

February 22, 2026

REPORT OF THE  
HOUSE APPROPRIATIONS  
SUBCOMMITTEE ON

**ELEMENTARY &  
SECONDARY  
EDUCATION**

House Bill 30



VIRGINIA HOUSE  
APPROPRIATIONS  
COMMITTEE

CHAIRMAN LUKE E. TORIAN



# REPORT OF THE SUBCOMMITTEE ON ELEMENTARY AND SECONDARY EDUCATION

Mr. Chairman and Members of the Committee:

Today the Elementary and Secondary Education Subcommittee presents a budget focused on three core areas: **ensuring stability** for students, teachers, and the K-12 system; **continuing our progress** to provide more targeted supports; and providing families with **affordable early childhood education** options. In total, this budget invests \$1.7 billion in additional funds to address these priorities, including fully funding the cost of rebenchmarking K-12 costs.

School divisions are facing tough choices and uncertainty as federal actions, enrollment declines, and persistent teacher shortages hit home. That is why we include \$400.0 million as a one-time flexible payment for school divisions to provide fiscal stability and meet local needs, whether that be continuing an effective tutoring program, funding a school renovation, or tackling teacher recruitment challenges.

This budget continues to build on our progress to provide targeted funding supports by including a \$160 million funding increase for students with disabilities, more than doubling last year's special education investment, allowing schools to provide direct support for students' greater needs.

Finally, our budget invests \$163 million for early childhood education to create additional early childhood slots to clear out waitlists for child care and ensure all families with incomes below 85% of the state median income can access affordable child care. To stretch these

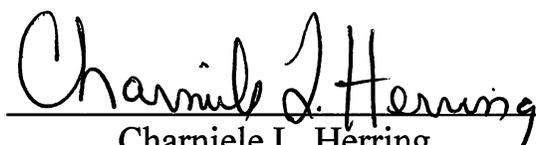
funds further, the budget includes an innovative partnership with employers to share in the cost of child care, benefiting families and helping recruit talent for businesses.

Mr. Chairman, we look forward to continuing our work of making investments that will benefit the Commonwealth for generations by lifting up families, students, and educators. I hope it is the pleasure of the subcommittee to adopt this report.

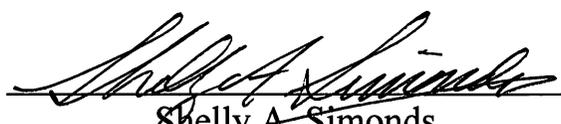
Respectfully Submitted by the House Appropriations Subcommittee on  
Elementary & Secondary Education:

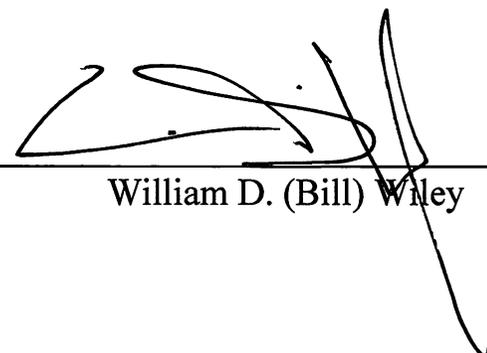
  
Delores L. McQuinn, Chair

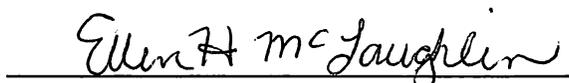
  
Briana D. Sewell

  
Charniele L. Herring

  
Marcia S. (Cia) Price

  
Shelly A. Simonds

  
William D. (Bill) Wiley

  
Ellen H. McLaughlin



HB 30 Amendments	2026-28 BIENNIAL TOTAL		FTEs
	General Fund	Nongeneral Fund	
<b>LEGISLATIVE</b>			
<b>General Assembly</b>			
Joint Subcommittee on Elementary and Secondary Education Funding	\$250,000		
<b>EDUCATION</b>			
<b>Department of Education, Central Office Operations</b>			
HB 263 - Certified School Librarian Specialist	295,706		1
HB 1113 - Culturally Responsive and Language-appropriate Mental Health Support and Services	60,000		
HB 1446 & HB 1503 - Sickle Cell Disease Training and Resources	60,000		
HB 298 - Restorative Disciplinary Practices	70,000		
School Improvement Program Plan	Language		
English Learner and Special Education Expenditure Data	Language		
HB 814 - Virginia African American, Asian American, Pacific Islander, Latino, and Indigenous Education Advisory Board	100,000		
Redirect Early Childhood Proposal	(2,000,000)		
Statewide Learning Management System	Language		
Type 1 Diabetes Education Resources	Language		
<b>Direct Aid to Public Education</b>			
Free Big Bookstore	300,000		
YMCA of South Hampton Roads	500,000		
Blue Ridge PBS	700,000		
New Chesapeake Men For Progress	200,000		
PBS Appalachia	1,900,000		
Virginia Outdoor Education Program	100,000		
Hanover Center for Trades and Technology	750,000		
REACH Virginia	500,000		
Dolly Parton Imagination Library	4,000,000		
Cyber Bus	200,000		
One Time Flexible Funding	400,445,548		
Expand Special Education Add-On	148,387,082		
Increase Lottery Forecast for FY 2026	(15,000,002)	15,000,000	
Expand Support for Students with Intensive Support Needs Application (SISNA)	10,000,003		

