



VIRGINIA HOUSE  
APPROPRIATIONS  
COMMITTEE

CHAIRMAN LUKE E. TORIAN

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# RECOMMENDED AMENDMENTS TO HB 30

PREPARED BY

House Appropriations Committee Staff



# RESOURCES

# HB 29 RESOURCES

- As passed by the House, HB 29, or the “Caboose Bill,” increases General Fund Resources for FY 2026 by \$3.1 billion, driven by an increase in available balances of \$1.75 billion. The increase in the available net balances is the result of:
  - \$572.0 million general fund revenue surplus in FY 2025
  - \$896.2 million in balances based on Governor’s vetoes to items in Chapter 725
  - \$257.5 million of reversions from unspent GF agency appropriations
- The increase also includes a \$1.024 billion increase in the FY 2026 GF revenue forecast (driven by the higher FY 2025 base) and an increase in transfers of \$363.7 million
- The net result of additional resources, and spending and savings changes leaves \$2.3 billion to flow into the FY 2026-28 biennium

# OVERVIEW OF RESOURCES

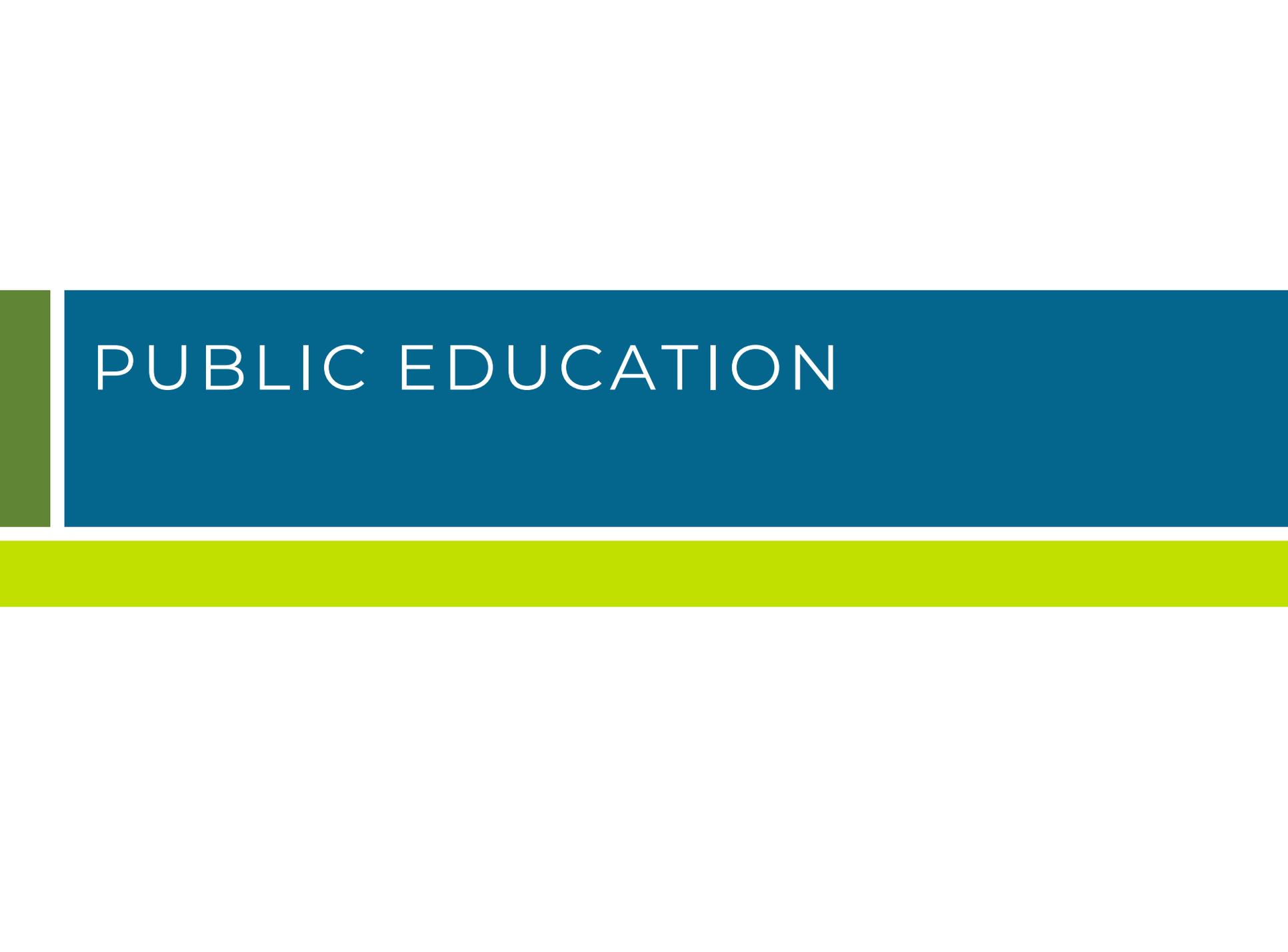
- As introduced, HB 30, the proposed 2026-28 budget, included \$71.5 billion in total general fund resources available for appropriation
  - This amount includes \$67.8 billion from revenue collections during the biennium and \$1.8 billion from transfers into the general fund during the two years, for a total of \$69.6 billion
  - The remaining \$2.3 billion represents the carryforward balances from FY 2026
- The base forecast closely mirrors the GACRE forecast presented in November which assumed modest economic growth through the next biennium
- Year-to-date revenue growth through the first 7 months of the fiscal year has been 6.9% - well ahead of the forecasted 3.0% growth

