate Johnston Hall (18758)                                                                    |
| Longwood University                                 | Replace Roof, Windows, and External Doors at Lankford Hall                                        |
| Longwood University                                 | Improve Public Safety, External ADA Access, and Campus Infrastructure Efficiency                  |
| Old Dominion University                             | Construct Engineering and Arts Building (18741)                                                   |
| Virginia Commonwealth University                    | Acquire Altria Building                                                                           |
| Virginia Commonwealth University                    | Construct New School of Dentistry (18676)                                                         |
| Virginia Community College System                   | Renovate Amherst/Campbell Hall, Central Virginia (18343)                                          |
| Virginia Institute of Marine Science                | Construct Marine Operations Administration Complex (18746)                                        |
| Virginia Military Institute                         | Construct Center for Leadership and Ethics Facility, Phase II, and Parking Structure              |
| Virginia Polytechnic Institute and State University | Expand Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute (18682) |
| Virginia School for the Deaf and the Blind          | Upgrade Mass Communication System                                                                 |
| Virginia State University                           | Renovate Virginia Hall (18757)                                                                    |
| Department of Juvenile Justice                      | Replace emergency back-up generator at Bon Air Juvenile Correctional Center cottages              |

- **2020 State Agency Construction Pool - State Records Addition.** Includes language authorizing the use of balances for relocation costs for the Department of General Services' project to Construct Addition to Current State Records Center Building and Repurpose Workspace in Facility. The relocation includes the art collections and book trays.
- **2022 State Agency Construction Pool - State Police Area Headquarters.** Recommends changing the scope for two Virginia State Police projects originally authorized in the 2022 State Agency Construction Pool from construction to acquisition, renovation, or construction. The projects will provide offices in Area 5

in Fredericksburg and Area 11 in Manassas. State Police is to use existing project funding to analyze the most cost-effective option.

- **2025 State Agency Construction Pool - State Police Division Six Headquarters.** Includes language adjusting the scope of a Virginia State Police project to acquire Division Six headquarters to include improvements within the existing budgeted amounts for this project. Acquisition for this project was authorized in the 2025 State Agency Construction Pool.
- **Long-Term Leases Authorizations.** Authorizes long-term leases or financed purchase agreements for the Department of Corrections in Charlottesville, Chesterfield, and Petersburg.

## – Education

- **Christopher Newport University - Address Deferred Maintenance.** Proposes \$4.5 million GF the first year to address deferred maintenance needs of educational and general buildings at Christopher Newport.
- **George Mason University - Address Deferred Maintenance.** Recommends \$20.3 million GF the first year for an umbrella project to address deferred maintenance needs of educational and general buildings at George Mason. The Governor vetoed this amount in Chapter 725, 2025 Appropriation Act.
- **James Madison University - Blanket Property Authorization.** Authorizes \$3.0 million higher education operating funding for James Madison (JMU) to acquire certain adjacent or neighboring properties as they become available.
- **James Madison University - Renovate and Expand East Campus Dining Hall.** Proposes \$14.2 million higher education operating funding to renovate and expand the East Campus Dining Hall at JMU to meet expected demand for dining services on campus.
- **James Madison University Construct - New Parking Deck.** Recommends \$18.3 million higher education operating funding and \$20.0 million from 9(d) revenue supported debt to construct a new parking deck at JMU to alleviate existing parking shortages, support future campus growth, and improve overall campus accessibility and traffic flow.

- **James Madison University - Renovate and expand Festival Conference and Student Center.** Recommends \$28.8 million from 9(d) revenue supported debt to renovate and expand the Festival Conference and Student Center to allow the University to continue to modernize auxiliary facilities.
- **University of Mary Washington - Address Deferred Maintenance.** Proposes \$7.4 million GF for an umbrella project at the University of Mary Washington to address deferred maintenance needs of educational and general buildings (E&G).
- **Virginia Community College System - Blanket Authorization Project.** Recommends transferring \$12.5 million from the educational and general higher education operating balances at the Virginia Community College System (VCCS) to their previously authorized blanket renovation and infrastructure project. The project is used to make small improvements and upgrades to the E&G facilities at any community college campus.
- **Virginia Community College System - Improve Life Safety and Security Systemwide, Phase II.** Recommends \$7.5 million NGF for the previously approved umbrella project that improves life, safety, and security components across multiple VCCS campuses, including the installation of sprinklers, upgrades to fire alarm and monitoring systems, and elevator replacements. The nongeneral fund source is the E&G operating balances at VCCS.
- **Virginia Community College System - Repair or Replace Major Mechanical Systems, Phase II.** Proposes \$20.4 million NGF for the previously approved umbrella project that improves HVAC systems across multiple VCCS campuses and major improvements to existing mechanical, electrical, and plumbing systems, extending connections to central plant systems, and replacement of aged hydronic piping systems. The nongeneral fund source is the E&G operating balances at VCCS.
- **Virginia Community College System - Roofing and HVAC Replacement, Phase II.** Recommends \$6.2 million NGF for the previously approved umbrella project that replaces roofing, roof-mounted infrastructure, and HVAC systems across multiple VCCS campuses. The nongeneral fund source is the E&G operating balances at VCCS.

- **Virginia Tech Construct - New Business Building.** Recommends \$56.5 million NFG and \$37.5 million in 9(d) revenue supported debt to construct a new business building at Virginia Tech. The nongeneral fund sources include \$36.0 million from private donations and \$20.5 million from indirect cost recoveries.

## – Health and Human Resources

- **Department of Behavioral Health and Developmental Services - Transfer Property at Central State.** Proposes to convey, in Part 3, three acres on the Central State Hospital campus associated with the historic Civil War site of Fort Whitworth to the Petersburg Battlefield Foundation.
- **Department of Behavioral Health and Developmental Services - Renovate and Repair State Facilities.** Recommends \$33.0 million GF to address life safety and security renovations at Catawba Hospital.

## – Natural and Historic Resources

- **Department of Conservation and Recreation - Natural Area Preserve Acquisitions.** Includes \$10.2 million from federal grants to support anticipated acquisition of land for natural area preserves.
- **Department of Conservation and Recreation - Acquire and Establish Oak Hill State Park.** Includes language authorizing the Director, Department of Planning and Budget, to establish a capital and operating appropriation for the Department of Conservation and Recreation to acquire Oak Hill upon meeting specified conditions and the written approval of the Secretary of Finance and the Chairs of House Appropriations and Senate Finance and Appropriations Committees. To authorize acquisition and acceptance of Oak Hill, a comprehensive funding plan is required with \$52.0 million in NGF support for acquisition and subsequent development and operation of the park. Funding is to include \$22.0 million from Loudoun County, \$18.0 million in state and federal nongeneral funds, and \$12.0 million in private donations. The proposal requires a community foundation to hold and manage an endowment and enter a fiscal sponsorship agreement with a citizen support organization. Language also states that no general fund

appropriation will be provided to support capital or operating expenses for the state park.

- **Department of Wildlife Resources - Land Acquisition.** Recommends \$5.0 million from NGF and federal funds per year to support acquisition of land and property for conservation and public recreation projects.
- **Department of Wildlife Resources - Maintenance Reserve.** Proposes \$1.3 million from NGF per year for maintenance reserve activities at the Department of Wildlife Resources' facilities.
- **Department of Wildlife Resources - Repair and Upgrade Lake Shenandoah Dam.** Proposes \$6.4 million GF to support rebuilding Lake Shenandoah Dam to pre-failure levels, restoring functionality and appearance. Chapter 725, the 2025 Appropriation Act, provides \$3.0 million to address compliance with dam safety requirements.

## – Transportation

- **Department of Motor Vehicles - Maintenance Reserve.** Proposes \$10.4 million NGF the first year and \$3.9 million NGF the second year for necessary upgrades, renewal and restoration of the Department of Motor Vehicles' facilities.
- **Department of Transportation - Maintenance Reserve.** Recommends \$5.0 million NGF each year for maintenance reserve projects to the Department of Transportation's buildings and grounds.
- **Department of Transportation - Acquire, Design, Construct and Renovate Agency Facilities.** Proposes \$37.5 million NGF the first year and \$38.5 million NGF the second year to acquire, design, construct, and renovate facilities and land, including district facilities, residency offices, and area headquarters, to support the agency's capital needs.
- **Virginia Port Authority - Cargo Handling Facilities.** Recommends \$37.5 million the first year and \$50.0 million the second year from Port revenue and Commonwealth Transportation funding to continue efforts required to keep facilities operating at optimum efficiency especially during construction elsewhere on the terminals.

- **Virginia Port Authority - Empty Yard.** Includes \$60.6 million the first year and \$69.2 million the second year from Port revenue and Commonwealth Transportation funding to continue efforts required to keep facilities operating at optimum efficiency especially during construction elsewhere on the terminals.

## – **Veterans and Defense Affairs**

- **Department of Veterans Services - Maintenance at State Veterans Care Centers.** Proposes \$2.2 million GF to support maintenance reserve needs at state Veterans Care Centers.
- **Department of Military Affairs - Improve Readiness Centers.** Recommends \$2.8 million GF to supplement an existing umbrella project to fund improvements at the Bedford Readiness Center.

## – **Independent**

- **State Corporation Commission - Tyler Building Renovation.** Proposes language authorizing the State Corporation Commission may allocate its nongeneral fund balances to fund its capital project as initiated in Item C-79, Chapter 552, 2021 Acts of Assembly, Special Session I. Chapter 552 authorized \$21.6 million in Commission NGF revenue to renovate the Tyler Building to meet the needs of the Commission. Language also allows the fund balance allocations and scope of the capital project to be made as determined by the Commission.

# **SB 30 Appendices**

|                                                        |          |
|--------------------------------------------------------|----------|
| <b>Direct Aid for Public Education 2024-25 Summary</b> | <b>A</b> |
| <b>Direct Aid for Public Education 2027-26 Summary</b> | <b>B</b> |
| <b>Capital Outlay Actions</b>                          | <b>C</b> |
| <b>Summary of Detailed Actions in Budget</b>           | <b>D</b> |