HB 30 Amendments	2026-28 BIENNIAL TOTAL		FTEs
	General Fund	Nongeneral Fund	
HB 195 - At- Risk Add-On School Health Services	Language		
LCI Error Corrections	Language		
Consolidate K-12 Sales Tax Revenues	Language		
Redirect Literary Funds to Support Teacher Retirement	(172,000,000)		
Regional Alternative Slot Allocations	Language		
HB 18 - Employee Child Care Assistance Pilot Program	25,000,000		
Early Childhood Flexibility	Language		
<b>HEALTH AND HUMAN RESOURCES</b>			
<b>Children's Services Act</b>			
CSA Private Day Placement Reporting	Language		
<b>PART 3</b>			
Consolidate K-12 Sales Tax Revenues	Language		
<b>PART 4</b>			
Consolidate K-12 Sales Tax Revenues	Language		

# HB 30, House Report: Direct Aid to Public Education Estimated Distribution

## FY 2027

**FY 2026**

**HB 29**

School Division	Key Data Elements		FY 2026 Appropriation (Ch. 725)	Technical & Rebenchmarking Costs	Proposed Policy Actions				FY 2027 Estimated Distribution (HB 30, House Report)	\$1,500 Bonus (divisions may carry funds into FY 2027)
	2026-28 Comp. Index	FY 2027 Projected ADM			2% Compensation Increase Supplement	Gov's School Expansion	\$400m One-Time Flexible Payment	Increase Special Education Add-On		
ACCOMACK	.3548	4,279	\$51,552,946	(\$103,281)	\$550,146	\$0	\$1,986,669	\$276,044	\$54,262,524	\$516,326
ALBEMARLE	.6429	13,353	75,662,746	9,900,441	884,264	0	2,993,102	493,148	89,933,701	725,149
ALLEGHANY HIGHLANDS	.2849	2,488	33,797,994	(2,663,727)	365,083	0	1,140,148	232,000	32,871,499	373,027
AMELIA	.3978	1,461	15,664,881	(567,654)	165,841	0	589,704	86,200	15,938,972	172,991
AMHERST	.3128	3,602	41,989,823	106,181	483,570	0	1,558,451	311,378	44,449,403	460,884
APPOMATTOX	.3043	2,267	25,672,720	619,559	295,948	0	967,503	123,239	27,678,969	291,181
ARLINGTON	.8000	26,674	121,993,551	1,463,261	1,118,374	0	4,304,310	796,391	129,675,887	968,408
AUGUSTA	.4040	9,365	92,406,284	(59,718)	1,055,588	0	3,290,083	483,479	97,175,717	1,038,119
BATH	.8000	490	2,714,723	149,848	23,182	0	100,000	14,190	3,001,944	20,349
BEDFORD	.3132	8,124	84,347,442	1,509,415	1,006,625	0	3,234,351	519,501	90,617,334	1,019,557
BLAND	.2671	738	9,187,342	8,257	110,675	0	317,695	86,118	9,710,087	98,186
BOTETOURT	.4192	4,218	37,995,658	1,251,889	471,362	0	1,331,731	295,046	41,345,686	454,653
BRUNSWICK	.4665	1,392	17,602,607	(363,888)	171,997	0	728,804	100,275	18,239,795	143,615
BUCHANAN	.2718	2,122	27,327,464	1,494,194	332,806	0	1,090,463	240,205	30,485,131	326,040
BUCKINGHAM	.3569	1,544	19,657,884	(470,971)	202,254	0	775,362	146,868	20,311,397	226,441
CAMPBELL	.3094	7,139	77,923,844	1,968,200	901,237	0	2,979,889	544,658	84,317,828	896,674
CAROLINE	.3478	4,192	43,790,769	1,159,038	510,047	0	1,722,190	297,118	47,479,162	464,445
CARROLL	.2964	3,123	38,371,084	(991,546)	436,606	0	1,452,333	266,560	39,535,038	422,820
CHARLES CITY	.7206	503	4,199,767	(105,133)	36,702	0	150,378	25,165	4,306,879	37,888