# COMMITTEE RESOURCE AND SPENDING ADJUSTMENTS

Revenue and Resource Changes	FY 2026	FY 2027	FY 2028	Biennial
<b>Additions to Balance</b>				
Legislative Carryforward Balances		2,402,250	53,124	2,455,374
Auxiliary Grant Balances		2,000,000	0	2,000,000
State Racing Operations Fund		5,000,000	0	5,000,000
<b>Subtotal-Balances</b>		<b>9,402,250</b>	<b>53,124</b>	<b>9,455,374</b>
<b>Changes to Transfers</b>				
OAG: Consumer Affairs Revolving Fund		4,116,585		4,116,585
EDIP: Site Acquisition Fund		79,967,308		79,967,308
DCJS: SRO Grant Fund balances		10,000,000		10,000,000
DOE: Lab Schools Fund balances		10,100,000		10,100,000
VRC: Forecast increase		5,000,000	5,000,000	10,000,000
SCHEV: Pell balances		22,850,000		22,850,000
SCHEV: Internship Program balances		10,295,000		10,295,000
ABC: HB 934, Distillers Licensees		(330,196)	(310,196)	(640,392)
DWR: State Salary Adjustment		(795,797)	0	(795,797)
<b>Subtotal-Transfers</b>		<b>141,202,900</b>	<b>4,689,804</b>	<b>145,892,704</b>

# COMMITTEE RESOURCE AND SPENDING ADJUSTMENTS

Revenue and Resource Changes	FY 2026	FY 2027	FY 2028	Biennial
<b>Revenues</b>				
Federal Tax Conformity	200,900,000	318,100,000	315,900,000	634,000,000
Remove Other Tax Proposals		93,900,000	207,000,000	300,900,000
Sale of Monroe Building		25,200,000		25,200,000
Sale of 7 <sup>th</sup> and Main Property		7,780,000		7,780,000
Sale of Augusta Property		2,000,000		
Skill Games (HB 1272)		88,421,250	176,842,500	265,263,750
Fantasy Contests Act (HB 145)		1,250,000	1,250,000	2,500,000
<b>Subtotal - Revenues</b>	<b>200,900,000</b>	<b>536,651,250</b>	<b>700,992,500</b>	<b>1,237,643,750</b>
Unappropriated Balance – HB29/30	2,124,733,900	2,316,398,593		
HAC Changes to Resources	200,900,000	687,256,400	705,735,428	1,392,991,828
HAC Changes to Spending	9,235,307	1,591,684,742	282,956,726	1,874,821,468
<b>HAC Unappropriated Balance</b>		<b>8,101,910</b>	<b>7,083,304</b>	<b>15,185,214</b>



# PUBLIC EDUCATION

# ELEMENTARY AND SECONDARY EDUCATION

## \$1,690.2 million in new spending proposed:

\$437.8 million addresses technical updates, including rebenchmarking

\$1,252.5 million in policy actions

## About \$419.4 million above HB 30 Introduced

PROPOSED SPENDING (Biennial \$ in millions)	GF	NGF	Total
<b>Rebenchmarking &amp; Tech.</b>	<b>\$455.2</b>	<b>(\$17.4)</b>	<b>437.8</b>
One-time Flexible Payment	400.4	0	400.4
Two 2% Compensation Inc	382.9	0	382.9
Special Ed Add-On & SISNA	158.4	0	158.4
Add'l Child Care Subsidy Slots	137.6	0	137.6
Public Private Child Care	25.0	0	25.0
School Construction	0.0	127.0	127.0
Literary Fund Offset	(457.0)	457.0	0.0
Other Actions	(3.0)	23.0	20.0
<b>Subtotal Policy</b>	<b>644.3</b>	<b>607.0</b>	<b>1,252.5</b>
<b>Total Proposed Changes</b>	<b>\$1,100.6</b>	<b>\$589.6</b>	<b>\$1,690.2</b>

# COMPENSATION

## **\$1,500 Bonus in FY 2026 (House Bill 29)**

- Includes \$117.6 million for the state's share of a \$1,500 bonus for state-recognized SOQ instructional and support positions, in lieu of the 2.0% bonus proposed in the introduced budget
- Effective June 1, 2026, but flexibility provided to allow school divisions to provide the bonus during FY 2027 to budget for local match

## **2.0% Salary Increases in FY 2027 and FY 2028**

- Includes \$127.2 million in FY 2027 and \$255.6 million in FY 2028 for the state's share of a 2.0% salary increase for state-recognized SOQ instructional and support positions
- Effective July 1, 2026 and 2027
- Participating school divisions may provide an average increase smaller than 2.0% and receive a prorated portion of funds

# ONE-TIME FLEXIBLE FUNDING

## **Provides a one-time \$400.4 million flexible supplement in FY 2027; divisions may carry funds into FY 2028**

- Divisions may direct use of funds to address local needs
- Distributed proportionately – for most divisions more than 2% increase over biennium from introduced budget
  - \$100.0 million based on share of estimated school age population
  - \$200.8 million based on a 3.4% add-on to basic aid, LCI-adjusted
  - \$99.6 million based on an add on to basic aid based on concentration of poverty (At-Risk Add-on formula), LCI-adjusted
  - Floor ensures no division receives less than \$100,000
- No local match required; however, to access funds school divisions must provide the 2% compensation supplement

# SPECIAL EDUCATION: STUDENTS WITH MOST INTENSE NEEDS

## The **Students with Intensive Support Needs Application (SISNA)**

provides school divisions funds to support special education students with most complex needs