# **SB 30**

# **APPENDIX A**

Direct Aid to Public Education  
2026-27 Summary

# SB 30, As Introduced: 2026-2028 Direct Aid to Public Education Estimated Distribution - FY 2027

| School Division     | Key Data Elements         |                       | Ch 725        | Rebenchmarking & Technical Updates |                       |                           |                 |                        |             |                          |                  |                 |           | Proposed Policy Changes   |                            | Estimated Distribution FY 2027 (SB 30) |
|---------------------|---------------------------|-----------------------|---------------|------------------------------------|-----------------------|---------------------------|-----------------|------------------------|-------------|--------------------------|------------------|-----------------|-----------|---------------------------|----------------------------|----------------------------------------|
|                     | 2026-2028 Composite Index | FY 2027 Projected ADM |               | Enrollment & Data Updates          | Local Composite Index | Nonpersonnel Cost Updates | Fringe Benefits | Federal Revenue Deduct | Salaries    | Targeted Student Support | Non-SOQ Programs | Early Childhood | Sales Tax | Governor's School Updates | 2% Compensation Supplement |                                        |
| ACCOMACK            | .3548                     | 4,279                 | \$51,552,946  | (\$1,602,718)                      | (\$372,407)           | \$2,359,941               | (\$224,673)     | (\$231,952)            | \$66,560    | (\$292,983)              | \$182,870        | (\$85,441)      | \$97,522  | \$0                       | \$550,146                  | \$51,999,811                           |
| ALBEMARLE           | .6429                     | 13,353                | 75,662,746    | (2,075,842)                        | 7,715,314             | 1,808,412                 | (467,260)       | 1,273,037              | (10,152)    | 478,874                  | 195,108          | 454,937         | 528,014   | 0                         | 884,264                    | 86,447,451                             |
| ALLEGHANY HIGHLANDS | .2849                     | 2,488                 | 33,797,994    | (1,984,656)                        | (416,305)             | 80,297                    | (153,869)       | (216,916)              | (116,749)   | (179,922)                | 293,254          | 31,120          | 18        | 0                         | 365,083                    | 31,499,351                             |
| AMELIA              | .3978                     | 1,461                 | 15,664,881    | (168,869)                          | (442,480)             | 282,750                   | (67,197)        | (326,892)              | (5,409)     | 6,816                    | 9,114            | 96,393          | 48,120    | 0                         | 165,841                    | 15,263,068                             |
| AMHERST             | .3128                     | 3,602                 | 41,989,823    | 197,757                            | (545,387)             | 408,622                   | (194,788)       | (272,457)              | (89,214)    | 343,136                  | 543,539          | (315,665)       | 30,638    | 0                         | 483,570                    | 42,579,574                             |
| APPOMATTOX          | .3043                     | 2,267                 | 25,672,720    | (940,234)                          | (714,552)             | 1,037,920                 | (127,221)       | 313,267                | 42,436      | 172,216                  | 615,156          | 177,948         | 42,623    | 0                         | 295,948                    | 26,588,227                             |
| ARLINGTON           | .8000                     | 26,674                | 121,993,551   | (3,523,690)                        | 7,331                 | 3,434,441                 | (604,225)       | 1,199,927              | (23,228)    | (404,817)                | 130,180          | 540,590         | 706,752   | 0                         | 1,118,374                  | 124,575,186                            |
| AUGUSTA             | .4040                     | 9,365                 | 92,406,284    | (1,042,564)                        | (1,944,823)           | 2,025,289                 | (444,300)       | 561,001                | (208,228)   | 1,090,337                | (350,149)        | 213,991         | 39,729    | 0                         | 1,055,588                  | 93,402,155                             |
| BATH                | .8000                     | 490                   | 2,714,723     | (46,618)                           | 0                     | 74,991                    | (9,652)         | 11,176                 | (5,151)     | 42,580                   | 7,009            | 68,149          | 7,365     | 0                         | 23,182                     | 2,887,754                              |
| BEDFORD             | .3132                     | 8,124                 | 84,347,442    | (1,081,243)                        | 7,551                 | 764,890                   | (459,270)       | 1,930,565              | (143,150)   | 539,526                  | 185,589          | (231,134)       | (3,909)   | 0                         | 1,006,625                  | 86,863,482                             |
| BLAND               | .2671                     | 738                   | 9,187,342     | (632,098)                          | 469,173               | (275,918)                 | (53,672)        | 247,443                | 18,155      | 134,150                  | 82,394           | 16,091          | 2,538     | 0                         | 110,675                    | 9,306,274                              |
| BOTETOURT           | .4192                     | 4,218                 | 37,995,658    | 1,157,340                          | (653,246)             | 778,309                   | (202,627)       | (342,231)              | (158,487)   | 507,704                  | 207,828          | (16,943)        | (25,758)  | 0                         | 471,362                    | 39,718,909                             |
| BRUNSWICK           | .4665                     | 1,392                 | 17,602,607    | 1,732,083                          | (694,617)             | (1,727,649)               | (54,379)        | (58,292)               | (64,786)    | 431,315                  | 24,473           | 47,263          | 700       | 0                         | 171,997                    | 17,410,716                             |
| BUCHANAN            | .2718                     | 2,122                 | 27,327,464    | 1,526,091                          | (533,800)             | 370,604                   | (128,985)       | (128,380)              | 25,739      | (280,430)                | 498,404          | 138,311         | 6,639     | 0                         | 332,806                    | 29,154,463                             |
| BUCKINGHAM          | .3569                     | 1,544                 | 19,657,884    | (545,369)                          | (491,499)             | 235,723                   | (79,866)        | (86,721)               | (27,298)    | 283,519                  | 71,728           | 134,458         | 34,355    | 0                         | 202,254                    | 19,389,167                             |
| CAMPBELL            | .3094                     | 7,139                 | 77,923,844    | (1,414,842)                        | (2,132,602)           | 3,317,654                 | (48,955)        | 1,304,150              | 1,318       | 603,069                  | 410,386          | 201,489         | 96,533    | 0                         | 901,237                    | 80,793,281                             |
| CAROLINE            | .3478                     | 4,192                 | 43,790,769    | (586,267)                          | 138,447               | 1,717,664                 | (234,713)       | (1,129,873)            | 197,543     | 269,980                  | 9,600            | 662,722         | 113,935   | 0                         | 510,047                    | 45,459,854                             |
| CARROLL             | .2964                     | 3,123                 | 38,371,084    | (1,475,461)                        | (730,095)             | 737,101                   | (180,977)       | (177,505)              | 5,700       | 599,351                  | (39,501)         | 260,418         | 9,423     | 0                         | 436,606                    | 37,816,145                             |
| CHARLES CITY        | .7206                     | 503                   | 4,199,767     | 332,607                            | (456,903)             | 85,233                    | 14,718          | (12,417)               | (11,857)    | 10,708                   | (11,215)         | (40,466)        | (15,541)  | 0                         | 36,702                     | 4,131,336                              |
| CHARLOTTE           | .2420                     | 1,524                 | 20,012,653    | (1,661,560)                        | 120,064               | 967,055                   | (105,228)       | (92,659)               | 58,865      | 276,284                  | 150,936          | 152,917         | 6,147     | 0                         | 232,113                    | 20,117,588                             |
| CHESTERFIELD        | .3564                     | 62,086                | 574,735,442   | 1,527,425                          | (44,072)              | 20,708,604                | (3,073,410)     | (2,251,191)            | (366,658)   | 3,577,778                | 1,042,278        | 2,247,494       | 992,437   | 0                         | 7,148,978                  | 606,245,105                            |
| CLARKE              | .5542                     | 1,799                 | 11,939,653    | 337,315                            | 1,026,325             | 142,808                   | (73,593)        | 17,217                 | (42,854)    | 83,315                   | 13,198           | (41,410)        | 46,217    | 0                         | 155,606                    | 13,603,795                             |
| CRAIG               | .3987                     | 459                   | 5,585,664     | 154,277                            | (253,883)             | 98,295                    | (23,273)        | (21,727)               | (4,238)     | 34,774                   | (5,071)          | 45,935          | (9,625)   | 0                         | 63,033                     | 5,664,161                              |
| CULPEPER            | .3616                     | 8,067                 | 82,049,141    | (1,919,440)                        | 17,564                | 3,191,268                 | (467,301)       | 1,247,426              | (27,118)    | 715,326                  | 810,570          | (270,478)       | 141,950   | 0                         | 1,005,413                  | 86,494,322                             |
| CUMBERLAND          | .3367                     | 1,132                 | 15,877,768    | (775,352)                          | (133,145)             | 194,678                   | (62,293)        | (64,230)               | (59,097)    | (95,509)                 | 51,448           | 345,469         | 32,222    | 0                         | 172,585                    | 15,484,544                             |
| DICKENSON           | .2289                     | 1,599                 | 21,633,699    | 220,580                            | (310,725)             | 649,195                   | (120,735)       | (103,068)              | (126,733)   | (142,305)                | 142,095          | (9,479)         | 725       | 0                         | 247,254                    | 22,080,503                             |
| DINWIDDIE           | .3186                     | 3,777                 | 45,811,023    | (1,729,098)                        | (1,235,086)           | 1,832,299                 | (210,806)       | (696,564)              | (43,025)    | 1,859,659                | 168,383          | 176,111         | 4,842     | 0                         | 507,336                    | 46,445,075                             |
| ESSEX               | .5294                     | 1,040                 | 10,454,937    | 745,864                            | (1,524,933)           | 41,125                    | (24,840)        | (46,921)               | (3,246)     | (184,867)                | 54,015           | (23,200)        | 23,510    | 0                         | 94,492                     | 9,605,935                              |
| FAIRFAX             | .6381                     | 166,701               | 1,077,647,238 | (17,915,854)                       | 44,163,479            | 24,558,529                | (6,694,904)     | 4,518,609              | (2,127,447) | 5,612,385                | (602,074)        | 2,880,274       | 3,180,231 | 0                         | 13,124,941                 | 1,148,345,407                          |
| FAUQUIER            | .5778                     | 10,319                | 73,655,279    | (2,141,453)                        | 3,088,790             | 1,980,457                 | (408,839)       | 36,271                 | (194,042)   | 84,598                   | (81,474)         | 257,033         | 281,699   | 0                         | 878,925                    | 77,437,245                             |
| FLOYD               | .4272                     | 1,591                 | 15,268,547    | 854,288                            | (470,935)             | 389,191                   | (70,384)        | 163,806                | 131,340     | 17,282                   | 35,919           | 93,541          | (4,333)   | 0                         | 183,621                    | 16,591,882                             |
| FLUVANNA            | .4180                     | 3,198                 | 30,747,401    | 1,139,755                          | (1,062,193)           | 688,097                   | (192,859)       | 160,045                | (175,838)   | 1,861,941                | 79,394           | 320,247         | 6,268     | 0                         | 443,924                    | 34,016,183                             |
| FRANKLIN            | .4829                     | 5,567                 | 50,068,541    | (718,037)                          | (1,742,565)           | 2,054,347                 | (227,762)       | (479,543)              | (3,010)     | 922,613                  | 116,106          | 155,906         | (2,928)   | 0                         | 543,759                    | 50,687,428                             |
| FREDERICK           | .4204                     | 14,156                | 129,736,790   | (2,738,870)                        | (942,544)             | 2,565,557                 | (718,032)       | (751,303)              | (19,749)    | 2,569,848                | 340,112          | 260,633         | 248,497   | 0                         | 1,529,578                  | 132,080,517                            |
| GILES               | .2184                     | 4,127                 | 37,982,949    | 6,451,622                          | (307,598)             | 2,738,730                 | (212,742)       | (747,676)              | 62,726      | 139,360                  | 10,259           | (143,598)       | 9,636     | 0                         | 578,335                    | 46,742,003                             |
| GLOUCESTER          | .4070                     | 4,454                 | 43,230,144    | (1,821,862)                        | (408,603)             | 812,032                   | (212,341)       | (59,702)               | (163,607)   | 321,798                  | 154,150          | 67,287          | (23,286)  | 0                         | 483,572                    | 42,379,582                             |
| GOOCHLAND           | .8000                     | 2,601                 | 11,398,691    | (145,926)                          | 683                   | 195,860                   | (42,591)        | 152,373                | (25,216)    | 4,896                    | 52,599           | 80,725          | 19,955    | 0                         | 94,840                     | 11,786,890                             |
| GRAYSON             | .3380                     | 1,442                 | 18,222,543    | 217,755                            | (426,011)             | 314,018                   | (83,586)        | (77,346)               | 12,220      | 22,244                   | (24,155)         | 51,411          | 5,709     | 0                         | 205,466                    | 18,440,269                             |
| GREENE              | .3703                     | 2,718                 | 28,605,736    | 168,148                            | (936,376)             | 514,715                   | (117,298)       | (756,146)              | (111,256)   | (161,140)                | 44,150           | 60,030          | 74,361    | 0                         | 319,090                    | 27,704,014                             |
| GREENSVILLE         | .3921                     | 900                   | 11,239,089    | (1,262,409)                        | (35,597)              | 362,921                   | (47,716)        | (52,901)               | 42,424      | 229,920                  | 368,180          | 98,788          | 15,159    | 0                         | 108,862                    | 11,057,719                             |
| HALIFAX             | .3177                     | 3,910                 | 50,123,286    | (2,309,038)                        | (1,014,329)           | 2,383,028                 | (204,187)       | (222,987)              | 19,720      | 589,016                  | (135,479)        | (67,167)        | (10,198)  | 0                         | 530,952                    | 49,682,617                             |
| HANOVER             | .5099                     | 15,817                | 120,499,778   | (1,181,038)                        | (3,860,002)           | 3,511,623                 | (589,901)       | 772,597                | (307,485)   | 675,419                  | 22,531           | 465,637         | 253,681   | 0                         | 1,394,568                  | 121,657,408                            |
| HENRICO             | .4334                     | 48,825                | 456,167,539   | (10,569,418)                       | (3,792,832)           | 8,675,871                 | (2,201,223)     | (8,574,994)            | (274,532)   | (219,196)                | 1,623,335        | 1,909,054       | 644,442   | 0                         | 5,030,953                  | 448,418,998                            |
| HENRY               | .2388                     | 6,237                 | 85,184,420    | (4,398,020)                        | (1,324,671)           | 3,597,265                 | (357,431)       | (978,720)              | 141,375     | 168,242                  | 185,733          | 232,822         | 15,270    | 0                         | 901,373                    | 83,367,657                             |
| HIGHLAND            | .7408                     | 211                   | 2,329,632     | 493,627                            | 45,782                | (25,588)                  | (1,892)         | (30,795)               | 37,961      | 6,309                    | 9,118            | 21,692          | 6,370     | 0                         | 19,735                     | 2,911,951                              |
| ISLE OF WIGHT       | .3808                     | 5,211                 | 48,230,625    | 567,447                            | (652,333)             | 829,266                   | (244,256)       | 730,498                | (169,975)   | 476,829                  | 181,536          | 19,087          | 41,765    | 0                         | 582,337                    | 50,692,826                             |
| JAMES CITY          | .5319                     | 9,894                 | 72,039,779    | (1,010,118)                        | 1,034,887             | 2,479,681                 | (372,628)       | 366,611                | (64,823)    | 149,493                  | 478,942          | 119,796         | 323,062   | 0                         | 856,173                    | 76,400,854                             |
| KING GEORGE         | .3641                     | 4,177                 | 40,026,454    | (2,717,631)                        | (40,182)              | 2,143,938                 | (240,009)       | (124,819)              | (59,029)    | 520,833                  | 38,451           | 313,319         | 123,108   | 0                         | 482,252                    | 40,466,685                             |
| KING QUEEN          | .4184                     | 490                   | 6,103,502     | 343,542                            | (167,458)             | 143,768                   | (28,340)        | (23,193)               | (73,160)    | (110,782)                | 67,387           | 45,723          | 22,639    | 0                         | 67,599                     | 6,391,228                              |
| KING WILLIAM        | .3273                     | 2,035                 | 21,321,883    | (259,590)                          | (348,207)             | 955,868                   | (107,500)       | (22,286)               | (71,649)    | (78,501)                 | 28,158           | 13,629          | 19,658    | 0                         | 266,224                    | 21,717,687                             |
| LANCASTER           | .8000                     | 899                   | 5,123,868     | (377,114)                          | (1)                   | 229,352                   | (18,905)        | (1,441)                | (6,893)     | 15,838                   | (26,560)         | 413             | 60,465    | 0                         | 35,756                     | 5,034,778                              |