CHARLOTTE	.2420	1,524	20,012,653	(127,178)	232,113	0	755,473	103,911	20,976,972	204,686
CHESTERFIELD	.3564	62,086	574,735,442	24,360,685	7,148,978	0	21,313,161	3,857,709	631,415,975	6,971,052
CLARKE	.5542	1,799	11,939,653	1,508,537	155,606	0	479,294	63,795	14,146,884	129,421
CRAIG	.3987	459	5,585,664	15,464	63,033	0	195,683	66,961	5,926,805	53,094
CULPEPER	.3616	8,067	82,049,141	3,439,768	1,005,413	0	3,120,220	506,832	90,121,374	894,932
CUMBERLAND	.3367	1,132	15,877,768	(565,809)	172,585	0	579,075	86,683	16,150,302	178,245
DICKENSON	.2289	1,599	21,633,699	199,549	247,254	0	834,045	159,410	23,073,958	252,783
DINWIDDIE	.3186	3,777	45,811,023	126,715	507,336	0	1,828,889	304,305	48,578,269	533,285
ESSEX	.5294	1,040	10,454,937	(943,494)	94,492	0	388,983	56,457	10,051,375	110,742
FAIRFAX	.6381	166,701	1,077,647,238	57,573,228	13,124,941	0	37,901,790	10,525,001	1,196,772,198	10,737,970
FAUQUIER	.5778	10,319	73,655,279	2,903,041	878,925	0	2,673,993	569,782	80,681,020	825,933
FLOYD	.4272	1,591	15,268,547	1,139,714	183,621	0	622,696	122,405	17,336,983	170,673
FLUVANNA	.4180	3,198	30,747,401	2,824,858	443,924	0	1,103,297	195,223	35,314,703	373,615
FRANKLIN	.4829	5,567	50,068,541	75,128	543,759	0	1,992,223	302,287	52,981,938	520,294
FREDERICK	.4204	14,156	129,736,790	814,149	1,529,578	0	4,619,811	693,503	137,393,831	1,365,199
GILES	.2184	4,127	37,982,949	8,180,718	578,335	0	1,609,611	348,534	48,700,148	247,279
GLOUCESTER	.4070	4,454	43,230,144	(1,334,135)	483,572	0	1,555,274	272,541	44,207,397	503,276
GOOCHLAND	.8000	2,601	11,398,691	293,358	94,840	0	444,174	48,177	12,279,241	91,527
GRAYSON	.3380	1,442	18,222,543	12,260	205,466	0	693,681	131,727	19,265,677	199,695
GREENE	.3703	2,718	28,605,736	(1,220,812)	319,090	0	1,011,869	150,086	28,865,969	307,739
GREENSVILLE	.3921	900	11,239,089	(290,232)	108,862	0	462,957	65,397	11,586,073	115,992
HALIFAX	.3177	3,910	50,123,286	(971,621)	530,952	0	1,945,317	323,951	51,951,885	562,241
HANOVER	.5099	15,817	120,499,778	(236,938)	1,394,568	0	4,156,556	889,357	126,703,321	1,441,697
HENRICO	.4334	48,825	456,167,539	(12,779,494)	5,030,953	0	15,994,040	2,436,403	466,849,441	4,712,984
HENRY	.2388	6,237	85,184,420	(2,718,135)	901,373	0	3,337,462	481,964	87,187,083	917,452
HIGHLAND	.7408	211	2,329,632	562,584	19,735	0	100,000	11,889	3,023,840	11,991
ISLE OF WIGHT	.3808	5,211	48,230,625	1,879,864	582,337	0	1,812,928	307,724	52,813,478	607,578
JAMES CITY	.5319	9,894	72,039,779	3,504,902	856,173	0	2,717,070	627,854	79,745,778	834,287
KING GEORGE	.3641	4,177	40,026,454	(42,021)	482,252	0	1,434,210	300,021	42,200,916	482,091
KING QUEEN	.4184	490	6,103,502	220,127	67,599	0	237,684	48,697	6,677,609	68,530
KING WILLIAM	.3273	2,035	21,321,883	129,581	266,224	0	769,649	129,909	22,617,245	257,553
LANCASTER	.8000	899	5,123,868	(124,846)	35,756	0	197,233	20,619	5,252,630	32,909
LEE	.1821	2,638	43,994,045	(1,409,267)	488,826	0	1,609,169	281,652	44,964,425	453,913