Many of these students would otherwise be placed in a more expensive CSA-funded private day setting

Currently, SISNA funds are limited to students with certain disabilities, could be driving factor increasing private day placements

## **Provides \$10.0 million in FY 2027 to serve additional students via SISNA**

- Directs VDOE to expand eligible disability categories, to consider categories that would minimize CSA private day placements for students with complex behavioral needs
- Establishes reporting requirements to provide comparable data across SISNA and CSA Private Day placements
- HB 1373 (Carroll) establishes workgroup to assess further strategies to use SISNA to minimize private day placements

# SPECIAL EDUCATION ADD-ON FUNDING

**Special Education Add-On Funds** provide a supplement to school divisions' basic aid funding, based on each student's level of service needs

Initiated in FY 2025 as a recommendation of JLARC and Joint Subcommittee on K-12 Funding

Higher levels of support for Level 2 students should decrease demand for student-specific funding sources like SISNA and CSA-funded private day placements

## Expands Add-On initiated in FY 2025 to address JLARC findings

- Provides \$148.4 million over biennium – more than doubled the Special Education student add-on
- New rates better recognize higher level of support for Level 2 students - those requiring additional services most of the school day

Student Level of Service Needs	Current Add-On	Proposed Add-On
Level 1 (lesser service needs)	4.75%	9.25%
Level 2 (greater service needs)	5.25%	17.5%

# SCHOOL CONSTRUCTION

- Provides \$347.0 million in school construction grants over the biennium, a \$127.0 million increase from base
  - Represents casino gaming revenue increase, excess FY 2026 casino revenues, and interest
- HB 334 (Rasoul) authorizes 1% local-option sales tax for school construction – localities could raise over \$1.5 billion for school construction annually if adopted statewide
- Pauses additional Literary Fund loans due to lack of activity, allowing \$172.0 million to be redirected to support teacher retirement costs

# EARLY CHILDHOOD CARE AND EDUCATION

## **Child Care Subsidy Program (CCSP):** \$137.0 million increase over biennium

- Additional 11,591 slots for families making up to 85% of state median income
- Addresses the waitlist for birth-5 age group as of 12/1/25
- Language allows FY 2027 funds to carryforward to address any waitlist in FY 2028; without increasing program cost for next biennium

## **Employee Child Care Assistance Program:** \$25.0 million, one-time

- Implements HB 18 (McClure), establishing a child-care cost-sharing initiative among families, state, and employers, through FY 2030
- New program offers opportunity to explore program eligibility aligned to regional income variations – unlike CCSP, which is based on 85% statewide median income
- Family eligibility: Up to 125% of area median income
- Cost sharing: Family copayments – between 5% & 9% of family income; remaining cost shared between state (40%) and employer (60%)



# HEALTH AND HUMAN RESOURCES

# DSS: SNAP AND FOOD SECURITY

- \$211.0 million GF in FY 2027 to fund the new cost share in SNAP benefits, assuming our error rate will remain above 10%
- \$65.5 million GF in FY 2027 and \$87.3 million GF in FY 2028 to fund the increase in SNAP admin costs per H.R. 1, including fully funding localities' costs
- \$1.1 million GF in FY 2027 and \$1.3 million GF in FY 2028 and 14 FTEs each year to fund a SNAP quality assurance team to find and correct SNAP payment errors before it can negatively impact the state's error rate
- \$555,096 GF in FY 2027 and \$605,559 GF in FY 2028 to increase salaries for SNAP quality control staff to be in line with other comparable positions within DSS
- \$500,000 GF in FY 2027 to fund a statewide food desert mapping tool

# CHILD WELFARE: \$39.5 MILLION OVER THE BIENNIUM

<b>Child Welfare Initiative (\$ in millions)</b>	<b>FY 2027 GF</b>	<b>FY 2028 GF</b>
Centralized Intake System for CPS	\$7.5	\$18.1
Salary Increase for LDSS Family Service Employees	3.5	3.5
Child Advocacy Centers	2.0	0
State Oversight of LDSS	0.7	2.7
Child Welfare Workforce	0.6	0.6
CPS Priority Response 1 for Children Under Three	0.2	0.2

# CHILDREN'S SERVICES ACT

- \$49.6 million GF and \$14.0 million NGF in FY 2027 and \$86.5 million GF and \$16.0 million NGF in FY 2028 to fund the CSA forecast due to an increase in service cost and caseload

## **Cost Containment Strategies**

- Savings of \$10.8 million GF in FY 2027 and \$11.8 million GF in FY 2028 by reducing the average state match rate for community-based services from 81% to 71%
- Savings of \$3.4 million GF in FY 2027 and \$3.7 million GF in FY 2028 by limiting the private day services growth rate to 2.5%
- Savings of \$1.3 million GF and \$2.3 million NGF in FY 2027 and \$2.4 million GF and \$4.3 million NGF in FY 2028 by eliminating the automatic inflationary adjustments for residential treatment providers

# MITIGATE FEDERAL AND PROPOSED STATE REDUCTIONS

- Provides \$79.1 million in premium assistance to those purchasing health insurance on state's health insurance exchange who are losing premium tax credits
  - Targeted at those with incomes between 138% and 200% of the federal poverty level
  - Will buy down premiums by 70% on average
- \$63.1 million GF and \$162.7 million NGF to partially restore proposed cuts to Medicaid & FAMIS
  - \$29.5 million GF and \$47.6 million NGF for prenatal and postpartum coverage for immigrant women (full restoration)
  - \$24.0 million GF and \$105.1 million NGF for behavioral health community stabilization services (partial restoration)
  - \$9.6 million GF and \$10.0 million NGF for Applied Behavior Analysis (ABA) services for children age 5 and under
- Provides \$45.0 million for core public health services in the Virginia Dept. of Health (VDH)
  - Communicable Disease Prevention and Control
  - Epidemiology
  - Ryan White Act Part B Program for HIV medications and services (\$13.2 million over the biennium)