# SB 30, As Introduced: 2026-2028 Direct Aid to Public Education Estimated Distribution - FY 2027

| School Division  | Key Data Elements         |                       | Ch 725      | Rebenchmarking & Technical Updates |                       |                           |                 |                        |             |                          |                  |                 |           | Proposed Policy Changes   |                            | Estimated Distribution FY 2027 (SB 30) |
|------------------|---------------------------|-----------------------|-------------|------------------------------------|-----------------------|---------------------------|-----------------|------------------------|-------------|--------------------------|------------------|-----------------|-----------|---------------------------|----------------------------|----------------------------------------|
|                  | 2026-2028 Composite Index | FY 2027 Projected ADM |             | Enrollment & Data Updates          | Local Composite Index | Nonpersonnel Cost Updates | Fringe Benefits | Federal Revenue Deduct | Salaries    | Targeted Student Support | Non-SOQ Programs | Early Childhood | Sales Tax | Governor's School Updates | 2% Compensation Supplement |                                        |
| LEE              | .1821                     | 2,638                 | 43,994,045  | (3,351,211)                        | (516,645)             | 1,419,604                 | (198,669)       | (193,379)              | (16,963)    | 41,058                   | 338,571          | 1,069,711       | (1,345)   | 0                         | 488,826                    | 43,073,604                             |
| LOUDOUN          | .5728                     | 79,189                | 567,721,854 | (4,575,559)                        | (20,264,262)          | 14,477,341                | (3,195,469)     | 1,055,735              | (1,703,260) | 97,410                   | 1,143,794        | 690,195         | 939,676   | 0                         | 6,593,249                  | 562,980,704                            |
| LOUISA           | .5222                     | 5,191                 | 41,508,544  | 121,381                            | (1,177,402)           | 1,603,472                 | (184,568)       | (1,022,561)            | 91,785      | 103,079                  | 69,980           | 125,219         | 185,205   | 0                         | 449,676                    | 41,873,809                             |
| LUNENBURG        | .2413                     | 1,461                 | 20,177,907  | (508,666)                          | 477,114               | 746,825                   | (94,085)        | (89,303)               | 29,434      | 44,835                   | (316)            | 100,631         | (7,307)   | 0                         | 235,709                    | 21,112,778                             |
| MADISON          | .4873                     | 1,481                 | 12,486,348  | 735,034                            | (245,060)             | 180,147                   | (59,436)        | 212,759                | (36,099)    | 87,389                   | (24,798)         | 5,373           | 47,127    | 0                         | 149,115                    | 13,537,900                             |
| MATHEWS          | .6637                     | 724                   | 5,879,980   | 552,156                            | (739,086)             | (6,433)                   | (17,602)        | 45,865                 | (36,682)    | 60,050                   | 71,895           | (46,483)        | (7,330)   | 0                         | 55,472                     | 5,811,803                              |
| MECKLENBURG      | .5018                     | 3,507                 | 36,011,501  | (958,258)                          | (5,743,380)           | 1,129,690                 | (134,505)       | (172,508)              | 60,838      | 471,378                  | 108,126          | 151,302         | 74,834    | 0                         | 322,681                    | 31,321,699                             |
| MIDDLESEX        | .6207                     | 1,099                 | 9,036,867   | (654,838)                          | 276,448               | 188,249                   | (41,043)        | (18,783)               | (35,333)    | 105,738                  | 53,975           | 233,030         | 70,102    | 0                         | 99,515                     | 9,313,927                              |
| MONTGOMERY       | .4054                     | 8,898                 | 82,576,569  | 60,091                             | (130,631)             | 1,331,617                 | (441,039)       | (98,110)               | (263,165)   | 521,337                  | 134,674          | 277,051         | 169,444   | 0                         | 999,082                    | 85,136,920                             |
| NELSON           | .7269                     | 1,362                 | 9,954,125   | (465,118)                          | (1,209,940)           | 275,362                   | (26,320)        | (35,358)               | (2,152)     | 113,432                  | 35,382           | 99,938          | 49,368    | 0                         | 77,450                     | 8,866,169                              |
| NEW KENT         | .4550                     | 3,625                 | 27,795,641  | 2,021,314                          | (657,609)             | 251,212                   | (148,522)       | (323,668)              | (5,765)     | 129,550                  | 243,335          | 51,420          | 104,636   | 0                         | 359,297                    | 29,820,841                             |
| NORTHAMPTON      | .5719                     | 1,201                 | 12,513,910  | 664,694                            | (890,359)             | (35,209)                  | (35,009)        | (43,924)               | (33,897)    | 133,450                  | 54,611           | (101,901)       | 10,345    | 0                         | 114,637                    | 12,351,349                             |
| NORTHUMBERLAND   | .7375                     | 1,085                 | 5,970,435   | 17,681                             | 468,602               | 92,804                    | (27,169)        | (19,990)               | (4,422)     | (17,296)                 | 15,394           | 7,153           | 9,779     | 0                         | 58,000                     | 6,570,971                              |
| NOTTOWAY         | .2820                     | 1,639                 | 20,761,756  | 480,790                            | (313,682)             | 702,762                   | (110,970)       | (93,942)               | 76,816      | 508,850                  | 122,947          | 92,007          | 4,077     | 0                         | 242,686                    | 22,474,096                             |
| ORANGE           | .4317                     | 4,582                 | 43,228,327  | (1,437,760)                        | 410,761               | 574,393                   | (232,249)       | (197,090)              | (39,791)    | 362,846                  | 689,684          | 417,737         | 176,475   | 0                         | 492,514                    | 44,445,848                             |
| PAGE             | .3610                     | 2,756                 | 28,932,312  | 1,323,289                          | (949,175)             | 661,489                   | (128,718)       | 190,876                | (20,881)    | 351,639                  | (130,492)        | 38,878          | 24,921    | 0                         | 340,485                    | 30,634,624                             |
| PATRICK          | .2715                     | 1,747                 | 25,545,532  | (3,128,966)                        | (716,256)             | 420,748                   | (116,356)       | 107,797                | (87,310)    | 224,777                  | (105,846)        | (45,512)        | 5,967     | 0                         | 253,302                    | 22,357,876                             |
| PITTSYLVANIA     | .2715                     | 7,069                 | 84,055,547  | (2,137,467)                        | (719,460)             | 2,056,943                 | (450,447)       | (1,375,889)            | 70,828      | 1,488,032                | 277,507          | 345,744         | (9,494)   | 0                         | 1,007,927                  | 84,609,771                             |
| POWHATAN         | .5061                     | 3,643                 | 30,313,538  | (611,210)                          | (1,528,893)           | 192,454                   | (134,884)       | (92,042)               | (179,030)   | (73,342)                 | 20,408           | (14,334)        | (116,949) | 0                         | 327,392                    | 28,103,107                             |
| PRINCE EDWARD    | .4022                     | 1,775                 | 18,523,874  | 222,755                            | (599,141)             | 602,287                   | (78,060)        | (83,312)               | 4,759       | 623,334                  | 190,919          | 387,675         | 49,481    | 0                         | 197,775                    | 20,042,347                             |
| PRINCE GEORGE    | .2286                     | 5,864                 | 66,053,731  | (1,607,672)                        | 268,087               | 1,949,738                 | (349,153)       | 139,667                | (29,106)    | 986,015                  | 836,710          | 56,277          | 6,277     | 0                         | 799,412                    | 69,109,982                             |
| PRINCE WILLIAM   | .3767                     | 85,992                | 886,808,337 | (145,651)                          | (16,158,386)          | 32,739,356                | (5,485,463)     | (988,059)              | (843,283)   | 9,300,403                | 1,291,505        | 3,474,776       | 658,773   | 0                         | 11,255,969                 | 921,908,277                            |
| PULASKI          | .3187                     | 3,928                 | 44,503,070  | (2,424,337)                        | 666,179               | 1,946,154                 | (228,648)       | (1,370,124)            | 384,724     | (166,615)                | 21,621           | (468,570)       | (6,024)   | 127,406                   | 498,689                    | 43,483,527                             |
| RAPPAHANNOCK     | .8000                     | 749                   | 3,725,826   | 23,132                             | 0                     | 39,145                    | (14,330)        | 74,127                 | (2,924)     | 86,412                   | 19,562           | (6,611)         | 73,383    | 0                         | 31,761                     | 4,049,482                              |
| RICHMOND         | .3251                     | 1,349                 | 14,522,875  | (550,062)                          | (271,407)             | 555,786                   | (71,761)        | 61,163                 | 28,787      | 292,186                  | 87,944           | 121,950         | 22,621    | 0                         | 167,061                    | 14,967,143                             |
| ROANOKE          | .3472                     | 12,924                | 121,352,007 | (1,275,825)                        | 2,636,052             | 2,968,936                 | (729,369)       | 572,628                | (294,339)   | 2,319,612                | 87,617           | 64,299          | 96,291    | 0                         | 1,553,688                  | 129,351,598                            |
| ROCKBRIDGE       | .4829                     | 2,135                 | 20,272,838  | (1,526,050)                        | 56,297                | 646,642                   | (96,413)        | 92,957                 | (25,995)    | 134,052                  | 36,123           | 217,650         | 4,434     | 0                         | 218,781                    | 20,031,315                             |
| ROCKINGHAM       | .3851                     | 11,268                | 99,084,931  | (1,171,898)                        | 7,028,989             | 3,519,101                 | (606,847)       | 1,578,187              | (26,454)    | 1,452,110                | (49,297)         | 203,834         | 243,001   | 0                         | 1,290,820                  | 112,546,477                            |
| RUSSELL          | .2388                     | 2,998                 | 37,883,036  | 399,909                            | (529,410)             | 824,858                   | (197,650)       | 441,204                | (44,341)    | 158,978                  | 350,139          | 24,807          | 18,841    | 0                         | 473,370                    | 39,803,742                             |
| SCOTT            | .1877                     | 4,035                 | 55,047,382  | 1,986,061                          | (32,795)              | (492,442)                 | (292,721)       | 770,854                | (249,275)   | (107,811)                | (88,076)         | 505,261         | (7,809)   | 0                         | 721,933                    | 57,760,563                             |
| SHENANDOAH       | .4042                     | 5,395                 | 52,834,034  | (1,257,038)                        | 1,535,146             | 1,623,985                 | (268,677)       | (280,123)              | (44,153)    | 792,201                  | (86,314)         | 173,248         | 63,197    | 0                         | 620,336                    | 55,705,842                             |
| SMYTH            | .2422                     | 3,478                 | 52,423,804  | (6,930,214)                        | (1,200,281)           | 1,574,995                 | (248,342)       | (237,492)              | 186,420     | 1,051,994                | 291,372          | 703,412         | 15,949    | 0                         | 535,138                    | 48,166,755                             |
| SOUTHAMPTON      | .3214                     | 2,184                 | 25,250,577  | 1,720,798                          | (732,562)             | 30,772                    | (105,633)       | 318,256                | (12,169)    | 37,983                   | (99,417)         | 543             | (8,867)   | 0                         | 291,478                    | 26,691,759                             |
| SPOTSYLVANIA     | .3783                     | 23,184                | 229,889,371 | 2,336,886                          | (2,498,957)           | 5,909,180                 | (1,219,760)     | 787,131                | (46,975)    | 1,177,251                | 1,126,557        | 764,439         | 408,956   | 0                         | 2,785,407                  | 241,419,485                            |
| STAFFORD         | .3263                     | 31,128                | 302,785,832 | 3,715,096                          | 1,962,032             | 9,602,828                 | (1,764,323)     | (113,611)              | (246,572)   | 4,967,147                | 1,393,779        | 1,924,405       | 364,474   | 0                         | 4,019,301                  | 328,610,389                            |
| SURRY            | .8000                     | 664                   | 3,808,206   | 76,838                             | 0                     | 54,541                    | (13,013)        | (9,703)                | (7,921)     | 82,495                   | 7,959            | 46,302          | 48,965    | 0                         | 32,820                     | 4,127,489                              |
| SUSSEX           | .3945                     | 1,036                 | 13,797,787  | 333,829                            | (1,050,217)           | 744,570                   | (43,825)        | (61,200)               | 90,030      | 434,786                  | 10,591           | 140,666         | (10,795)  | 0                         | 139,300                    | 14,525,522                             |
| TAZEWELL         | .2717                     | 4,769                 | 57,570,401  | 2,468,241                          | (1,626,096)           | 235,536                   | (250,617)       | (1,253,228)            | (93,717)    | 625,169                  | 243,376          | (648,149)       | (31,690)  | 0                         | 669,473                    | 57,908,699                             |
| WARREN           | .4482                     | 4,595                 | 42,385,330  | (676,543)                          | 215,940               | 838,928                   | (222,019)       | (20,965)               | (26,833)    | 549,512                  | 44,718           | 30,927          | 100,189   | 0                         | 481,414                    | 43,700,598                             |
| WASHINGTON       | .3681                     | 6,461                 | 75,271,218  | (6,623,453)                        | (2,061,529)           | 1,722,701                 | (341,398)       | (1,258,829)            | 14,122      | (141,208)                | 609,288          | 590,089         | 1,907     | 46,538                    | 825,054                    | 68,654,501                             |
| WESTMORELAND     | .5181                     | 1,512                 | 17,110,616  | 298,769                            | (317,882)             | 29,225                    | (57,538)        | (60,281)               | (45,774)    | (124,734)                | 702              | 80,570          | 65,900    | 0                         | 173,401                    | 17,152,974                             |
| WISE             | .1997                     | 5,160                 | 65,102,739  | (1,252,195)                        | 177,460               | 1,598,331                 | (415,775)       | (330,323)              | 76,442      | 672,476                  | 451,758          | 575,934         | 15,480    | 0                         | 773,824                    | 67,445,790                             |
| WYTHE            | .3349                     | 3,421                 | 38,446,085  | 570,212                            | (484,635)             | 312,706                   | (187,006)       | (1,331,956)            | (71,881)    | 309,027                  | 156,814          | (100,927)       | (738)     | 0                         | 441,806                    | 38,059,507                             |
| YORK             | .3518                     | 13,000                | 114,963,904 | (10,692,675)                       | 578,161               | 12,123,009                | (632,182)       | 244,892                | (459,343)   | 1,162,612                | (225,848)        | 442,750         | 156,982   | 0                         | 1,486,790                  | 119,149,053                            |
| ALEXANDRIA       | .8000                     | 15,294                | 77,222,070  | (3,128,869)                        | 4,325                 | 4,126,478                 | (378,919)       | (238,968)              | 221,539     | 332,395                  | (143,477)        | 1,178,116       | 196,485   | 0                         | 668,143                    | 80,059,318                             |
| BRISTOL          | .3321                     | 1,955                 | 27,480,749  | (445,925)                          | (1,127,060)           | 595,856                   | (104,422)       | (108,518)              | (5,597)     | 441,596                  | 355,553          | (36,926)        | 1,883     | 0                         | 279,176                    | 27,326,365                             |
| BUENA VISTA      | .2058                     | 814                   | 12,540,237  | (1,145,721)                        | (312,357)             | 481,585                   | (55,922)        | (53,797)               | (16,412)    | (102,685)                | 118,299          | (65,875)        | 7,157     | 0                         | 138,664                    | 11,533,172                             |
| CHARLOTTESVILLE  | .7666                     | 4,041                 | 24,354,211  | (468,104)                          | 187,219               | (84,951)                  | (86,692)        | (420,205)              | (6,862)     | 7,542                    | (51,217)         | 126,097         | 332,991   | 0                         | 174,735                    | 24,064,763                             |
| COLONIAL HEIGHTS | .3824                     | 2,889                 | 28,016,374  | (403,651)                          | 860,252               | 1,699,737                 | (154,091)       | 78,930                 | 145,154     | 727,596                  | 661,683          | 80,467          | 5,445     | 0                         | 345,675                    | 32,063,571                             |
| DANVILLE         | .2430                     | 5,001                 | 72,725,420  | (2,098,381)                        | (149,249)             | 873,925                   | (298,908)       | (347,041)              | 278,307     | 1,221,202                | 726,170          | (68,084)        | 100,324   | 0                         | 713,577                    | 73,677,263                             |
| FALLS CHURCH     | .8000                     | 2,595                 | 11,452,143  | (409,594)                          | 714                   | 24,978                    | (46,023)        | (16,039)               | (4,188)     | 75,328                   | 60,208           | 6,012           | 31,183    | 0                         | 105,205                    | 11,279,926                             |