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	2026-28 Comp. Index	FY 2027 Projected ADM			2% Compensation Increase Supplement	Gov's School Expans- ion	\$400m One- Time Flexible Payment	Increase Special Education Add- On		
LOUDOUN	.5728	79,189	567,721,854	(11,334,399)	6,593,249	0	18,756,755	3,417,258	585,154,717	6,160,354
LOUISA	.5222	5,191	41,508,544	(84,411)	449,676	0	1,524,474	251,408	43,649,691	435,202
LUNENBURG	.2413	1,461	20,177,907	699,162	235,709	0	826,512	125,236	22,064,526	201,356
MADISON	.4873	1,481	12,486,348	902,436	149,115	0	512,798	52,216	14,102,914	142,233
MATHEWS	.6637	724	5,879,980	(123,650)	55,472	0	193,366	38,645	6,043,814	66,947
MECKLENBURG	.5018	3,507	36,011,501	(5,012,483)	322,681	0	1,219,483	121,995	32,663,177	397,547
MIDDLESEX	.6207	1,099	9,036,867	177,545	99,515	0	329,827	46,460	9,690,214	112,585
MONTGOMERY	.4054	8,898	82,576,569	1,561,270	999,082	0	2,995,980	512,009	88,644,909	997,831
NELSON	.7269	1,362	9,954,125	(1,165,406)	77,450	0	335,526	42,338	9,244,033	80,087
NEW KENT	.4550	3,625	27,795,641	1,665,903	359,297	0	996,199	201,271	31,018,311	343,501
NORTHAMPTON	.5719	1,201	12,513,910	(277,199)	114,637	0	503,042	57,111	12,911,502	113,836
NORTHUMBERLAND	.7375	1,085	5,970,435	542,536	58,000	0	249,583	27,475	6,848,029	46,429
NOTTOWAY	.2820	1,639	20,761,756	1,469,654	242,686	0	897,841	119,335	23,491,272	201,320
ORANGE	.4317	4,582	43,228,327	725,007	492,514	0	1,630,052	249,691	46,325,591	456,632
PAGE	.3610	2,756	28,932,312	1,361,827	340,485	0	1,152,141	176,050	31,962,815	311,135
PATRICK	.2715	1,747	25,545,532	(3,440,958)	253,302	0	855,703	202,334	23,415,913	269,448
PITTSYLVANIA	.2715	7,069	84,055,547	(453,702)	1,007,927	0	3,138,581	459,589	88,207,941	958,595
POWHATAN	.5061	3,643	30,313,538	(2,537,823)	327,392	0	986,610	204,916	29,294,633	366,047
PRINCE EDWARD	.4022	1,775	18,523,874	1,320,698	197,775	0	809,564	100,001	20,951,912	181,085
PRINCE GEORGE	.2286	5,864	66,053,731	2,256,839	799,412	0	2,351,201	450,739	71,911,922	755,102
PRINCE WILLIAM	.3767	85,992	886,808,337	23,843,971	11,255,969	0	30,881,761	6,792,836	959,582,874	9,659,865
PULASKI	.3187	3,928	44,503,070	(1,645,639)	498,689	127,406	1,619,277	247,339	45,350,143	420,599
RAPPAHANNOCK	.8000	749	3,725,826	291,895	31,761	0	140,575	16,396	4,206,453	22,984
RICHMOND	.3251	1,349	14,522,875	277,207	167,061	0	542,472	89,286	15,598,901	156,426
ROANOKE	.3472	12,924	121,352,007	6,445,903	1,553,688	0	4,397,599	994,117	134,743,314	1,509,502
ROCKBRIDGE	.4829	2,135	20,272,838	(460,303)	218,781	0	759,909	119,392	20,910,616	196,654
ROCKINGHAM	.3851	11,268	99,084,931	12,170,727	1,290,820	0	3,941,039	504,864	116,992,380	1,075,449
RUSSELL	.2388	2,998	37,883,036	1,447,336	473,370	0	1,470,365	200,768	41,474,875	432,892
SCOTT	.1877	4,035	55,047,382	1,991,247	721,933	0	1,880,680	829,501	60,470,744	703,936
SHENANDOAH	.4042	5,395	52,834,034	2,251,472	620,336	0	2,114,945	295,256	58,116,043	510,444
SMYTH	.2422	3,478	52,423,804	(4,792,187)	535,138	0	1,828,018	333,584	50,328,357	508,251
SOUTHAMPTON	.3214	2,184	25,250,577	1,149,704	291,478	0	1,018,959	140,204	27,850,922	284,284
SPOTSYLVANIA	.3783	23,184	229,889,371	8,744,707	2,785,407	0	8,538,000	1,868,302	251,825,787	2,619,540
STAFFORD	.3263	31,128	302,785,832	21,805,256	4,019,301	0	11,001,112	2,476,226	342,087,727	3,682,170
SURRY	.8000	664	3,808,206	286,463	32,820	0	145,473	21,398	4,294,360	31,081
SUSSEX	.3945	1,036	13,797,787	588,435	139,300	0	603,613	80,544	15,209,679	113,213
TAZEWELL	.2717	4,769	57,570,401	(331,175)	669,473	0	2,184,942	453,645	60,547,286	686,518
WARREN	.4482	4,595	42,385,330	833,855	481,414	0	1,655,024	226,888	45,582,510	458,408
WASHINGTON	.3681	6,461	75,271,218	(7,488,309)	825,054	46,538	2,334,956	536,392	71,525,849	749,369
WESTMORELAND	.5181	1,512	17,110,616	(131,042)	173,401	0	695,554	115,524	17,964,052	144,917
WISE	.1997	5,160	65,102,379	1,569,588	773,824	0	2,517,484	440,974	70,404,248	749,257
WYTHE	.3349	3,421	38,446,085	(828,384)	441,806	0	1,400,462	254,032	39,714,001	453,248
YORK	.3518	13,000	114,963,904	2,698,359	1,486,790	0	3,891,362	755,501	123,795,916	1,397,345
ALEXANDRIA	.8000	15,294	77,222,070	2,169,105	668,143	0	2,821,676	270,288	83,151,282	507,929
BRISTOL	.3321	1,955	27,480,749	(433,560)	279,176	0	1,030,578	182,906	28,539,849	288,578
BUENA VISTA	.2058	814	12,540,237	(1,145,728)	138,664	0	415,897	65,651	12,014,720	144,922
CHARLOTTESVILLE	.7666	4,041	24,354,211	(464,183)	174,735	0	835,626	78,597	24,978,986	172,840
COLONIAL HEIGHTS	.3824	2,889	28,016,374	3,701,522	345,675	0	1,197,439	226,647	33,487,657	285,035
DANVILLE	.2430	5,001	72,725,420	238,265	713,577	0	3,128,273	427,252	77,232,788	737,393
FALLS CHURCH	.8000	2,595	11,452,143	(277,422)	105,205	0	388,315	58,795	11,727,036	83,686
FREDERICKSBURG	.6033	3,322	25,751,892	2,568,134	279,308	0	1,083,366	143,188	29,825,888	232,788
GALAX	.2660	1,297	15,896,875	297,076	187,074	0	600,579	95,026	17,076,630	173,956