# CONTINUE PROGRESS ON HEALTH PRIORITIES

- \$11.4 million GF and \$7.8 million NGF for Sickle Cell Disease initiatives
  - \$7.0 million GF and \$7.8 million NGF for Medicaid coverage of cell and gene therapy treatment
  - \$4.4 million GF for bills addressing Sickle Cell Disease
    - HB 392 VDH screening program to include educational resources on cancers, related to sickle cell disease, including kidney cancer
    - HB 1391 Establishes Sickle Cell Coordinated Access Network
    - HB 1418 Establishes Sickle Cell Trait Awareness and Education Program
- \$10.0 million GF for Free Clinics
- \$4.2 million GF and \$1.2 million NGF for maternal and child health programs (in addition to restoring FAMIS prenatal and postpartum care)
  - Maternal Infant Early Childhood Home Visiting Program
  - HB 425 Medicaid remote patient monitoring for pregnant women over age 35
  - HB 838 Codifies Medicaid doula care
  - HB 1398 Fetal and Infant Mortality Review Team
  - HB 1403 Severe Maternal Morbidity Surveillance & Review Program

# OTHER INITIATIVES

## **DMAS/Medicaid**

- \$59.3 million GF and \$66.5 million NGF for DD Waiver Rates
- \$4.7 million GF and \$33.2 million NGF for CoverVA Call Center & Eligibility Operations

## **Virginia Department of Health (VDH)**

- \$8.2 million GF in FY 2027 and \$6.8 million GF in FY 2028 to complete and maintain electronic health records for local health departments

## **Dept. for Aging and Rehabilitative Services**

- \$6.0 million GF for services provided by Area Agencies on Aging
- \$3.0 million GF for vocational rehabilitation services
  - Matches \$11.1 million in federal funding
- \$2.0 million GF for community brain injury services

# MEDICAID GF SAVINGS

- \$1.3 million to implement a single Pharmacy Benefit Manager for the Medicaid program
  - Reflects start up costs to procure a PBM and implement the contract
  - Adds requirements for developing and awarding the contract including issuing the RFP by Jan. 1, 2027 and awarding the contract by July 1, 2027
  - More significant cost savings are projected in the next biennium
- \$9.7 million over the biennium by carving out 340B pharmacy claims from the Medicaid program
  - Requires institutional providers to forego the use of 340B discounted drugs for Medicaid patients, allowing the Medicaid program to realize drug rebates
- \$30.3 million over the biennium by returning to 2025 managed care profit caps and underwriting gains



# COMMERCE, AGRICULTURE AND NATURAL RESOURCES

# HOUSING AFFORDABILITY AND HOMELESSNESS REDUCTION: \$73.1 MILLION OVER BIENNIUM

**EDIP:** Allows the General Assembly to determine the repayment of a treasury loan authorized for Newport News to develop housing around the shipyard

**DHCD:** Allows due diligence work to be funded from the Manufactured Home Park Acquisitions Pilot

**DHCD:** Removes language authorizing use of RGGI funds for disaster relief

Program (\$ in millions)	FY 2027	FY 2028
<b>DHCD:</b> Capitalizes the Virginia Housing Revolving Loan Fund (HB 820)	\$25.0	-
<b>DHCD:</b> Additional support for Virginia Housing Trust Fund (currently \$87.5 million/year)	12.5	-
<b>DHCD:</b> Increase support for Virginia Eviction Reduction Program (currently \$3.5 million/year)	10.0	-
<b>DHCD:</b> Increase homelessness services funding in response to federal cuts (currently \$1.8 million/year)	7.0	7.0
<b>DHCD:</b> Capitalizes the Virginia Residential Development Infrastructure Program (HB 196)	5.0	-
<b>DHCD:</b> Support for Local Housing Efforts in Fairfax and Prince William Counties and Fair Housing Enforcement through HOME Virginia	5.5	-
<b>DHCD:</b> Fund for Income-Qualified Energy Efficiency and Weatherization Task Force (HB 3), Statewide Housing Growth Targets (HB 804), and Manufactured Home Park Rental Act (HB 374)	0.5	0.5
<b>Total</b>	<b>\$65.6</b>	<b>\$7.5</b>

# STATE COSTS FOR MAJOR LABOR INITIATIVES: \$45.6 MILLION

## Collective Bargaining Start-up Costs (HB 1263)

- Provides \$20.0 million in fiscal year 2027 to fund the start-up costs associated with collective bargaining including the establishment of the Public Employee Relations Board and Virginia Home Care Authority

## Raising the Minimum Wage (HB 1)

- Provides \$14.5 million over the biennium to cover the cost of raising the minimum wage for state employees, constitutional offices, and home health care workers

## Providing Paid Sick Leave (HB 5)

- Provides \$11.1 million in fiscal year 2028 to provide paid sick leave to personal care attendants funded by Medicaid and the Department of Aging and Rehabilitative Services

## Paid Family and Medical Leave Start-up Costs (HB 1207)

- Authorizes a treasury loan for the Virginia Employment Commission to establish a Paid Family and Medical Leave program
- Start-up costs estimated at \$116.5 million over two years