# SB 30, As Introduced: 2026-2028 Direct Aid to Public Education Estimated Distribution - FY 2027

| School Division | Key Data Elements         |                       | Ch 725                  | Rebenchmarking & Technical Updates |                       |                           |                       |                        |                      |                          |                     |                     |                     | Proposed Policy Changes   |                            | Estimated Distribution FY 2027 (SB 30) |
|-----------------|---------------------------|-----------------------|-------------------------|------------------------------------|-----------------------|---------------------------|-----------------------|------------------------|----------------------|--------------------------|---------------------|---------------------|---------------------|---------------------------|----------------------------|----------------------------------------|
|                 | 2026-2028 Composite Index | FY 2027 Projected ADM |                         | Enrollment & Data Updates          | Local Composite Index | Nonpersonnel Cost Updates | Fringe Benefits       | Federal Revenue Deduct | Salaries             | Targeted Student Support | Non-SOQ Programs    | Early Childhood     | Sales Tax           | Governor's School Updates | 2% Compensation Supplement |                                        |
| FREDERICKSBURG  | .6033                     | 3,322                 | 25,751,892              | (78,025)                           | 669,308               | 772,579                   | (124,025)             | (99,628)               | (62,273)             | 514,679                  | 319,174             | 484,012             | 172,334             | 0                         | 279,308                    | 28,599,334                             |
| GALAX           | .2660                     | 1,297                 | 15,896,875              | (311,885)                          | 3,283                 | 528,764                   | (82,930)              | (80,008)               | 80,591               | 59,331                   | 89,252              | (12,964)            | 23,642              | 0                         | 187,074                    | 16,381,025                             |
| HAMPTON         | .2525                     | 18,432                | 207,154,723             | 4,417,310                          | 1,296,658             | 4,491,113                 | (985,208)             | (1,039,335)            | 269,885              | 863,805                  | 617,139             | (111,969)           | 121,345             | 0                         | 2,449,483                  | 219,544,949                            |
| HARRISONBURG    | .3031                     | 6,375                 | 71,176,747              | (2,691,987)                        | 2,766,017             | 3,243,288                 | (416,296)             | (627,008)              | 268,388              | 1,587,009                | (173,284)           | 349,669             | 168,939             | 0                         | 859,383                    | 76,510,866                             |
| HOPEWELL        | .2055                     | 3,419                 | 47,529,671              | (1,971,059)                        | (1,029,135)           | 2,821,947                 | (211,512)             | (250,878)              | 293,222              | 788,497                  | 501,553             | 1,135,018           | 3,387               | 0                         | 519,629                    | 50,130,339                             |
| LYNCHBURG       | .3974                     | 7,094                 | 77,997,496              | 1,060,393                          | (1,034,110)           | 2,827,568                 | (323,327)             | (349,958)              | 150,464              | 476,374                  | 905,452             | (384,071)           | 104,626             | 0                         | 826,184                    | 82,257,091                             |
| MARTINSVILLE    | .2162                     | 1,558                 | 22,748,339              | (573,145)                          | 177,742               | 753,253                   | (101,498)             | (112,228)              | 154,197              | 16,168                   | 14,666              | 188,314             | 11,643              | 0                         | 240,626                    | 23,518,077                             |
| NEWPORT NEWS    | .2826                     | 23,383                | 283,931,379             | (3,756,903)                        | (3,278,092)           | 10,364,277                | (1,306,043)           | (1,375,702)            | 644,095              | 2,943,294                | (450,527)           | 687,739             | 245,541             | 0                         | 3,109,360                  | 291,758,417                            |
| NORFOLK         | .3393                     | 24,181                | 279,840,514             | (2,681,949)                        | (6,208,084)           | 10,938,362                | (1,225,628)           | (1,359,205)            | 1,127,943            | 854,273                  | 1,382,321           | 1,413,822           | 855,684             | 0                         | 2,921,696                  | 287,859,749                            |
| NORTON          | .2702                     | 786                   | 9,957,342               | (207,614)                          | (351,930)             | 449,698                   | (53,936)              | (48,866)               | 55,862               | 30,111                   | 718,095             | 6,427               | 9,043               | 0                         | 122,908                    | 10,687,141                             |
| PETERSBURG      | .2152                     | 3,908                 | 57,357,241              | (4,460,860)                        | (501,445)             | 1,847,771                 | (188,497)             | (299,995)              | 549,445              | 479,594                  | (46,711)            | 578,431             | 26,120              | 0                         | 554,149                    | 55,895,242                             |
| PORTSMOUTH      | .2439                     | 11,538                | 152,927,912             | (4,123,006)                        | (1,185,392)           | 5,567,878                 | (653,949)             | (3,301,073)            | 419,889              | (580,563)                | 1,221,071           | (35,199)            | 73,277              | 0                         | 1,597,193                  | 151,928,038                            |
| RADFORD         | .1573                     | 2,853                 | 36,812,322              | (2,333,211)                        | 315,983               | (486,961)                 | (178,139)             | 142,857                | (633,824)            | 9                        | 126,500             | 136,376             | 10,325              | 0                         | 413,599                    | 34,325,837                             |
| RICHMOND CITY   | .5756                     | 20,318                | 187,370,413             | (563,696)                          | (526,735)             | 6,532,411                 | (742,040)             | (738,976)              | 397,163              | 1,622,516                | 336,767             | 3,667,586           | 985,852             | 0                         | 1,795,028                  | 200,136,289                            |
| ROANOKE CITY    | .3503                     | 12,340                | 160,126,906             | (7,471,204)                        | (2,446,153)           | 6,709,508                 | (625,025)             | (737,912)              | 941,175              | 128,548                  | 233,282             | 667,526             | 138,140             | 0                         | 1,610,476                  | 159,275,267                            |
| STAUNTON        | .3999                     | 2,577                 | 27,848,786              | 1,446,776                          | (738,560)             | 202,963                   | (110,459)             | (118,137)              | 73,722               | (119,886)                | 690,662             | 122,909             | 20,369              | 0                         | 285,400                    | 29,604,545                             |
| SUFFOLK         | .3639                     | 14,044                | 134,381,378             | 728,508                            | (2,463,832)           | 4,266,960                 | (670,458)             | (3,131,098)            | 163,264              | 876,527                  | 130,906             | 327,936             | 213,707             | 0                         | 1,574,658                  | 136,398,457                            |
| VIRGINIA BEACH  | .4172                     | 61,299                | 518,776,897             | (2,395,345)                        | (2,428,506)           | 13,882,654                | (2,720,329)           | 2,723,354              | (698,834)            | 4,832,919                | (869,579)           | (127,471)           | 374,959             | 0                         | 6,260,258                  | 537,610,976                            |
| WAYNESBORO      | .3809                     | 2,705                 | 29,711,870              | (409,305)                          | (705,744)             | 1,577,008                 | (143,140)             | 361,088                | 93,632               | 400,531                  | 512,567             | 51,791              | 40,110              | 0                         | 327,929                    | 31,818,336                             |
| WILLIAMSBURG    | .7264                     | 1,051                 | 8,353,393               | (952,323)                          | 244,043               | 285,966                   | (30,519)              | 25,840                 | (5,799)              | (83,773)                 | 64,995              | (35,637)            | 89,291              | 0                         | 55,327                     | 8,010,805                              |
| WINCHESTER      | .4121                     | 4,017                 | 42,180,674              | (2,019,467)                        | 178,907               | 2,052,711                 | (223,315)             | (505,589)              | 157,209              | (750,617)                | (16,263)            | 246,382             | 167,097             | 0                         | 466,364                    | 41,934,093                             |
| FAIRFAX CITY    | .8000                     | 2,824                 | 13,721,756              | (1,159,144)                        | 836                   | 394,249                   | (68,382)              | 48,869                 | (16,856)             | 95,315                   | (1,820)             | 99,619              | (18,314)            | 0                         | 123,240                    | 13,219,368                             |
| FRANKLIN CITY   | .2986                     | 980                   | 15,370,483              | (2,237,095)                        | (182,704)             | 429,196                   | (56,416)              | (70,319)               | 158,232              | 11,537                   | (120,328)           | 113,014             | 11,235              | 0                         | 135,546                    | 13,562,380                             |
| CHESAPEAKE CITY | .3209                     | 38,953                | 394,865,278             | (3,630,584)                        | 3,172,798             | 8,765,066                 | (2,132,250)           | (3,548,992)            | (857,838)            | 610,076                  | (2,312,161)         | 911,487             | 253,174             | 0                         | 4,830,405                  | 400,926,458                            |
| LEXINGTON       | .4196                     | 645                   | 5,644,639               | (475,810)                          | (159,132)             | 196,671                   | (30,543)              | 64,351                 | 8,452                | 967                      | 8,980               | (19,224)            | 8,808               | 0                         | 65,828                     | 5,313,987                              |
| EMPORIA         | .2534                     | 845                   | 12,288,683              | (944,682)                          | (284,232)             | 647,101                   | (56,523)              | (59,613)               | 60,749               | 228,530                  | 338,644             | 43,953              | (2,131)             | 0                         | 130,442                    | 12,390,921                             |
| SALEM           | .3503                     | 3,995                 | 35,080,896              | 2,963,662                          | 617,690               | 287,674                   | (188,485)             | 349,760                | 70,535               | 626,633                  | (64,169)            | (289,064)           | 13,115              | 0                         | 468,503                    | 39,936,750                             |
| POQUOSON        | .3806                     | 2,047                 | 17,824,356              | 459,985                            | (770,383)             | 527,256                   | (90,908)              | 73,486                 | (60,342)             | 65,143                   | 77,584              | 27,942              | 60,868              | 0                         | 224,650                    | 18,419,637                             |
| MANASSAS CITY   | .3285                     | 7,865                 | 85,135,799              | 5,945,419                          | 919,562               | 1,460,323                 | (510,166)             | 875,936                | 38,881               | 224,961                  | 64,522              | 324,951             | 90,001              | 0                         | 1,122,922                  | 95,693,111                             |
| MANASSAS PARK   | .2790                     | 2,947                 | 43,108,932              | (2,689,225)                        | (358,877)             | 679,801                   | (245,058)             | (108,538)              | (4,962)              | 113,903                  | (303,734)           | 84,895              | 75,191              | 0                         | 477,044                    | 40,829,372                             |
| COLONIAL BEACH  | .3805                     | 531                   | 6,727,092               | (816,101)                          | (105,103)             | 243,075                   | (27,792)              | (51,665)               | (3,143)              | (72,662)                 | 32,088              | (19,862)            | 8,413               | 0                         | 68,187                     | 5,982,526                              |
| WEST POINT      | .2524                     | 834                   | 8,232,101               | 515,732                            | (32,489)              | 222,183                   | (43,972)              | 74,099                 | 6,119                | 88,886                   | (1,986)             | (132,787)           | 8,518               | 0                         | 113,364                    | 9,049,768                              |
| <b>TOTAL:</b>   |                           | <b>1,187,485</b>      | <b>\$10,902,419,399</b> | <b>(\$127,854,571)</b>             | <b>(\$34,899,439)</b> | <b>\$316,604,386</b>      | <b>(\$57,038,044)</b> | <b>(\$23,020,205)</b>  | <b>(\$3,989,943)</b> | <b>\$75,544,038</b>      | <b>\$24,041,749</b> | <b>\$36,748,946</b> | <b>\$17,387,836</b> | <b>\$173,944</b>          | <b>\$127,205,106</b>       | <b>\$11,253,323,203</b>                |