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## FY 2027

**FY 2026  
HB 29**

School Division	Key Data Elements		FY 2026 Appropriation (Ch. 725)	Technical & Rebench- marking Costs	Proposed Policy Actions				FY 2027 Estimated Distribution (HB 30, House Report)	\$1,500 Bonus (divisions may carry funds into FY 2027)
	2026-28 Comp. Index	FY 2027 Projected ADM			2% Compensation Increase Supplement	Gov's School Expans- ion	\$400m One- Time Flexible Payment	Increase Special Education Add- On		
HAMPTON	.2525	18,432	207,154,723	9,940,743	2,449,483	0	8,417,013	1,336,161	229,298,123	2,418,769
HARRISONBURG	.3031	6,375	71,176,747	4,474,736	859,383	0	2,758,840	265,594	79,535,300	712,142
HOPEWELL	.2055	3,419	47,529,671	2,081,040	519,629	0	2,057,334	322,146	52,509,819	472,684
LYNCHBURG	.3974	7,094	77,997,496	3,433,411	826,184	0	3,207,648	463,906	85,928,645	794,461
MARTINSVILLE	.2162	1,558	22,748,339	529,112	240,626	0	962,012	134,044	24,614,133	213,784
NEWPORT NEWS	.2826	23,383	283,931,379	4,717,678	3,109,360	0	11,378,326	1,770,757	304,907,500	3,072,104
NORFOLK	.3393	24,181	279,840,514	5,097,539	2,921,696	0	11,104,239	1,883,259	300,847,247	2,901,000
NORTON	.2702	786	9,957,342	606,890	122,908	0	358,442	67,501	11,113,084	100,105
PETERSBURG	.2152	3,908	57,357,241	(2,016,147)	554,149	0	2,232,026	236,827	58,364,095	531,003
PORTSMOUTH	.2439	11,538	152,927,912	(2,597,067)	1,597,193	0	6,023,286	818,167	158,769,491	1,598,332
RADFORD	.1573	2,853	36,812,322	(2,900,084)	413,599	0	1,167,911	396,097	35,889,845	319,043
RICHMOND CITY	.5756	20,318	187,370,413	10,970,848	1,795,028	0	7,619,604	735,175	208,491,068	1,648,436
ROANOKE CITY	.3503	12,340	160,126,906	(2,462,115)	1,610,476	0	5,979,074	856,673	166,111,014	1,506,974
STAUNTON	.3999	2,577	27,848,786	1,470,359	285,400	0	1,005,279	133,591	30,743,415	264,653
SUFFOLK	.3639	14,044	134,381,378	442,421	1,574,658	0	5,053,037	770,231	142,221,725	1,573,807
VIRGINIA BEACH	.4172	61,299	518,776,897	12,573,821	6,260,258	0	19,025,106	3,533,059	560,169,141	6,011,795
WAYNESBORO	.3809	2,705	29,711,870	1,778,537	327,929	0	1,179,262	170,259	33,167,857	323,088
WILLIAMSBURG	.7264	1,051	8,353,393	(397,915)	55,327	0	214,805	38,689	8,264,299	51,231
WINCHESTER	.4121	4,017	42,180,674	(712,946)	466,364	0	1,487,177	193,037	43,614,307	412,647
FAIRFAX CITY	.8000	2,824	13,721,756	(625,628)	123,240	0	475,566	98,717	13,793,651	97,751
FRANKLIN CITY	.2986	980	15,370,483	(1,943,649)	135,546	0	571,173	66,412	14,199,965	136,612
CHESAPEAKE CITY	.3209	38,953	394,865,278	1,230,775	4,830,405	0	13,645,267	2,818,976	417,390,701	4,685,550
LEXINGTON	.4196	645	5,644,639	(396,479)	65,828	0	182,258	15,774	5,512,019	70,161
EMPORIA	.2534	845	12,288,683	(28,204)	130,442	0	506,645	75,483	12,973,049	105,173
SALEM	.3503	3,995	35,080,896	4,387,351	468,503	0	1,384,767	295,129	41,616,646	381,243
POQUOSON	.3806	2,047	17,824,356	370,631	224,650	0	610,434	116,747	19,146,818	223,445
MANASSAS CITY	.3285	7,865	85,135,799	9,434,390	1,122,922	0	3,369,239	363,304	99,425,654	812,532
MANASSAS PARK	.2790	2,947	43,108,932	(2,756,604)	477,044	0	1,419,839	293,733	42,542,944	366,311
COLONIAL BEACH	.3805	531	6,727,092	(812,752)	68,187	0	208,462	33,041	6,224,029	64,967
WEST POINT	.2524	834	8,232,101	704,303	113,364	0	300,226	46,877	9,396,871	98,543
<b>TOTAL:</b>		<b>1,187,485</b>	<b>\$10,902,419,399</b>	<b>\$223,524,754</b>	<b>\$127,205,106</b>	<b>\$173,944</b>	<b>\$400,445,548</b>	<b>\$74,375,111</b>	<b>\$11,728,143,862</b>	<b>\$117,586,508</b>