# LABOR LAW ENFORCEMENT AND WORKER PROTECTIONS

## Increase Capacity at DOLI for Wage, Leave, and Non-Compete Enforcement

- Adds \$3.5 million in fiscal year 2027 and \$3.5 million in fiscal year 2028 to increase labor law enforcement activities at Department of Labor and Industry (DOLI), allowing the agency to hire 25 new positions
- Provides \$3.1 million over the biennium to develop a comprehensive case management system
- Funds House Bills: 5, 20, 238, 260, 339, 627, 636, 670, 675, 923, 930, 944, 1218

## Staff for Paid Sick Leave Enforcement (HB 5)

- Provides \$2.1 million in fiscal year 2028 for DOLI to hire 14 additional positions to investigate complaints related to paid sick leave policies (systems costs included above)

## Prevailing Wage Survey and Certified Payrolls (HB 569)

- Adds \$2.1 million in fiscal year 2027 and \$0.4 million in fiscal year 2028 for DOLI to develop a system to collect certified payrolls from contractors subject to prevailing wage requirements and determine prevailing wage rates based on Virginia specific data

## Heat Stress Regulations (HB 1092)

- Adds \$0.6 million over the biennium for DOLI to develop regulations to protect workers from heat related illness and injury

# ECONOMIC DEVELOPMENT AND BUSINESS SUPPORT

**VEDP:** Adds \$10 million to Virginia Business Ready Sites Program

**VTA:** Language amendment increases the maximum grant awards from the Governor's New Airline Service Fund

**EDIP:** Includes \$5 million for Virginia Beach for the Atlantic Park Development

**Part 3:** Reverts \$80 million from the Business Ready Sites Acquisition Fund

Economic Development Project (\$ in Millions)	FY 2027	FY 2028
<b>AWS:</b> Cloud Computing Cluster Infrastructure Grant Fund	\$0.0	\$7.7
<b>Wells Fargo:</b> Financial Services Expansion Grant Fund	1.4	1.5
<b>Micron:</b> Current and Mature Semiconductor Technology Grant Fund	1.4	4.5
<b>Microporous:</b> Lithium-Ion Battery Separator Manufacturing Fund	0.7	0.9
<b>Lego:</b> Precision Plastics Manufacturing Grant Fund	5.9	7.5
<b>Eli Lilly:</b> Legislation Approving Project to be considered in 2026 Session, MEI approved (HB 800   SB 404)	0.5	2.6
<b>Hitachi:</b> Legislation Approving Project to be considered in 2026 Session, MEI approved (HB 799   SB 403)	0.3	3.7
<b>AstraZeneca:</b> Legislation Approving Project to be considered in 2026 Session, MEI approved (HB 1076   SB 527)	2.8	10.0
<b>Project Jolt:</b> MEI Approved	-	4.1
<b>Project Volare:</b> MEI Approved	-	2.3
<b>Total</b>	<b>\$13.0</b>	<b>\$44.8</b>
<i>Virginia Investment Partnership Grant</i>	<i>\$0.3</i>	<i>\$4.3</i>
<i>Virginia Economic Development Incentive Grant</i>	<i>\$2.9</i>	<i>\$1.8</i>

# LIFE SCIENCES RESEARCH EFFORTS

## Virginia Institute for Biotechnology at UVA

- Provides an additional \$6.0 million for the development of the Virginia Institute for Biotechnology at UVA - total GF resources committed to the project = \$88.5 million
- Adds language allowing existing and new resources to be used to complete the building

## Virginia Tech Patient Research Center

- Provides an additional \$6.0 million for the development of the Virginia Tech Patient Research Center – total GF resources committed to the project = \$32.5 million

## VCU's Medicines for All Institute

- Provides an additional \$3.0 million for the development of VCU's Medicines for All Institute – total GF resources committed to the project = \$16.0 million

## Development of a Fast-Acting Insulin

- Provides an additional \$2.0 million for a non-profit company to develop a fast-acting insulin - total GF resources committed the project = \$5.0 million

# WATER QUALITY

- Deposits \$252.0 million from all funds into the Water Quality Improvement Fund in FY 2027. Deposit comprised of:
  - \$107.9 million GF for mandatory Part A and Part B deposit based on FY 2025 year-end
  - \$58.0 million NGF from accrued NRCF interest earnings
  - \$83.9 million NGF from balances of WQIF Reserve
- Of this amount, \$242.9 million for the Natural Resources Commitment Fund
  - \$147.9 million for Ag BMPs within the Chesapeake Bay watershed
  - \$63.4 million for Ag BMPs outside the Chesapeake Bay watershed
  - \$31.6 million for technical assistance provided by SWCD offices
- \$2.0 million GF in FY 2027 for the Virginia Conservation Assistance Program (VCAP)

# WATER QUALITY

- \$329.5 million GF in FY 2027 is deposited for the state share of wastewater treatment plant improvements
- \$50.0 million GF in FY 2027 to support the ongoing costs of the Richmond Combined Sewer Overflow Project
- \$43.5 million GF in FY 2027 for the Stormwater Local Assistance Fund to support grants to localities for municipal separate storm sewer system (MS4) improvements

# DEPARTMENT OF ENVIRONMENTAL QUALITY

- \$1.3 million GF over the biennium and five positions for PFAS monitoring
- \$600,000 GF for costs related to the hazardous substance storage tanks program
- \$500,000 to support a PFAS disposal alternatives analysis
- \$250,000 for study of use of standby generators by permitted commercial facilities pursuant to House Bill 1502
- \$200,000 GF to support study of groundwater supply in Western Loudoun and Fauquier
- \$200,000 to expand litter tax study pursuant to House Bill 1011