# **SB 30**

# **APPENDIX B**

Direct Aid to Public Education  
2027-28 Summary

# SB 30, As Introduced: 2026-2028 Direct Aid to Public Education Estimated Distribution - FY 2028

| School Division     | Key Data Elements         |                       | Ch 725        | Rebenchmarking & Technical Updates |                       |                           |                 |                        |             |                          |                  |                 |           | Proposed Policy Changes   |                            | Estimated Distribution FY 2028 (SB 30) |
|---------------------|---------------------------|-----------------------|---------------|------------------------------------|-----------------------|---------------------------|-----------------|------------------------|-------------|--------------------------|------------------|-----------------|-----------|---------------------------|----------------------------|----------------------------------------|
|                     | 2026-2028 Composite Index | FY 2028 Projected ADM |               | Enrollment & Data Updates          | Local Composite Index | Nonpersonnel Cost Updates | Fringe Benefits | Federal Revenue Deduct | Salaries    | Targeted Student Support | Non-SOQ Programs | Early Childhood | Sales Tax | Governor's School Updates | 2% Compensation Supplement |                                        |
| ACCORMACK           | .3548                     | 4,192                 | \$51,552,946  | (\$2,514,276)                      | (\$368,612)           | \$2,444,628               | (\$224,698)     | (\$225,475)            | \$33,106    | (\$357,541)              | \$158,796        | (\$99,569)      | \$159,430 | \$0                       | \$1,088,628                | \$51,647,364                           |
| ALBEMARLE           | .6429                     | 13,303                | 75,662,746    | (2,305,049)                        | 7,730,916             | 1,825,913                 | (462,895)       | 1,270,315              | (1,014)     | 614,773                  | 234,893          | 454,937         | 903,711   | 0                         | 1,784,498                  | 87,713,743                             |
| ALLEGHANY HIGHLANDS | .2849                     | 2,437                 | 33,797,994    | (2,674,924)                        | (413,507)             | 202,544                   | (152,860)       | (215,585)              | (127,834)   | (174,427)                | 283,483          | 31,147          | 29,848    | 0                         | 722,464                    | 31,308,344                             |
| AMELIA              | .3978                     | 1,444                 | 15,664,881    | (317,153)                          | (441,630)             | 307,258                   | (67,045)        | (325,090)              | (5,922)     | 28,379                   | 4,899            | 96,393          | 76,020    | 0                         | 331,737                    | 15,352,728                             |
| AMHERST             | .3128                     | 3,563                 | 41,989,823    | (4,889)                            | (526,586)             | 334,056                   | (190,899)       | (260,857)              | (156,638)   | 366,777                  | 527,989          | (345,969)       | 79,893    | 0                         | 967,641                    | 42,780,342                             |
| APPOMATTOX          | .3043                     | 2,262                 | 25,672,720    | (1,017,298)                        | (719,860)             | 1,083,447                 | (130,034)       | 313,393                | 45,801      | 179,155                  | 617,984          | 177,948         | 70,973    | 0                         | 596,733                    | 26,890,962                             |
| ARLINGTON           | .8000                     | 26,520                | 121,993,551   | (4,198,242)                        | 7,167                 | 3,592,843                 | (610,470)       | 1,208,755              | 27,842      | (350,534)                | 128,565          | 581,281         | 1,579,337 | 0                         | 2,268,346                  | 126,228,440                            |
| AUGUSTA             | .4040                     | 9,269                 | 92,406,284    | (2,059,659)                        | (1,940,507)           | 2,268,585                 | (443,098)       | 553,069                | (224,318)   | 1,164,666                | (358,670)        | 207,608         | 193,580   | 0                         | 2,113,142                  | 93,880,683                             |
| BATH                | .8000                     | 496                   | 2,714,723     | (31,821)                           | 0                     | 80,991                    | (9,772)         | 11,049                 | (5,314)     | 43,124                   | 7,362            | 68,149          | 21,577    | 0                         | 47,358                     | 2,947,427                              |
| BEDFORD             | .3132                     | 7,950                 | 84,347,442    | (2,764,661)                        | 7,256                 | 892,496                   | (463,078)       | 1,908,364              | (163,034)   | 540,722                  | 164,332          | (238,583)       | 126,095   | 0                         | 1,990,226                  | 86,347,577                             |
| BLAND               | .2671                     | 729                   | 9,187,342     | (707,546)                          | 482,197               | (298,694)                 | (54,787)        | 252,285                | 31,586      | 136,420                  | 82,445           | 16,091          | 8,953     | 0                         | 221,821                    | 9,358,114                              |
| BOTETOURT           | .4192                     | 4,190                 | 37,995,658    | 874,891                            | (649,772)             | 850,602                   | (199,013)       | (340,728)              | (163,685)   | 526,985                  | 199,234          | (16,943)        | 43,380    | 0                         | 946,220                    | 40,066,829                             |
| BRUNSWICK           | .4665                     | 1,407                 | 17,602,607    | 1,706,211                          | (684,687)             | (1,506,485)               | (53,063)        | (56,539)               | (74,946)    | 413,502                  | 33,007           | 41,166          | 28,866    | 0                         | 350,936                    | 17,800,576                             |
| BUCHANAN            | .2718                     | 2,123                 | 27,327,464    | 1,505,907                          | (529,869)             | 370,369                   | (126,121)       | (125,441)              | 12,700      | (261,426)                | 498,217          | 130,239         | 29,820    | 0                         | 672,637                    | 29,504,495                             |
| BUCKINGHAM          | .3569                     | 1,496                 | 19,657,884    | (953,628)                          | (477,161)             | 132,464                   | (80,117)        | (83,002)               | (54,004)    | 300,879                  | 62,950           | 120,096         | 61,991    | 0                         | 396,107                    | 19,084,458                             |
| CAMPBELL            | .3094                     | 7,055                 | 77,923,844    | (2,244,143)                        | (2,124,217)           | 3,418,857                 | (400,420)       | 1,292,415              | (19,400)    | 654,682                  | 395,765          | 193,764         | 185,836   | 0                         | 1,801,586                  | 81,078,570                             |
| CAROLINE            | .3478                     | 4,172                 | 43,790,769    | (976,815)                          | 139,908               | 1,851,598                 | (230,018)       | (1,135,057)            | 218,996     | 315,591                  | 3,953            | 676,820         | 182,751   | 0                         | 1,026,437                  | 45,864,933                             |
| CARROLL             | .2964                     | 3,076                 | 38,371,084    | (2,054,965)                        | (723,455)             | 826,380                   | (174,220)       | (172,994)              | (17,187)    | 628,528                  | (45,593)         | 252,614         | 48,328    | 0                         | 870,283                    | 37,808,803                             |
| CHARLES CITY        | .7206                     | 509                   | 4,199,767     | 343,137                            | (454,792)             | 100,846                   | 14,549          | (12,355)               | (12,815)    | 21,570                   | (11,075)         | (45,889)        | 1,492     | 0                         | 75,029                     | 4,219,465                              |
| CHARLOTTE           | .2420                     | 1,484                 | 20,012,653    | (2,259,486)                        | 120,093               | 1,081,621                 | (106,679)       | (91,234)               | 56,978      | 275,997                  | 140,920          | 161,084         | 21,514    | 0                         | 456,780                    | 19,870,241                             |
| CHESTERFIELD        | .3564                     | 62,049                | 574,735,442   | 380,334                            | (46,119)              | 21,222,259                | (3,165,579)     | (2,256,544)            | (172,718)   | 4,579,213                | 1,156,845        | 2,276,832       | 1,849,768 | 0                         | 14,452,072                 | 615,011,804                            |
| CLARKE              | .5542                     | 1,798                 | 11,939,653    | 308,216                            | 1,026,687             | 169,080                   | (73,616)        | 16,473                 | (41,206)    | 86,821                   | 12,447           | (41,410)        | 91,257    | 0                         | 314,340                    | 13,808,741                             |
| CRAIG               | .3987                     | 461                   | 5,585,664     | 113,161                            | (254,623)             | 155,273                   | (23,700)        | (21,473)               | (3,959)     | 26,347                   | (4,527)          | 52,845          | (978)     | 0                         | 127,691                    | 5,751,720                              |
| CULPEPER            | .3616                     | 8,030                 | 82,049,141    | (2,391,930)                        | 17,391                | 3,337,492                 | (474,628)       | 1,245,628              | (24,791)    | 922,919                  | 810,483          | (263,431)       | 270,660   | 0                         | 2,028,756                  | 87,527,690                             |
| CUMBERLAND          | .3367                     | 1,126                 | 15,877,768    | (891,257)                          | (133,473)             | 243,577                   | (63,431)        | (63,393)               | (57,972)    | (94,912)                 | 49,631           | 345,699         | 49,530    | 0                         | 347,082                    | 15,608,848                             |
| DICKENSON           | .2289                     | 1,576                 | 21,633,699    | 41,512                             | (301,800)             | 576,610                   | (118,648)       | (98,782)               | (147,674)   | (138,485)                | 130,240          | (26,492)        | 16,449    | 0                         | 492,407                    | 22,059,035                             |
| DINWIDDIE           | .3186                     | 3,692                 | 45,811,023    | (2,582,663)                        | (1,223,070)           | 1,788,566                 | (207,763)       | (689,411)              | (55,616)    | 1,880,277                | 152,137          | 168,495         | 52,266    | 0                         | 1,003,436                  | 46,097,678                             |
| ESSEX               | .5294                     | 1,030                 | 10,454,937    | 631,919                            | (1,499,670)           | 63,210                    | (24,476)        | (45,535)               | (9,762)     | (174,575)                | 49,251           | (29,503)        | 48,725    | 0                         | 189,203                    | 9,653,724                              |
| FAIRFAX             | .6381                     | 165,418               | 1,077,647,238 | (26,790,253)                       | 44,167,456            | 26,807,437                | (6,758,081)     | 4,517,266              | (2,082,896) | 4,643,264                | (562,593)        | 2,881,653       | 7,461,657 | 0                         | 26,289,968                 | 1,158,222,116                          |
| FAUQUIER            | .5778                     | 10,243                | 73,655,279    | (2,818,507)                        | 3,147,736             | 2,094,379                 | (419,969)       | 32,195                 | (139,506)   | 165,844                  | (88,470)         | 279,284         | 544,416   | 0                         | 1,765,252                  | 78,217,933                             |
| FLOYD               | .4272                     | 1,584                 | 15,268,547    | 776,146                            | (467,064)             | 423,062                   | (69,809)        | 161,278                | 126,579     | 17,907                   | 33,449           | 93,541          | 27,195    | 0                         | 369,674                    | 16,760,505                             |
| FLUVANNA            | .4180                     | 3,186                 | 30,747,401    | 1,061,141                          | (1,059,403)           | 671,236                   | (190,126)       | 159,377                | (179,709)   | 1,881,896                | 104,896          | 381,409         | 65,119    | 0                         | 897,558                    | 34,540,794                             |
| FRANKLIN            | .4829                     | 5,442                 | 50,068,541    | (1,783,606)                        | (1,717,205)           | 2,171,542                 | (224,655)       | (469,766)              | (19,750)    | 922,539                  | 102,346          | 138,323         | 120,804   | 0                         | 1,074,282                  | 50,383,395                             |
| FREDERICK           | .4204                     | 14,211                | 129,736,790   | (2,794,501)                        | (958,571)             | 3,029,946                 | (718,420)       | (762,428)              | 75,319      | 3,026,344                | 382,094          | 299,381         | 488,227   | 0                         | 3,113,604                  | 134,917,786                            |
| GILES               | .2184                     | 4,263                 | 37,982,949    | 7,420,104                          | (309,587)             | 3,143,197                 | (217,417)       | (749,722)              | 83,623      | 348,100                  | 22,784           | (143,598)       | 28,403    | 0                         | 1,205,167                  | 48,814,003                             |
| GLOUCESTER          | .4070                     | 4,361                 | 43,230,144    | (2,664,026)                        | (407,883)             | 909,828                   | (211,625)       | (59,577)               | (165,045)   | 330,254                  | 140,505          | 67,287          | 58,265    | 0                         | 957,017                    | 42,185,144                             |
| GOOCHLAND           | .8000                     | 2,607                 | 11,398,691    | (159,823)                          | 663                   | 219,686                   | (41,728)        | 152,044                | (24,393)    | 24,842                   | 56,270           | 80,725          | 112,046   | 0                         | 192,333                    | 12,011,357                             |
| GRAYSON             | .3380                     | 1,422                 | 18,222,543    | 18,460                             | (421,981)             | 314,597                   | (81,544)        | (75,417)               | 2,829       | 26,077                   | (30,679)         | 44,032          | 28,072    | 0                         | 409,394                    | 18,456,382                             |
| GREENE              | .3703                     | 2,709                 | 28,605,736    | 61,805                             | (921,236)             | 555,240                   | (115,580)       | (740,718)              | (128,710)   | (135,552)                | 42,003           | 52,884          | 121,994   | 0                         | 643,731                    | 28,041,598                             |
| GREENSVILLE         | .3921                     | 888                   | 11,239,089    | (1,345,265)                        | (34,557)              | 341,673                   | (46,404)        | (50,595)               | 24,270      | 233,817                  | 353,762          | 76,551          | 32,710    | 0                         | 216,985                    | 11,042,036                             |
| HALIFAX             | .3177                     | 3,830                 | 50,123,286    | (3,205,486)                        | (1,003,177)           | 2,463,469                 | (208,134)       | (217,079)              | (8,398)     | 609,208                  | (145,350)        | (82,325)        | 44,570    | 0                         | 1,051,699                  | 49,422,283                             |
| HANOVER             | .5099                     | 15,613                | 120,499,778   | (2,544,658)                        | (3,851,883)           | 3,642,546                 | (597,057)       | 770,996                | (319,296)   | 717,619                  | 15,322           | 460,099         | 584,066   | 0                         | 2,782,495                  | 122,160,027                            |
| HENRICO             | .4334                     | 48,688                | 456,167,539   | (14,023,337)                       | (3,814,732)           | 10,911,398                | (2,239,264)     | (8,616,755)            | (170,450)   | 800,369                  | 2,148,968        | 1,958,746       | 1,463,094 | 0                         | 10,115,426                 | 454,701,002                            |
| HENRY               | .2388                     | 6,127                 | 85,184,420    | (5,762,729)                        | (1,315,685)           | 3,730,152                 | (354,654)       | (964,611)              | 108,992     | 221,686                  | 155,469          | 216,194         | 74,852    | 0                         | 1,792,485                  | 83,086,570                             |
| HIGHLAND            | .7408                     | 218                   | 2,329,632     | 592,613                            | 44,850                | (39,742)                  | (1,856)         | (29,833)               | 35,576      | 1,048                    | 9,176            | 21,692          | 9,720     | 0                         | 41,146                     | 3,014,022                              |
| ISLE OF WIGHT       | .3808                     | 5,147                 | 48,230,625    | 232,048                            | (646,496)             | 765,047                   | (242,131)       | 720,810                | (185,320)   | 499,404                  | 164,716          | 12,259          | 128,382   | 0                         | 1,162,305                  | 50,841,648                             |
| JAMES CITY          | .5319                     | 9,812                 | 72,039,779    | (1,382,274)                        | 1,038,281             | 2,576,211                 | (367,653)       | 361,265                | (80,509)    | 187,051                  | 469,810          | 119,796         | 547,736   | 0                         | 1,721,401                  | 77,230,893                             |
| KING GEORGE         | .3641                     | 4,123                 | 40,026,454    | (3,299,743)                        | (40,798)              | 2,220,181                 | (242,310)       | (122,955)              | (26,029)    | 533,385                  | 34,080           | 320,224         | 189,648   | 0                         | 962,132                    | 40,554,269                             |
| KING QUEEN          | .4184                     | 458                   | 6,103,502     | 2,937                              | (165,357)             | 158,604                   | (27,915)        | (22,880)               | (75,811)    | (104,104)                | 58,416           | 45,723          | 34,911    | 0                         | 128,163                    | 6,136,189                              |
| KING WILLIAM        | .3273                     | 2,034                 | 21,321,883    | (347,029)                          | (350,453)             | 1,019,837                 | (109,725)       | (22,424)               | (61,253)    | (63,366)                 | 31,738           | 13,629          | 45,514    | 0                         | 537,646                    | 22,015,997                             |
| LANCASTER           | .8000                     | 885                   | 5,123,868     | (415,944)                          | 0                     | 228,263                   | (18,383)        | (1,439)                | (7,797)     | 18,947                   | (27,105)         | 413             | 95,900    | 0                         | 71,221                     | 5,067,944                              |