## HB 30, House Report: Direct Aid to Public Education Estimated Distribution

School Division	Key Data Elements		FY 2026 Appropriation (Ch. 725)	Technical & Rebenchmarking Costs	Proposed Policy Actions			FY 2028 Estimated Distribution (HB 30, House Report)
	2026-28 Comp. Index	FY 2028 Projected ADM			2% Compensation Increase Supplement	Gov's School Expansion	Increase Special Education Add-On	
ACCOMACK	.3548	4,192	\$51,552,946	(\$994,211)	\$1,088,628	\$0	\$273,965	\$51,921,329
ALBEMARLE	.6429	13,303	75,662,746	10,266,499	1,784,498	0	490,647	88,204,390
ALLEGHANY HIGHLANDS	.2849	2,437	33,797,994	(3,212,114)	722,464	0	228,535	31,536,879
AMELIA	.3978	1,444	15,664,881	(643,890)	331,737	0	85,366	15,438,094
AMHERST	.3128	3,563	41,989,823	(177,122)	967,641	0	318,545	43,098,887
APPOMATTOX	.3043	2,262	25,672,720	621,509	596,733	0	122,085	27,013,047
ARLINGTON	.8000	26,520	121,993,551	1,966,543	2,268,346	0	782,085	127,010,525
AUGUSTA	.4040	9,269	92,406,284	(638,743)	2,113,142	0	479,777	94,360,460
BATH	.8000	496	2,714,723	185,346	47,358	0	14,367	2,961,794
BEDFORD	.3132	7,950	84,347,442	9,909	1,990,226	0	510,778	86,858,355
BLAND	.2671	729	9,187,342	(51,049)	221,821	0	83,134	9,441,248
BOTETOURT	.4192	4,190	37,995,658	1,124,950	946,220	0	294,273	40,361,102
BRUNSWICK	.4665	1,407	17,602,607	(152,968)	350,936	0	102,835	17,903,411
BUCHANAN	.2718	2,123	27,327,464	1,504,394	672,637	0	241,911	29,746,406
BUCKINGHAM	.3569	1,496	19,657,884	(969,533)	396,107	0	146,264	19,230,722
CAMPBELL	.3094	7,055	77,923,844	1,353,140	1,801,586	0	540,816	81,619,386
CAROLINE	.3478	4,172	43,790,769	1,047,727	1,026,437	0	292,410	46,157,343
CARROLL	.2964	3,076	38,371,084	(1,432,564)	870,283	0	265,217	38,074,020
CHARLES CITY	.7206	509	4,199,767	(55,331)	75,029	0	25,588	4,245,053
CHARLOTTE	.2420	1,484	20,012,653	(599,192)	456,780	0	101,073	19,971,314
CHESTERFIELD	.3564	62,049	574,735,442	25,824,290	14,452,072	0	3,844,059	618,855,863
CLARKE	.5542	1,798	11,939,653	1,554,749	314,340	0	63,746	13,872,487
CRAIG	.3987	461	5,585,664	38,365	127,691	0	66,847	5,818,567
CULPEPER	.3616	8,030	82,049,141	3,449,793	2,028,756	0	502,796	88,030,486
CUMBERLAND	.3367	1,126	15,877,768	(616,001)	347,082	0	85,974	15,694,822
DICKENSON	.2289	1,576	21,633,699	(67,071)	492,407	0	161,778	22,220,813
DINWIDDIE	.3186	3,692	45,811,023	(716,781)	1,003,436	0	300,756	46,398,434
ESSEX	.5294	1,030	10,454,937	(990,416)	189,203	0	56,714	9,710,438
FAIRFAX	.6381	165,418	1,077,647,238	54,284,910	26,289,968	0	10,444,918	1,168,667,034
FAUQUIER	.5778	10,243	73,655,279	2,797,402	1,765,252	0	555,917	78,773,850
FLOYD	.4272	1,584	15,268,547	1,122,284	369,674	0	123,042	16,883,547
FLUVANNA	.4180	3,186	30,747,401	2,895,835	897,558	0	195,295	34,736,089
FRANKLIN	.4829	5,442	50,068,541	(759,429)	1,074,282	0	299,493	50,682,888
FREDERICK	.4204	14,211	129,736,790	2,067,392	3,113,604	0	685,846	135,603,632
GILES	.2184	4,263	37,982,949	9,625,886	1,205,167	0	355,239	49,169,242
GLOUCESTER	.4070	4,361	43,230,144	(2,002,017)	957,017	0	267,516	42,452,660
GOOCHLAND	.8000	2,607	11,398,691	420,332	192,333	0	48,031	12,059,388
GRAYSON	.3380	1,422	18,222,543	(175,555)	409,394	0	131,114	18,587,496
GREENE	.3703	2,709	28,605,736	(1,207,869)	643,731	0	152,036	28,193,634
GREENSVILLE	.3921	888	11,239,089	(414,038)	216,985	0	64,718	11,106,754
HALIFAX	.3177	3,830	50,123,286	(1,752,702)	1,051,699	0	320,891	49,743,174
HANOVER	.5099	15,613	120,499,778	(1,122,246)	2,782,495	0	879,829	123,039,856
HENRICO	.4334	48,688	456,167,539	(11,581,963)	10,115,426	0	2,417,615	457,118,617
HENRY	.2388	6,127	85,184,420	(3,890,335)	1,792,485	0	477,364	83,563,934
HIGHLAND	.7408	218	2,329,632	643,244	41,146	0	12,582	3,026,604
ISLE OF WIGHT	.3808	5,147	48,230,625	1,448,719	1,162,305	0	306,486	51,148,134
JAMES CITY	.5319	9,812	72,039,779	3,469,713	1,721,401	0	622,259	77,853,152
KING GEORGE	.3641	4,123	40,126,454	(434,317)	962,132	0	293,114	40,847,383
KING QUEEN	.4184	458	6,103,502	(95,476)	128,163	0	46,284	6,182,473
KING WILLIAM	.3273	2,034	21,321,883	156,469	537,646	0	129,099	22,145,096