# OTHER SPENDING ACTIONS

## **Secretary of Natural and Historic Resources**

- \$1.5 million GF in FY 2027 for the nonfederal match of U.S. Army Corps study of Chincoteague Inlet erosion and widening issues

## **Department of Wildlife Resources**

- \$796,000 NGF in FY 2027 to reflect costs of providing 2% raise for state employees

## **Department of Historic Resources**

- \$5.8 million GF in FY 2027 to support 9 Virginia historic and cultural attractions
- \$2.0 million GF in FY 2027 provided for the Black, Indigenous, and People of Color (BIPOC) Historic Preservation Grant Program
- \$230,000 GF each year and 2 positions to address easement backlog

# AG & FORESTRY AGENCIES

## VDACS

- \$4 million GF in FY 2027 to support the Virginia Agricultural Food Assistance Program and Virginia Fresh Match
- \$2.0 million GF over the biennium and seven positions to support provisions of House Bills

## Department of Forestry

- \$498,000 over the biennium to backfill loss of federal funds used to support community forestry programs

# HIGHER EDUCATION

# COLLEGES AND UNIVERSITIES

## *\$276.2 MILLION OVER THE BIENNIUM*

- Affordable Access and Tuition Moderation - \$132.7 million
- Workforce Development - \$50.6 million
  - VCCS CTE - \$30.0 million (focus on healthcare sector)
  - Nursing at JMU, UMW & Radford - \$7.6 million
  - VT Med School - \$13.0 million
- HBCU Partnership - \$50.0 million
- Undergraduate Financial Aid - \$15.0 million
- Academic, Administrative & Financial Systems - \$9.6 million
- Institution-specific initiatives - \$18.3 million

# VIMS AND EXTENSION

- VIMS - \$3.7 million
  - Menhaden Research Study - \$2.0 million
  - Sea Grant - \$0.9 million
  - Operating Support - \$0.8 million
- VT Extension - \$1.0 million
- VSU Extension – operating support and small farm outreach

# HIGHER EDUCATION CENTERS

## *\$7.1 MILLION OVER THE BIENNIUM*

- New College Institute
  - Name change (HB 430) West Piedmont HEC
  - Restore 2<sup>nd</sup> year funding
  - Transfer fiscal agent responsibility for Philpott Manufacturing / GenEdge includes restoration of Chapter 725 funding
- Institute for Advanced Learning & Research GOTEC - \$4.7 million
- Roanoke HEC - \$440,000
- Southern Va HEC - \$500,000
- Southwest Va HEC - \$400,000

# SCHEV

*\$45.7 MILLION OVER THE BIENNIUM*

- Workforce Credential Grant - \$32.5 million
- Maintain VTAG Award at \$5,250 - \$6.0 Million
- VTAG Supplement for Hispanic Serving Inst - \$3.6 million
- VMSDEP Stipends - \$2.5 million in FY 28
- Student grants Virginia University – Lynchburg - \$2.0 million
- Virtual Library (VIVA) - \$1.1 million
- Balances internship funding to support Internship Virginia
  - \$2.0 million transfer to VEDP
  - DHRM internship coordinator (HB 54)

# MAJOR LANGUAGE ITEMS

- Menhaden Research Study
- GMU-Averett Partnership
- GMU State Climatologist
- UMW Partnership with Mary Washington Healthcare
- UVA Diabetes information
- O/S Tuition Flexibility
- Technical clarifications for foster student grants
- Richard Bland Level II pilot



# TRANSPORTATION AND PUBLIC SAFETY

# GENERAL FUND SPENDING

## DRPT

- Recommends \$153.0 million in operating support for the Washington Metropolitan Area Transit Authority in FY 2027
  - Half the funding would be carried forward for support in FY 2028
- Includes \$300,000 GF in FY 2027 to support joint subcommittee study concerning public transit in Hampton Roads (HJ 28)

## VDOT

- Provides \$7.0 million GF in FY 2027 to support improvements for Route 460 as part of the Virginia Coalfields Expressway Project

## Port

- Includes \$2.0 million to complete the project design of the proposed inland port in Washington County

# NGF SPENDING AMENDMENTS

## **DRPT**

- Includes language providing \$10.0 million from the Transportation Partnership Opportunity Fund for the demolition of a parking garage at the Huntington Metrorail Station
  - Funding contingent on the commitment of local or regional resources sufficient to complete the demolition

## **Department of Aviation**

- Proposes the transfer of \$1.0 million in fiscal year 2027 from the Commonwealth Development Opportunity Fund to support the continued development of Advanced Air Aviation Test Sites.

## **VDOT**

- Provides \$50,000 NGF each year is to provided for sponsorship of the annual Public Policy Day (formerly Mobility Talks International) at the Washington, DC Auto Show."