\*Based on data received from the Department of Planning and Budget and the Department of Education as of 12/17/2025.

# SB 30, As Introduced: 2026-2028 Direct Aid to Public Education Estimated Distribution - FY 2028

| School Division  | Key Data Elements         |                       | Ch 725      | Rebenchmarking & Technical Updates |                       |                           |                 |                        |             |                          |                  |                 |           | Proposed Policy Changes   |                            | Estimated Distribution FY 2028 (SB 30) |
|------------------|---------------------------|-----------------------|-------------|------------------------------------|-----------------------|---------------------------|-----------------|------------------------|-------------|--------------------------|------------------|-----------------|-----------|---------------------------|----------------------------|----------------------------------------|
|                  | 2026-2028 Composite Index | FY 2028 Projected ADM |             | Enrollment & Data Updates          | Local Composite Index | Nonpersonnel Cost Updates | Fringe Benefits | Federal Revenue Deduct | Salaries    | Targeted Student Support | Non-SOQ Programs | Early Childhood | Sales Tax | Governor's School Updates | 2% Compensation Supplement |                                        |
| LEE              | .1821                     | 2,608                 | 43,994,045  | (3,919,758)                        | (510,759)             | 1,592,509                 | (196,383)       | (188,077)              | (34,152)    | 56,989                   | 321,614          | 1,060,721       | 17,792    | 0                         | 976,922                    | 43,171,463                             |
| LOUDOUN          | .5728                     | 79,292                | 567,721,854 | (3,719,284)                        | (20,194,010)          | 14,379,902                | (3,186,875)     | 1,089,932              | (1,753,667) | 52,960                   | 1,175,016        | 672,756         | 2,653,646 | 0                         | 13,374,359                 | 572,266,590                            |
| LOUISA           | .5222                     | 5,260                 | 41,508,544  | 488,424                            | (1,191,242)           | 1,672,760                 | (184,038)       | (1,027,511)            | 113,500     | 91,000                   | 82,891           | 136,065         | 293,675   | 0                         | 920,050                    | 42,904,118                             |
| LUNENBURG        | .2413                     | 1,437                 | 20,177,907  | (919,201)                          | 476,292               | 845,869                   | (94,998)        | (87,716)               | 26,344      | 84,383                   | (4,078)          | 100,631         | 7,376     | 0                         | 469,679                    | 21,082,488                             |
| MADISON          | .4873                     | 1,448                 | 12,486,348  | 565,154                            | (238,272)             | 144,375                   | (58,770)        | 207,425                | (48,461)    | 95,137                   | (29,031)         | (325)           | 82,357    | 0                         | 295,153                    | 13,501,090                             |
| MATHEWS          | .6637                     | 710                   | 5,879,980   | 456,077                            | (725,701)             | 3,482                     | (17,261)        | 45,100                 | (39,929)    | 70,587                   | 69,294           | (51,906)        | 15,037    | 0                         | 110,065                    | 5,814,826                              |
| MECKLENBURG      | .5018                     | 3,462                 | 36,011,501  | (1,420,994)                        | (5,733,324)           | 1,260,321                 | (134,218)       | (169,412)              | 52,013      | 511,304                  | 100,907          | 151,302         | 145,943   | 0                         | 644,460                    | 31,419,803                             |
| MIDDLESEX        | .6207                     | 1,079                 | 9,036,867   | (771,662)                          | 279,936               | 178,732                   | (39,990)        | (18,987)               | (32,468)    | 107,988                  | 45,199           | 247,210         | 98,914    | 0                         | 198,212                    | 9,329,951                              |
| MONTGOMERY       | .4054                     | 8,787                 | 82,576,569  | (852,316)                          | (130,117)             | 1,379,617                 | (444,182)       | (91,665)               | (281,876)   | 610,455                  | 142,807          | 270,588         | 335,564   | 0                         | 1,996,387                  | 85,511,830                             |
| NELSON           | .7269                     | 1,342                 | 9,954,125   | (617,366)                          | (1,185,793)           | 325,513                   | (25,854)        | (34,163)               | (9,785)     | 122,721                  | 33,130           | 94,515          | 97,094    | 0                         | 154,336                    | 8,908,473                              |
| NEW KENT         | .4550                     | 3,695                 | 27,795,641  | 2,524,594                          | (662,326)             | 248,239                   | (149,572)       | (325,738)              | 3,385       | 155,743                  | 244,047          | 51,420          | 162,910   | 0                         | 740,410                    | 30,788,753                             |
| NORTHAMPTON      | .5719                     | 1,182                 | 12,513,910  | 659,535                            | (806,409)             | (171,194)                 | (32,011)        | (39,905)               | (70,570)    | 116,701                  | 51,321           | (118,170)       | 43,674    | 0                         | 228,658                    | 12,375,541                             |
| NORTHUMBERLAND   | .7375                     | 1,071                 | 5,970,435   | (43,071)                           | 466,781               | 106,468                   | (26,414)        | (19,562)               | (5,033)     | (13,722)                 | 14,206           | 7,153           | 40,247    | 0                         | 116,002                    | 6,137,491                              |
| NOTTOWAY         | .2820                     | 1,627                 | 20,761,756  | 306,035                            | (310,875)             | 797,419                   | (109,956)       | (91,469)               | 62,235      | 515,271                  | 114,408          | 84,085          | 25,521    | 0                         | 487,485                    | 22,641,914                             |
| ORANGE           | .4317                     | 4,513                 | 43,228,327  | (2,069,766)                        | 412,334               | 678,388                   | (236,006)       | (197,788)              | (32,961)    | 397,252                  | 680,786          | 417,737         | 267,114   | 0                         | 980,857                    | 44,526,275                             |
| PAGE             | .3610                     | 2,731                 | 28,932,312  | 1,036,295                          | (926,628)             | 725,206                   | (128,056)       | 186,747                | (54,380)    | 344,807                  | (134,406)        | 24,466          | 67,417    | 0                         | 681,491                    | 30,755,271                             |
| PATRICK          | .2715                     | 1,725                 | 25,545,532  | (3,260,969)                        | (694,498)             | 378,254                   | (112,988)       | 104,723                | (124,257)   | 206,992                  | (106,035)        | (61,835)        | 27,590    | 0                         | 505,757                    | 22,408,266                             |
| PITTSYLVANIA     | .2715                     | 7,051                 | 84,055,547  | (2,451,253)                        | (714,004)             | 2,249,145                 | (453,650)       | (1,351,700)            | 29,542      | 1,508,623                | 279,371          | 329,783         | 66,112    | 0                         | 2,032,504                  | 85,580,021                             |
| POWHATAN         | .5061                     | 3,518                 | 30,313,538  | (1,377,946)                        | (1,491,039)           | 161,063                   | (129,881)       | (89,934)               | (212,687)   | (61,869)                 | 15,098           | (20,078)        | (38,496)  | 0                         | 639,492                    | 27,707,261                             |
| PRINCE EDWARD    | .4022                     | 1,793                 | 18,523,874  | 375,047                            | (588,225)             | 660,208                   | (76,778)        | (80,550)               | (12,618)    | 610,024                  | 220,366          | 380,924         | 85,184    | 0                         | 404,254                    | 20,501,710                             |
| PRINCE GEORGE    | .2286                     | 5,760                 | 66,053,731  | (2,978,940)                        | 268,942               | 2,203,251                 | (350,037)       | 140,187                | (31,053)    | 1,084,818                | 1,313,831        | 56,277          | 55,157    | 0                         | 1,588,877                  | 69,405,040                             |
| PRINCE WILLIAM   | .3767                     | 85,296                | 886,808,337 | (7,951,399)                        | (16,202,385)          | 34,317,965                | (5,432,417)     | (990,333)              | (800,376)   | 9,239,862                | 1,312,926        | 3,511,979       | 1,907,349 | 0                         | 22,562,690                 | 928,284,200                            |
| PULASKI          | .3187                     | 3,853                 | 44,503,070  | (3,480,021)                        | 674,640               | 2,189,260                 | (227,258)       | (1,379,432)            | 408,772     | (143,399)                | 11,295           | (461,307)       | 41,687    | 240,911                   | 993,404                    | 43,371,623                             |
| RAPPAHANNOCK     | .8000                     | 766                   | 3,725,826   | 35,095                             | 0                     | 72,302                    | (14,603)        | 75,540                 | (859)       | 91,684                   | 20,774           | (6,611)         | 100,413   | 0                         | 65,460                     | 4,165,021                              |
| RICHMOND         | .3251                     | 1,357                 | 14,522,875  | (545,186)                          | (275,032)             | 619,355                   | (74,935)        | 61,918                 | 37,835      | 285,420                  | 89,327           | 129,423         | 36,600    | 0                         | 338,824                    | 15,226,423                             |
| ROANOKE          | .3472                     | 12,792                | 121,352,007 | (2,304,885)                        | 2,618,077             | 2,907,948                 | (724,153)       | 569,015                | (314,643)   | 2,429,372                | 81,579           | 57,396          | 272,508   | 0                         | 3,110,640                  | 130,054,862                            |
| ROCKBRIDGE       | .4829                     | 2,106                 | 20,272,838  | (1,912,259)                        | 56,385                | 818,354                   | (96,350)        | 93,141                 | (28,016)    | 149,025                  | 32,946           | 223,239         | 54,153    | 0                         | 436,786                    | 20,100,241                             |
| ROCKINGHAM       | .3851                     | 11,330                | 99,084,931  | (796,892)                          | 7,058,735             | 3,735,952                 | (602,003)       | 1,576,594              | 4,096       | 1,780,231                | (22,663)         | 216,092         | 432,829   | 0                         | 2,631,420                  | 115,099,321                            |
| RUSSELL          | .2388                     | 2,957                 | 37,883,036  | 19,648                             | (519,228)             | 838,434                   | (197,205)       | 430,344                | (80,368)    | 155,187                  | 333,465          | 8,028           | 48,191    | 0                         | 944,299                    | 39,863,831                             |
| SCOTT            | .1877                     | 4,052                 | 55,047,382  | 3,087,105                          | (32,478)              | (1,233,188)               | (285,741)       | 753,790                | (304,787)   | (109,224)                | (89,961)         | 487,630         | 11,675    | 0                         | 1,464,233                  | 58,796,437                             |
| SHENANDOAH       | .4042                     | 5,381                 | 52,834,034  | (1,572,474)                        | 1,525,217             | 1,866,570                 | (267,077)       | (278,365)              | (52,073)    | 823,702                  | (92,875)         | 167,090         | 160,111   | 0                         | 1,251,359                  | 56,365,219                             |
| SMYTH            | .2422                     | 3,418                 | 52,423,804  | (7,998,634)                        | (1,198,437)           | 1,918,410                 | (243,869)       | (233,164)              | 177,500     | 1,058,895                | 279,541          | 703,412         | 51,270    | 0                         | 1,062,988                  | 48,001,716                             |
| SOUTHAMPTON      | .3214                     | 2,146                 | 25,250,577  | 852,766                            | (759,389)             | 389,647                   | (110,909)       | 329,465                | 30,875      | 53,710                   | (104,682)        | 15,755          | 18,847    | 0                         | 578,066                    | 26,544,728                             |
| SPOTSYLVANIA     | .3783                     | 23,112                | 229,889,371 | 902,682                            | (2,530,060)           | 6,570,696                 | (1,247,168)     | 778,540                | 96,536      | 1,563,713                | 1,187,291        | 813,115         | 770,942   | 0                         | 5,621,126                  | 244,416,785                            |
| STAFFORD         | .3263                     | 31,085                | 302,785,832 | 3,735,296                          | 1,968,542             | 9,133,163                 | (1,792,880)     | (113,983)              | (151,218)   | 5,646,369                | 1,413,132        | 1,967,079       | 741,180   | 0                         | 8,129,802                  | 333,462,314                            |
| SURRY            | .8000                     | 670                   | 3,808,206   | 138,370                            | 0                     | 24,345                    | (12,537)        | (9,185)                | (12,207)    | 85,422                   | 8,554            | 40,879          | 71,699    | 0                         | 66,976                     | 4,210,521                              |
| SUSSEX           | .3945                     | 1,044                 | 13,797,787  | 365,974                            | (1,052,124)           | 814,844                   | (44,853)        | (60,287)               | 91,552      | 444,486                  | 16,883           | 140,666         | 5,014     | 0                         | 283,773                    | 14,803,716                             |
| TAZEWELL         | .2717                     | 4,701                 | 57,570,401  | 1,617,586                          | (1,600,957)           | 272,415                   | (236,316)       | (1,229,022)            | (121,540)   | 613,628                  | 198,584          | (672,679)       | 22,078    | 0                         | 1,330,382                  | 57,764,560                             |
| WARREN           | .4482                     | 4,479                 | 42,385,330  | (1,589,909)                        | 213,700               | 873,059                   | (219,898)       | (23,753)               | (39,047)    | 585,315                  | 21,420           | 24,873          | 201,858   | 0                         | 949,574                    | 43,382,522                             |
| WASHINGTON       | .3681                     | 6,405                 | 75,271,218  | (7,238,631)                        | (2,053,877)           | 1,867,239                 | (344,431)       | (1,242,796)            | 2,319       | (111,418)                | 769,159          | 586,703         | 92,489    | 46,548                    | 1,657,921                  | 69,302,443                             |
| WESTMORELAND     | .5181                     | 1,523                 | 17,110,616  | 260,575                            | (320,611)             | 158,274                   | (58,022)        | (59,790)               | (41,687)    | (130,788)                | 1,469            | 80,570          | 101,096   | 0                         | 352,373                    | 17,454,074                             |
| WISE             | .1997                     | 5,078                 | 65,102,379  | (2,238,234)                        | 176,593               | 1,601,538                 | (408,797)       | (323,847)              | 55,144      | 667,397                  | 418,741          | 567,279         | 50,827    | 0                         | 1,538,384                  | 67,207,404                             |
| WYTHE            | .3349                     | 3,320                 | 38,446,085  | (290,402)                          | (473,485)             | 231,488                   | (180,194)       | (1,294,575)            | (106,540)   | 333,608                  | 137,424          | (115,584)       | 46,157    | 0                         | 867,408                    | 37,601,390                             |
| YORK             | .3518                     | 13,012                | 114,963,904 | (3,777,948)                        | 586,560               | 5,262,182                 | (667,619)       | 248,215                | (404,805)   | 1,185,020                | (201,425)        | 470,715         | 313,409   | 0                         | 3,008,168                  | 120,986,377                            |
| ALEXANDRIA       | .8000                     | 15,140                | 77,222,070  | (3,890,132)                        | 4,240                 | 4,334,794                 | (383,784)       | (238,637)              | 264,357     | 377,649                  | (77,307)         | 1,247,872       | 697,487   | 0                         | 1,339,517                  | 80,898,125                             |
| BRISTOL          | .3321                     | 1,914                 | 27,480,749  | (877,577)                          | (1,109,972)           | 598,825                   | (102,794)       | (104,997)              | (21,857)    | 445,848                  | 388,449          | (44,543)        | 29,813    | 0                         | 553,315                    | 27,235,259                             |
| BUENA VISTA      | .2058                     | 817                   | 12,540,237  | (1,149,090)                        | (315,573)             | 524,541                   | (56,454)        | (53,460)               | (12,934)    | (90,330)                 | 121,149          | (65,875)        | 14,365    | 0                         | 281,297                    | 11,737,873                             |
| CHARLOTTESVILLE  | .7666                     | 4,002                 | 24,354,211  | (608,356)                          | 189,495               | (70,158)                  | (86,377)        | (422,460)              | 1,078       | 31,906                   | 14,836           | 136,943         | 486,413   | 0                         | 350,145                    | 24,377,676                             |
| COLONIAL HEIGHTS | .3824                     | 2,914                 | 28,016,374  | (370,354)                          | 876,269               | 1,852,160                 | (160,797)       | 80,325                 | 168,864     | 815,924                  | 675,063          | 86,947          | 46,996    | 0                         | 705,621                    | 32,793,392                             |
| DANVILLE         | .2430                     | 4,959                 | 72,725,420  | (2,407,484)                        | (147,659)             | 728,177                   | (295,330)       | (337,233)              | 233,242     | 1,268,405                | 739,772          | (92,777)        | 159,426   | 0                         | 1,431,974                  | 74,005,933                             |
| FALLS CHURCH     | .8000                     | 2,607                 | 11,452,143  | (459,297)                          | 708                   | 86,077                    | (47,819)        | (15,901)               | 7,790       | 93,046                   | 61,029           | 6,012           | 112,322   | 0                         | 213,617                    | 11,509,727                             |