## HB 30, House Report: Direct Aid to Public Education Estimated Distribution

School Division	Key Data Elements		FY 2026 Appropriation (Ch. 725)	Technical & Rebenchmark - ing Costs	Proposed Policy Actions			FY 2028 Estimated Distribution (HB 30, House Report)
	2026-28 Comp. Index	FY 2028 Projected ADM			2% Compensation Increase Supplement	Gov's School Expan- sion	Increase Special Education Add- On	
LANCASTER	.8000	885	5,123,868	(127,145)	71,221	0	20,361	5,088,305
LEE	.1821	2,608	43,994,045	(1,799,504)	976,922	0	281,806	43,453,269
LOUDOUN	.5728	79,292	567,721,854	(8,829,623)	13,374,359	0	3,432,852	575,699,442
LOUISA	.5222	5,260	41,508,544	475,524	920,050	0	251,995	43,156,113
LUNENBURG	.2413	1,437	20,177,907	434,902	469,679	0	123,395	21,205,883
MADISON	.4873	1,448	12,486,348	719,589	295,153	0	52,519	13,553,609
MATHEWS	.6637	710	5,879,980	(175,219)	110,065	0	38,591	5,853,417
MECKLENBURG	.5018	3,462	36,011,501	(5,236,158)	644,460	0	120,590	31,540,393
MIDDLESEX	.6207	1,079	9,036,867	94,872	198,212	0	45,135	9,375,086
MONTGOMERY	.4054	8,787	82,576,569	938,874	1,996,387	0	508,151	86,019,981
NELSON	.7269	1,342	9,954,125	(1,199,988)	154,336	0	42,471	8,950,944
NEW KENT	.4550	3,695	27,795,641	2,252,702	740,410	0	203,828	30,992,581
NORTHAMPTON	.5719	1,182	12,513,910	(367,027)	228,658	0	61,090	12,436,631
NORTHUMBERLAND	.7375	1,071	5,970,435	527,054	116,002	0	27,318	6,640,809
NOTTOWAY	.2820	1,627	20,761,756	1,392,673	487,485	0	119,726	22,761,640
ORANGE	.4317	4,513	43,228,327	317,091	980,857	0	245,025	44,771,300
PAGE	.3610	2,731	28,932,312	1,141,469	681,491	0	178,294	30,933,565
PATRICK	.2715	1,725	25,545,532	(3,643,023)	505,757	0	206,577	22,614,843
PITTSYLVANIA	.2715	7,051	84,055,547	(508,030)	2,032,504	0	462,406	86,042,427
POWHATAN	.5061	3,518	30,313,538	(3,245,769)	639,492	0	202,558	27,909,819
PRINCE EDWARD	.4022	1,793	18,523,874	1,573,582	404,254	0	102,955	20,604,665
PRINCE GEORGE	.2286	5,760	66,053,731	1,762,433	1,588,877	0	440,989	69,846,029
PRINCE WILLIAM	.3767	85,296	886,808,337	18,913,172	22,562,690	0	6,722,026	935,006,226
PULASKI	.3187	3,853	44,503,070	(2,365,763)	993,404	240,911	239,234	43,610,857
RAPPAHANNOCK	.8000	766	3,725,826	373,736	65,460	0	16,379	4,181,400
RICHMOND	.3251	1,357	14,522,875	364,724	338,824	0	88,637	15,315,060
ROANOKE	.3472	12,792	121,352,007	5,592,215	3,110,640	0	990,521	131,045,383
ROCKBRIDGE	.4829	2,106	20,272,838	(609,383)	436,786	0	117,579	20,217,820
ROCKINGHAM	.3851	11,330	99,084,931	13,382,970	2,631,420	0	505,956	115,605,277
RUSSELL	.2388	2,957	37,883,036	1,036,496	944,299	0	201,867	40,065,698
SCOTT	.1877	4,052	55,047,382	2,284,822	1,464,233	0	851,736	59,648,173
SHENANDOAH	.4042	5,381	52,834,034	2,279,826	1,251,359	0	296,462	56,661,681
SMYTH	.2422	3,418	52,423,804	(5,485,076)	1,062,988	0	328,784	48,330,500
SOUTHAMPTON	.3214	2,146	25,250,577	716,085	578,066	0	132,854	26,677,582
SPOTSYLVANIA	.3783	23,112	229,889,371	8,906,288	5,621,126	0	1,841,598	246,258,383
STAFFORD	.3263	31,085	302,785,832	22,546,680	8,129,802	0	2,464,615	335,926,929
SURRY	.8000	670	3,808,206	335,339	66,976	0	22,450	4,232,971
SUSSEX	.3945	1,044	13,797,787	722,155	283,773	0	81,075	14,884,791
TAZEWELL	.2717	4,701	57,570,401	(1,136,223)	1,330,382	0	452,532	58,217,092
WARREN	.4482	4,479	42,385,330	47,618	949,574	0	223,114	43,605,636
WASHINGTON	.3681	6,405	75,271,218	(7,673,244)	1,657,921	46,548	534,461	69,836,904
WESTMORELAND	.5181	1,523	17,110,616	(8,915)	352,373	0	115,408	17,569,482
WISE	.1997	5,078	65,102,379	566,641	1,538,384	0	435,549	67,642,953
WYTHE	.3349	3,320	38,446,085	(1,712,103)	867,408	0	252,286	37,853,676
YORK	.3518	13,012	114,963,904	3,014,305	3,008,168	0	746,130	121,732,507
ALEXANDRIA	.8000	15,140	77,222,070	2,336,538	1,339,517	0	263,615	81,161,740
BRISTOL	.3321	1,914	27,480,749	(798,805)	553,315	0	181,954	27,417,213
BUENA VISTA	.2058	817	12,540,237	(1,083,661)	281,297	0	65,189	11,803,062
CHARLOTTESVILLE	.7666	4,002	24,354,211	(326,680)	350,145	0	76,990	24,454,666
COLONIAL HEIGHTS	.3824	2,914	28,016,374	4,071,396	705,621	0	224,395	33,017,787