# LANGUAGE AMENDMENTS

- **Secretary of Transportation**

- Evaluate Options to Accelerate I-81 Projects; including tolling options as long as there are 2 toll-free lanes in each direction
- Work with Maryland and DC to evaluate reciprocity related to tickets and registering vehicles

- **VDOT**

- Amends language requiring MEI Commission approval prior to the release of TPOF funds for certain projects

- **DRPT**

- Allows DRPT to use reserves from the Commonwealth Mass Transit Fund to provide short-term loans to transit entities to backstop federal 5310 and 5311 funds if these funds are delayed due to a federal shutdown

# DEPARTMENT OF CORRECTIONS

- \$28.9 million GF in FY 2027 and \$30.8 million GF in FY 2028 for increased costs of inmate medical services
- \$2.2 million GF over the biennium for full rollout of body cameras at Red Onion and Wallens Ridge State Prisons
- \$2.4 million GF over the biennium to support more than two dozen House Bills passed this Session
- For the Parole Board, \$1.9 million GF over the biennium and 11 positions pursuant to HB 193 and HB 318
- \$1.5 million GF in FY 2027 to support 4 jail renovation and upgrade projects

# VIRGINIA STATE POLICE

- \$81.1 million GF over the biennium to address operational and personnel costs
- Language establishes financial reporting requirements for the Department
  - Goal is to ensure base appropriation in future years is able to fully meet the Department's operating needs
  - Language requires a comprehensive financial audit, establishes a process for requesting approval for changes in the agency's compensation structure, and delays the commencement of the 146<sup>th</sup> Basic Session until October 1, 2027
- \$9.3 million GF each year for Phase 2 of the Department's ongoing VITA transformation process
- \$802,000 GF over the biennium and 2 positions pursuant to the provisions of HB 19, HB 642, HB 964, HB 1015, and HB 1096

# DEPARTMENT OF CRIMINAL JUSTICE SERVICES

- \$10.0 million GF increase each year for the Safer Communities Program
  - Expands program to the Cities of Danville, Hampton, Hopewell, Newport News, and Petersburg
  - The Cities of Norfolk, Portsmouth, Roanoke, and Richmond already are eligible
  - With the expansion, the nine localities with the highest levels of gun violence in the Commonwealth will be eligible for the program
- Eliminates language establishing the Operation Ceasefire Grant Program and associated funding
- \$6.0 million GF each year to backfill reductions in federal support for Sexual and Domestic Violence Victim Programs
- \$2.9 million GF each year to increase support for the Court Appointed Special Advocates program for the first time since FY 2008

# CAPITAL OUTLAY AND GENERAL GOVERNMENT

# \$2.0 BILLION GF FOR HOUSE CAPITAL PRIORITIES

## Capital Outlay Funding in HB 30 (\$ in millions)

General Fund Cash	\$884.0
General Fund Bonds	1,110.0
Nongeneral Fund Cash	524.7
9(d) Nongeneral Fund Bonds	112.4
<b>Total</b>	<b>\$2,630.8</b>

- Nearly \$2.0 billion GF-supported (cash and/or tax-supported debt)
- Includes over \$100 million in reprioritized spending while resulting in a net savings of \$6.0 million general fund compared to HB 30 as introduced