# SB 30, As Introduced: 2026-2028 Direct Aid to Public Education Estimated Distribution - FY 2028

| School Division | Key Data Elements         |                       | Ch 725                  | Rebenchmarking & Technical Updates |                       |                           |                       |                        |                      |                          |                     |                     |                     | Proposed Policy Changes   |                            | Estimated Distribution FY 2028 (SB 30) |
|-----------------|---------------------------|-----------------------|-------------------------|------------------------------------|-----------------------|---------------------------|-----------------------|------------------------|----------------------|--------------------------|---------------------|---------------------|---------------------|---------------------------|----------------------------|----------------------------------------|
|                 | 2026-2028 Composite Index | FY 2028 Projected ADM |                         | Enrollment & Data Updates          | Local Composite Index | Nonpersonnel Cost Updates | Fringe Benefits       | Federal Revenue Deduct | Salaries             | Targeted Student Support | Non-SOQ Programs    | Early Childhood     | Sales Tax           | Governor's School Updates | 2% Compensation Supplement |                                        |
| FREDERICKSBURG  | .6033                     | 3,249                 | 25,751,892              | (439,503)                          | 666,800               | 723,192                   | (123,397)             | (97,577)               | (65,559)             | 587,484                  | 304,940             | 484,012             | 257,042             | 0                         | 555,089                    | 28,604,414                             |
| GALAX           | 2660                      | 1,287                 | 15,896,875              | (418,968)                          | 3,249                 | 502,116                   | (83,179)              | (78,936)               | 82,636               | 82,840                   | 85,758              | (12,964)            | 35,096              | 0                         | 375,335                    | 16,469,858                             |
| HAMPTON         | 2525                      | 18,300                | 207,154,723             | 4,913,449                          | 1,253,141             | 3,372,669                 | (972,273)             | (991,314)              | (39,484)             | 901,736                  | 567,753             | (259,795)           | 305,887             | 0                         | 4,915,686                  | 221,122,178                            |
| HARRISONBURG    | 3031                      | 6,358                 | 71,176,747              | (3,132,483)                        | 2,806,685             | 3,377,406                 | (421,135)             | (635,448)              | 316,267              | 1,662,750                | (169,194)           | 378,584             | 241,807             | 0                         | 1,733,311                  | 77,335,298                             |
| HOPEWELL        | .2055                     | 3,360                 | 47,529,671              | (2,918,290)                        | (1,026,358)           | 3,008,884                 | (210,712)             | (246,023)              | 287,615              | 883,160                  | 471,839             | 1,135,018           | 32,379              | 0                         | 1,034,500                  | 49,981,682                             |
| LYNCHBURG       | 3974                      | 7,047                 | 77,997,496              | 642,036                            | (1,023,432)           | 2,888,400                 | (314,681)             | (341,026)              | 90,617               | 594,907                  | 935,911             | (403,843)           | 250,935             | 0                         | 1,661,820                  | 82,979,140                             |
| MARTINSVILLE    | 2162                      | 1,522                 | 22,748,339              | (1,042,258)                        | 176,056               | 825,422                   | (101,781)             | (109,422)              | 139,869              | 25,982                   | 2,625               | 179,886             | 28,371              | 0                         | 475,749                    | 23,348,839                             |
| NEWPORT NEWS    | 2826                      | 22,939                | 283,931,379             | (8,448,647)                        | (3,233,392)           | 10,380,989                | (1,344,564)           | (1,335,946)            | 501,961              | 3,094,778                | (527,605)           | 585,219             | 533,334             | 0                         | 6,170,668                  | 290,308,173                            |
| NORFOLK         | 3393                      | 23,878                | 279,840,514             | (5,879,425)                        | (6,147,405)           | 11,228,508                | (1,214,413)           | (1,324,741)            | 920,563              | 1,270,866                | 1,468,921           | 1,333,351           | 1,247,546           | 0                         | 5,900,752                  | 288,645,037                            |
| NORTON          | 2702                      | 788                   | 9,957,342               | (154,785)                          | (346,652)             | 437,506                   | (53,155)              | (47,310)               | 45,624               | 40,924                   | 707,418             | 6,427               | 15,357              | 0                         | 249,220                    | 10,857,916                             |
| PETERSBURG      | 2152                      | 3,867                 | 57,357,241              | (5,226,708)                        | (511,863)             | 2,047,739                 | (196,076)             | (300,548)              | 598,584              | 668,393                  | (56,055)            | 621,408             | 63,029              | 0                         | 1,114,384                  | 56,179,528                             |
| PORTSMOUTH      | 2439                      | 11,263                | 152,927,912             | (7,180,293)                        | (1,170,106)           | 5,662,398                 | (644,912)             | (3,236,249)            | 325,897              | (282,947)                | 1,113,735           | (93,135)            | 200,369             | 0                         | 3,158,560                  | 150,781,229                            |
| RADFORD         | 1573                      | 2,779                 | 36,812,322              | (1,775,684)                        | 306,114               | (1,778,727)               | (170,444)             | 138,846                | (677,994)            | 24,700                   | 123,776             | 127,447             | 18,893              | 0                         | 814,857                    | 33,964,106                             |
| RICHMOND CITY   | 5756                      | 20,391                | 187,370,413             | (499,221)                          | (528,367)             | 6,919,592                 | (738,133)             | (728,537)              | 413,047              | 1,940,341                | 602,178             | 3,679,287           | 1,513,225           | 0                         | 3,643,966                  | 203,587,790                            |
| ROANOKE CITY    | 3503                      | 12,167                | 160,126,906             | (9,960,733)                        | (2,468,374)           | 7,220,839                 | (641,939)             | (732,225)              | 1,014,031            | 601,285                  | 241,361             | 710,478             | 328,912             | 0                         | 3,224,815                  | 159,665,358                            |
| STAUNTON        | .3999                     | 2,605                 | 27,848,786              | 1,727,745                          | (728,046)             | 202,970                   | (109,154)             | (114,723)              | 54,136               | (99,066)                 | 817,144             | 116,149             | 68,918              | 0                         | 583,138                    | 30,367,998                             |
| SUFFOLK         | .3639                     | 14,102                | 134,381,378             | 1,088,165                          | (2,475,163)           | 4,362,933                 | (671,515)             | (3,122,514)            | 150,060              | 1,047,438                | 151,573             | 342,051             | 431,807             | 0                         | 3,198,382                  | 138,884,596                            |
| VIRGINIA BEACH  | 4172                      | 61,133                | 518,776,897             | (5,201,741)                        | (2,417,429)           | 15,782,385                | (2,707,675)           | 2,670,429              | (740,971)            | 5,077,696                | (796,491)           | (171,976)           | 1,407,785           | 0                         | 12,620,058                 | 544,298,966                            |
| WAYNESBORO      | .3809                     | 2,685                 | 29,711,870              | (487,715)                          | (701,859)             | 1,540,165                 | (141,864)             | 356,876                | 81,577               | 489,400                  | 502,402             | 51,791              | 88,084              | 0                         | 660,411                    | 32,151,137                             |
| WILLIAMSBURG    | .7264                     | 1,043                 | 8,353,393               | (1,045,932)                        | 257,634               | 316,067                   | (31,585)              | 26,730                 | 6,130                | (67,911)                 | 122,276             | (24,791)            | 124,103             | 0                         | 111,290                    | 8,147,404                              |
| WINCHESTER      | .4121                     | 3,997                 | 42,180,674              | (2,307,245)                        | 181,540               | 2,168,765                 | (226,167)             | (506,863)              | 187,777              | (699,149)                | (17,861)            | 265,756             | 234,795             | 0                         | 938,988                    | 42,401,010                             |
| FAIRFAX CITY    | 8000                      | 2,782                 | 13,721,756              | (1,329,744)                        | 816                   | 438,745                   | (69,146)              | 49,413                 | (10,319)             | 104,944                  | (4,056)             | 105,432             | 78,027              | 0                         | 246,142                    | 13,332,010                             |
| FRANKLIN CITY   | 2986                      | 974                   | 15,370,483              | (1,819,821)                        | (161,681)             | 115,576                   | (51,139)              | (61,356)               | 63,098               | 11,817                   | (126,411)           | 58,988              | 25,871              | 0                         | 273,456                    | 13,698,880                             |
| CHESAPEAKE CITY | .3209                     | 38,893                | 394,865,278             | (5,494,439)                        | 3,176,194             | 9,936,582                 | (2,136,201)           | (3,526,475)            | (935,809)            | 824,293                  | (2,220,478)         | 918,783             | 754,495             | 0                         | 9,741,844                  | 405,904,067                            |
| LEXINGTON       | 4196                      | 642                   | 5,644,639               | (521,987)                          | (162,788)             | 202,404                   | (31,160)              | 65,685                 | 12,690               | (4,390)                  | 9,617               | (12,702)            | 18,033              | 0                         | 131,825                    | 5,351,866                              |
| EMPORIA         | 2534                      | 849                   | 12,288,683              | (1,012,550)                        | (290,984)             | 728,242                   | (58,408)              | (60,116)               | 75,169               | 257,859                  | 348,710             | 52,261              | 6,925               | 0                         | 265,194                    | 12,600,985                             |
| SALEM           | 3503                      | 3,951                 | 35,080,896              | 2,496,677                          | 613,973               | 406,304                   | (187,277)             | 345,026                | 54,490               | 671,071                  | (70,756)            | (295,970)           | 55,972              | 0                         | 937,570                    | 40,107,976                             |
| POQUOSON        | .3806                     | 2,057                 | 17,824,356              | 503,095                            | (768,228)             | 553,205                   | (89,279)              | 71,993                 | (61,902)             | 73,127                   | 77,315              | 27,942              | 91,507              | 0                         | 455,917                    | 18,759,048                             |
| MANASSAS CITY   | 3285                      | 7,970                 | 85,135,799              | 6,665,428                          | 931,376               | 1,820,435                 | (532,467)             | 880,454                | 88,981               | 242,760                  | 102,980             | 355,779             | 181,879             | 0                         | 2,296,360                  | 98,169,764                             |
| MANASSAS PARK   | .2790                     | 2,871                 | 43,108,932              | (3,715,483)                        | (356,346)             | 865,343                   | (248,391)             | (107,708)              | (25,185)             | 123,187                  | (315,716)           | 76,426              | 106,485             | 0                         | 942,456                    | 40,453,999                             |
| COLONIAL BEACH  | 3805                      | 518                   | 6,727,092               | (990,606)                          | (105,981)             | 289,121                   | (27,984)              | (51,639)               | 215                  | (75,836)                 | 28,290              | (19,862)            | 15,948              | 0                         | 134,307                    | 5,923,064                              |
| WEST POINT      | .2524                     | 842                   | 8,232,101               | 593,288                            | (32,309)              | 233,751                   | (43,748)              | 73,005                 | 4,595                | 106,353                  | (105)               | (132,787)           | 15,012              | 0                         | 231,624                    | 9,280,780                              |
| <b>TOTAL:</b>   |                           | <b>1,180,137</b>      | <b>\$10,902,419,399</b> | <b>(\$197,026,854)</b>             | <b>(\$34,193,106)</b> | <b>\$325,678,296</b>      | <b>(\$57,225,481)</b> | <b>(\$22,711,352)</b>  | <b>(\$4,741,953)</b> | <b>\$83,550,636</b>      | <b>\$25,815,997</b> | <b>\$36,531,631</b> | <b>\$38,965,229</b> | <b>\$287,459</b>          | <b>\$255,649,306</b>       | <b>\$11,352,999,207</b>                |