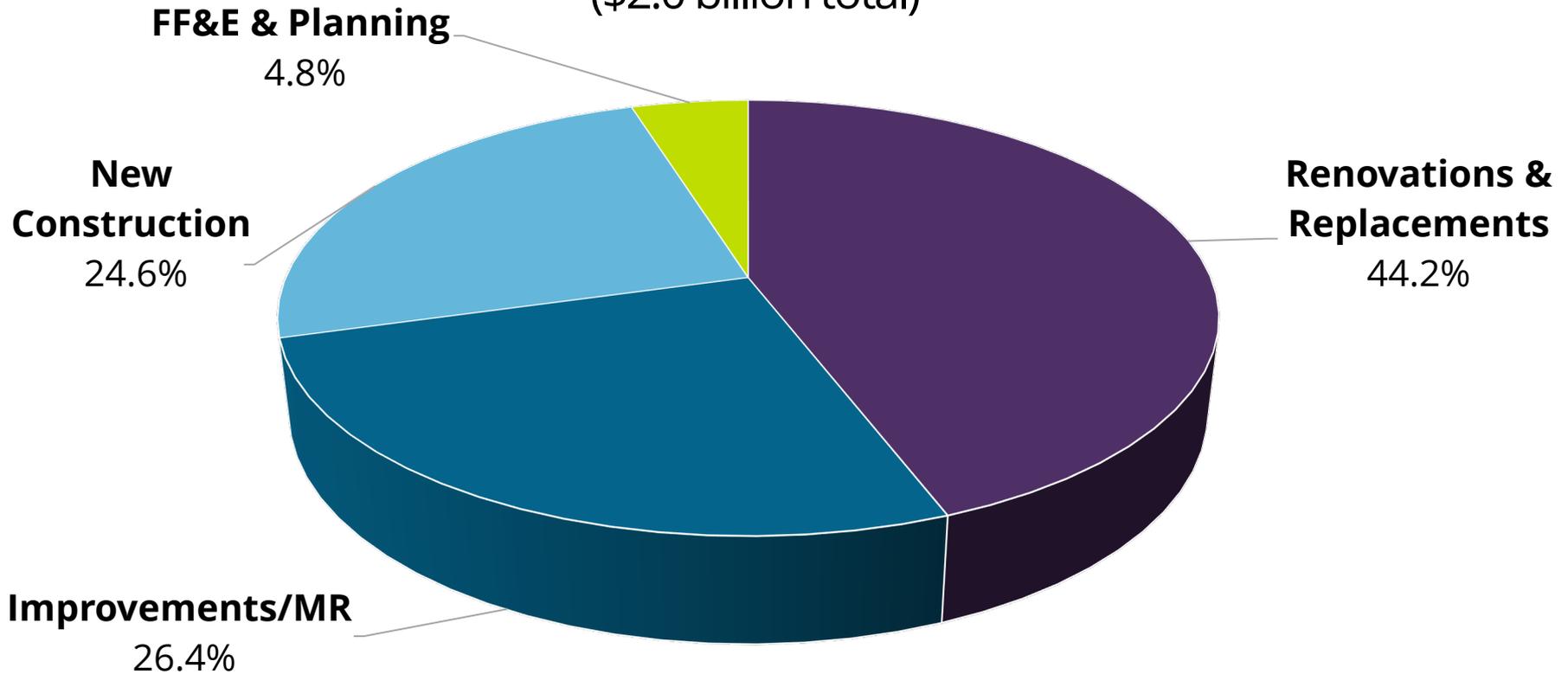
# GF CAPITAL HIGHLIGHTS

- \$1.4 billion for a construction pool of 14 projects
  - 12 are for institutions of higher education
- \$400.0 million for maintenance reserve (MR) in FY 2027
- House Budget additions of note:
  - \$33.0 million for a new state agency building to include childcare center
  - \$25.0 million to begin installing HVAC in prisons
  - \$10.3 million for FF&E for a project at NSU
  - Increased MR funding to address deferred maintenance at institutions of higher education
- Restores higher education and state agency projects vetoed by Governor Youngkin

# OVER 70% OF GF SPEND IMPROVES CURRENT FACILITIES

## General Fund Capital Project Categories

(\$2.0 billion total)



# OTHER NOTABLE CAPITAL ITEMS

- **Planning pool:** \$1.0 million for six projects
  - Four at institutions of higher education: W&M, UVA, UVA-W
- **FF&E:** \$51.7 million in a pool for 8 projects nearing completion and \$12.0 million for workforce development equipment
- **NGF capital:** \$637.2 million; includes improvements at the Virginia Port Authority, a new business building at VT, various auxiliary projects at JMU, and VCCS facility upgrades
  - Of the total NGF, \$112.4 million is NGF-supported 9(d) bonds
- **Language:**
  - Authorizes the Six-PAC to require project owners to provide NGF or reduce project scope if they cause delays that increase project costs
  - Increases MR threshold
  - Requires Tier III higher ed to notify the Six-PAC of NGF E&G projects

# GENERAL FUND HIGHLIGHTS

- **Federal Unanticipated Contingency Fund:** \$200.0 million
  - \$75.0 million the first year and \$125.0 million the second year available to address unanticipated reductions in federal funding
- **Debt Service Payments:** \$67.9 million
- **Courts:** \$75.0 million
  - \$48.3 million: Criminal Fund; includes raising Guardian Ad Litem fees
  - \$16.1 million: IT programs, including upgrading the Court of Appeals Case Management System & Court Reminder Program
  - \$10.6 million: 10 judges: 6 District/Circuit, 4 Court of Appeals
- **Office of the Attorney General:** \$12.5 million
  - 19 positions for new Federal Litigation & Worker Protection Units, fund legislation, and address compression issues



# COMPENSATION AND RETIREMENT

# ACROSS THE BOARD SALARY INCREASES – 2% EACH YEAR

- 2% salary increase in both years – Subcommittee recommendations include salary adjustments proposed in the introduced budget
  - \$254.0 million GF in FY 2027 and \$532.2 million in FY 2028 to fund a 2% salary increase at the beginning of each fiscal year for State employees, State supported local employees and SOQ Fund positions

(\$ in millions)	FY 2027	FY 2028
State Employees	\$92.5	\$203.8
Adjunct Faculty and Teaching Assistants	3.9	8.6
State Supported Local Employees	30.40	64.2
SOQ Funded Positions	<u>127.2</u>	<u>255.6</u>
<b>Total</b>	<b>\$254.0</b>	<b>\$532.2</b>

# STATE EMPLOYEE HEALTH INSURANCE

- Recommends \$80.0 million GF in FY 2027 for a lump sum deposit to replenish the State Employee Health Insurance Fund
- Provides \$99.4 million GF in FY 2027 and \$144.1 million GF in FY 2028 to support a 12.96% increase in premiums for the state employee health insurance program effective July 1, 2026 and an additional increase of 5% effective July 1, 2027
- Actuarial analysis assumes 19.2% increase in premiums in FY 2027 but several plan design changes are proposed to reduce the level of increase

# OTHER AMENDMENTS

- Office of Attorney General Compression Adjustment – Includes \$3.5 million GF each year to implement pay plan for Attorneys at the OAG
- Increase Compensation for Legislators – Includes \$2.1 million GF in FY 2028 to increase salaries for elected members of the General Assembly up to \$45,000 per year effective in January of 2028
  - Language ties future adjustments to state employee pay raise effective after the next Senate election
  - The last increase for legislative pay was in 1988
- Modernize State Employee Job Classification System – \$500,000 GF in FY 2027 for the Department of Human Resource Management to examine the options for modernizing the Commonwealth's job classification system
  - Language requires the Department to make recommendations by November 30, 2026

# GF AMENDMENTS TIED TO LEGISLATION

	FY 2027	FY 2028	Total
HB 393 (Askew) – Cancer Screenings for Firefighters	\$2,000,000	\$0	\$2,000,000
HB 865 (Cousins) – Include Lung Cancer & Non-Hodgkin's lymphoma in Cancer Presumption	0	90,100	90,100
HB 1182 (Thomas) - Health Insurance Coverage for OTC Contraceptives	330,650	330,650	661,300
HB 795 (Reaser) – Health Insurance Coverage for Opioid Antagonist used for Overdose Reversal	<u>30,000</u>	<u>30,000</u>	<u>60,000</u>
<b>Total</b>	<b>\$2,360,650</b>	<b>\$450,750</b>	<b>\$2,811,400</b>