# **SB 30**

# **APPENDIX C**

Capital Outlay Actions

**DETAIL OF SB 30, 2026 SESSION - CAPITAL OUTLAY  
2026-2028 Biennium**

| Title                                                                                                            | General Fund Supported |            |            | Nongeneral Fund Supported |              |                     | Total                |
|------------------------------------------------------------------------------------------------------------------|------------------------|------------|------------|---------------------------|--------------|---------------------|----------------------|
|                                                                                                                  | GF Cash                | VCBA Bonds | VPBA Bonds | NGF Cash                  | § 9(c) Bonds | § 9(d) Bonds        |                      |
| <b>Education</b>                                                                                                 |                        |            |            |                           |              |                     |                      |
| <b>Christopher Newport University</b>                                                                            |                        |            |            |                           |              |                     |                      |
| Address Deferred Maintenance                                                                                     | 4,457,922              |            |            |                           |              |                     | 4,457,922            |
| <b>George Mason University</b>                                                                                   |                        |            |            |                           |              |                     |                      |
| Address Deferred Maintenance                                                                                     | 20,250,000             |            |            |                           |              |                     | 20,250,000           |
| <b>James Madison University</b>                                                                                  |                        |            |            |                           |              |                     |                      |
| Blanket property acquisition                                                                                     |                        |            |            | 3,000,000                 |              |                     | 3,000,000            |
| Renovate and expand East Campus Dining Hall                                                                      |                        |            |            | 14,170,000                |              |                     | 14,170,000           |
| Construct new parking deck                                                                                       |                        |            |            | 18,260,000                |              | 20,000,000          | 38,260,000           |
| Renovate and expand Festival Conference and Student Center                                                       |                        |            |            |                           |              | 28,840,000          | 28,840,000           |
| <b>University of Mary Washington</b>                                                                             |                        |            |            |                           |              |                     |                      |
| Address Deferred Maintenance                                                                                     | 7,385,714              |            |            |                           |              |                     | 7,385,714            |
| <b>Virginia Community College System</b>                                                                         |                        |            |            |                           |              |                     |                      |
| Transfer Higher Education Operating Nongeneral Fund Appropriation to Blanket Authorization Project               |                        |            |            | 12,500,000                |              |                     | 12,500,000           |
| Improve Life Safety and Security Systemwide, Phase II                                                            |                        |            |            | 7,480,000                 |              |                     | 7,480,000            |
| Repair or Replace Major Mechanical Systems, Phase II                                                             |                        |            |            | 20,400,000                |              |                     | 20,400,000           |
| Re-roof and replace heating, ventilation, and air conditioning systems in multiple buildings statewide, phase II |                        |            |            | 6,200,000                 |              |                     | 6,200,000            |
| <b>Virginia Tech</b>                                                                                             |                        |            |            |                           |              |                     |                      |
| Construct New Business Building                                                                                  |                        |            |            | 56,500,000                |              | 37,500,000          | 94,000,000           |
| <b>Total: Office of Education</b>                                                                                | <b>\$32,093,636</b>    | <b>\$0</b> | <b>\$0</b> | <b>\$138,510,000</b>      | <b>\$0</b>   | <b>\$86,340,000</b> | <b>\$256,943,636</b> |
| <b>Health &amp; Human Resources</b>                                                                              |                        |            |            |                           |              |                     |                      |
| <b>Department of Behavioral Health and Developmental Services</b>                                                |                        |            |            |                           |              |                     |                      |
| Transfer historic Fort Whitworth at Central State Hospital to the Petersburg Battlefield Foundation              |                        |            |            |                           |              |                     |                      |
| Renovate, repair, and upgrade state-operated facilities                                                          | 33,015,494             |            |            |                           |              |                     | 33,015,494           |
| <b>Total: Office of Human Resources</b>                                                                          | <b>\$33,015,494</b>    | <b>\$0</b> | <b>\$0</b> | <b>\$0</b>                | <b>\$0</b>   | <b>\$0</b>          | <b>\$33,015,494</b>  |
| <b>Natural and Historic Resources</b>                                                                            |                        |            |            |                           |              |                     |                      |
| <b>Department of Conservation &amp; Recreation</b>                                                               |                        |            |            |                           |              |                     |                      |
| Acquire Oak Hill and establish a state park                                                                      |                        |            |            |                           |              |                     | Language             |
| Natural Area Preserve acquisition                                                                                |                        |            |            | 10,200,000                |              |                     | 10,200,000           |
| <b>Department of Wildlife Resources</b>                                                                          |                        |            |            |                           |              |                     |                      |
| Increase maintenance reserve                                                                                     |                        |            |            | 1,250,000                 |              |                     | 1,250,000            |
| Acquire land and property                                                                                        |                        |            |            | 10,000,000                |              |                     | 10,000,000           |
| Repair and upgrade dam at Lake Shenandoah                                                                        | 6,385,000              |            |            |                           |              |                     | 6,385,000            |
| <b>Total: Office of Natural Resources</b>                                                                        | <b>\$6,385,000</b>     | <b>\$0</b> | <b>\$0</b> | <b>\$21,450,000</b>       | <b>\$0</b>   | <b>\$0</b>          | <b>\$27,835,000</b>  |
| <b>Veterans and Defense Affairs</b>                                                                              |                        |            |            |                           |              |                     |                      |
| <b>Department of Veterans Services</b>                                                                           |                        |            |            |                           |              |                     |                      |
| Address Maintenance Needs at State Veterans Care Centers                                                         | 2,208,000              |            |            |                           |              |                     | 2,208,000            |
| <b>Department of Military Affairs</b>                                                                            |                        |            |            |                           |              |                     |                      |
| Improve Readiness Center                                                                                         | 2,800,000              |            |            |                           |              |                     | 2,800,000            |
| <b>Total: Veterans and Defense Affairs</b>                                                                       | <b>\$5,008,000</b>     | <b>\$0</b> | <b>\$0</b> | <b>\$0</b>                | <b>\$0</b>   | <b>\$0</b>          | <b>\$5,008,000</b>   |

**DETAIL OF SB 30, 2026 SESSION - CAPITAL OUTLAY  
2026-2028 Biennium**

| Title                                                                        | General Fund Supported |            |                 | Nongeneral Fund Supported |               |               | Total           |
|------------------------------------------------------------------------------|------------------------|------------|-----------------|---------------------------|---------------|---------------|-----------------|
|                                                                              | GF Cash                | VCBA Bonds | VPBA Bonds      | NGF Cash                  | \$ 9(c) Bonds | \$ 9(d) Bonds |                 |
| Transportation                                                               |                        |            |                 |                           |               |               |                 |
| Department of Motor Vehicles                                                 |                        |            |                 |                           |               |               |                 |
| Maintenance Reserve                                                          |                        |            |                 | 14,243,400                |               |               | 14,243,400      |
| Department of Transportation                                                 |                        |            |                 |                           |               |               |                 |
| Maintenance Reserve                                                          |                        |            |                 | 10,000,000                |               |               | 10,000,000      |
| Continue to Acquire, Design, Construct and Renovate Agency Facilities        |                        |            |                 | 76,000,000                |               |               | 76,000,000      |
| Virginia Port Authority                                                      |                        |            |                 |                           |               |               |                 |
| Increase funding for cargo handling facilities                               |                        |            |                 | 87,500,000                |               |               | 87,500,000      |
| Expand Empty Yard project                                                    |                        |            |                 | 129,800,000               |               |               | 129,800,000     |
| Total: Office of Transportation                                              | \$0                    | \$0        | \$0             | \$317,543,400             | \$0           | \$0           | \$317,543,400   |
| Independent                                                                  |                        |            |                 |                           |               |               |                 |
| State Corporation Commission                                                 |                        |            |                 |                           |               |               |                 |
| Renovate Tyler Building                                                      |                        |            |                 |                           |               |               | Language        |
| Total: Independent Agencies                                                  | \$0                    | \$0        | \$0             | \$0                       | \$0           | \$0           | \$0             |
| Central Appropriations                                                       |                        |            |                 |                           |               |               |                 |
| Central Capital Outlay                                                       |                        |            |                 |                           |               |               |                 |
| Increase maintenance reserve project cost threshold                          |                        |            |                 |                           |               |               | Language        |
| Maintenance Reserve                                                          | 400,000,000            |            |                 |                           |               |               | 400,000,000     |
| Capital Equipment Pool                                                       | 39,893,000             |            |                 |                           |               |               | 39,893,000      |
| Central Planning Pool                                                        | 1,555,050              |            |                 | 12,434,511                |               |               | 13,989,561      |
| 2018 Capital Construction Pool Scope Change: State Police Area 13            |                        |            |                 |                           |               |               | Language        |
| Tech Talent Investment Program Equipment                                     | 12,020,120             |            |                 |                           |               |               | 12,020,120      |
| 2020 VPBA Construction Pool: Scope Change: DGS Construct Addition to Current |                        |            |                 |                           |               |               |                 |
| State Records Center Building and Repurpose Workspace in Facility            |                        |            |                 |                           |               |               | Language        |
| 2022 State Agency Capital Account Scope Change: State Police Area 5 & 11     |                        |            |                 |                           |               |               | Language        |
| Authorize leases and financed purchase agreements                            |                        |            |                 |                           |               |               | Language        |
| Redirect balances from completed standalone projects                         |                        |            |                 |                           |               |               | Language        |
| 2025 State Agency Capital Account Scope Change: State Police Division Six    |                        |            |                 |                           |               |               | Language        |
| 2026 Capital Construction Pool                                               | 360,061,238            |            | 1,109,976,618   | 48,800,000                |               | 37,256,678    | 1,556,094,534   |
| Total: Central Appropriations                                                | \$813,529,408          | \$0        | \$1,109,976,618 | \$61,234,511              | \$0           | \$37,256,678  | \$2,021,997,215 |
|                                                                              |                        |            |                 |                           |               |               |                 |
| Total: Capital Outlay SB 30, 2026 Session                                    | \$890,031,538          | \$0        | \$1,109,976,618 | \$538,737,911             | \$0           | \$123,596,678 | \$2,662,342,745 |

# **SB 30**

# **APPENDIX D**

Summary of Detailed Actions  
in Budget

To view SB 30's "Appendix D:  
Summary of Detailed Budget Actions  
in SB 30," please visit the  
[Senate Finance and Appropriations  
Committee Website](#)  
to access the PDF.