## HB 30, House Report: Direct Aid to Public Education Estimated Distribution

School Division	Key Data Elements		FY 2026 Appropriation (Ch. 725)	Technical & Rebenchmark - ing Costs	Proposed Policy Actions			FY 2028 Estimated Distribution (HB 30, House Report)
	2026-28 Comp. Index	FY 2028 Projected ADM			2% Compensation Increase Supplement	Gov's School Expan- sion	Increase Special Education Add- On	
DANVILLE	.2430	4,959	72,725,420	(151,461)	1,431,974	0	429,176	74,435,109
FALLS CHURCH	.8000	2,607	11,452,143	(156,033)	213,617	0	57,461	11,567,188
FREDERICKSBURG	.6033	3,249	25,751,892	2,297,433	555,089	0	140,766	28,745,180
GALAX	.2660	1,287	15,896,875	197,648	375,335	0	93,958	16,563,816
HAMPTON	.2525	18,300	207,154,723	9,051,769	4,915,686	0	1,369,141	222,491,319
HARRISONBURG	.3031	6,358	71,176,747	4,425,240	1,733,311	0	261,185	77,596,483
HOPEWELL	.2055	3,360	47,529,671	1,417,511	1,034,500	0	317,742	50,299,424
LYNCHBURG	.3974	7,047	77,997,496	3,319,824	1,661,820	0	465,335	83,444,475
MARTINSVILLE	.2162	1,522	22,748,339	124,751	475,749	0	132,210	23,481,049
NEWPORT NEWS	.2826	22,939	283,931,379	206,127	6,170,668	0	1,760,065	292,068,238
NORFOLK	.3393	23,878	279,840,514	2,903,771	5,900,752	0	1,877,580	290,522,617
NORTON	.2702	788	9,957,342	651,354	249,220	0	68,848	10,926,764
PETERSBURG	.2152	3,867	57,357,241	(2,292,096)	1,114,384	0	230,232	56,409,760
PORTSMOUTH	.2439	11,263	152,927,912	(5,305,244)	3,158,560	0	808,807	151,590,036
RADFORD	.1573	2,779	36,812,322	(3,663,073)	814,857	0	413,128	34,377,234
RICHMOND CITY	.5756	20,391	187,370,413	12,573,412	3,643,966	0	736,045	204,323,835
ROANOKE CITY	.3503	12,167	160,126,906	(3,686,363)	3,224,815	0	837,552	160,502,910
STAUNTON	.3999	2,605	27,848,786	1,936,074	583,138	0	136,883	30,504,881
SUFFOLK	.3639	14,102	134,381,378	1,304,836	3,198,382	0	770,219	139,654,815
VIRGINIA BEACH	.4172	61,133	518,776,897	12,902,011	12,620,058	0	3,541,074	547,840,040
WAYNESBORO	.3809	2,685	29,711,870	1,778,856	660,411	0	169,980	32,321,117
WILLIAMSBURG	.7264	1,043	8,353,393	(317,279)	111,290	0	38,208	8,185,612
WINCHESTER	.4121	3,997	42,180,674	(718,652)	938,988	0	189,111	42,590,121
FAIRFAX CITY	.8000	2,782	13,721,756	(635,888)	246,142	0	97,340	13,429,350
FRANKLIN CITY	.2986	974	15,370,483	(1,945,059)	273,456	0	74,823	13,773,703
CHESAPEAKE CITY	.3209	38,893	394,865,278	1,296,944	9,741,844	0	2,807,617	408,711,684
LEXINGTON	.4196	642	5,644,639	(424,598)	131,825	0	15,344	5,367,210
EMPORIA	.2534	849	12,288,683	47,108	265,194	0	75,818	12,676,803
SALEM	.3503	3,951	35,080,896	4,089,510	937,570	0	293,938	40,401,914
POQUOSON	.3806	2,057	17,824,356	478,775	455,917	0	117,488	18,876,536
MANASSAS CITY	.3285	7,970	85,135,799	10,737,605	2,296,360	0	363,753	98,533,517
MANASSAS PARK	.2790	2,871	43,108,932	(3,597,388)	942,456	0	288,506	40,742,505
COLONIAL BEACH	.3805	518	6,727,092	(938,334)	134,307	0	31,967	5,955,031
WEST POINT	.2524	842	8,232,101	817,055	231,624	0	47,614	9,328,394
<b>TOTAL:</b>		<b>1,180,137</b>	<b>\$10,902,419,399</b>	<b>\$194,643,042</b>	<b>\$255,649,306</b>	<b>\$287,459</b>	<b>\$74,011,971</b>	<b>\$11,427,011,178</b>

*Committee Approved Amendments to House Bill 30, as Introduced*

Item 1 #7h

<b>Legislative Department</b>	<b>FY26-27</b>	<b>FY27-28</b>	
General Assembly of Virginia	\$250,000	\$0	GF

**Language:**

Page 3, line 5, strike "\$67,511,846" and insert "\$67,761,846".

Page 12, strike lines 18 through 20, and insert:

"3. Out of this appropriation, \$250,000 the first year from the general fund is provided to support the Joint Subcommittee's continued development of an implementation plan, including continued public engagement, facilitation, and technical support.)

**Explanation:**

(This amendment provides \$250,000 the first year from the general fund for continued public engagement, facilitation, and technical support for the Joint Subcommittee on Elementary and Secondary Education Funding.)

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Item 117 #1h

<b>Education: Elementary and Secondary</b>	<b>FY26-27</b>	<b>FY27-28</b>	
Department of Education, Central Office Operations	\$147,853 1.00	\$147,853 1.00	GF FTE

**Language:**

Page 129, line 31, strike "\$169,148,616" and insert "\$169,296,469".

Page 129, line 31, strike "\$169,148,616" and insert "\$169,296,469".

**Explanation:**

(This amendment provides \$147,853 from the general fund each year to support one certified librarian specialist at the Department of Education, as provided in House Bill 263.)

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Item 118 #1h

<b>Education: Elementary and Secondary</b>	<b>FY26-27</b>	<b>FY27-28</b>	
Department of Education, Central Office Operations	\$60,000	\$0	GF

**Language:**

Page 132, line 45, strike "\$22,572,909" and insert "\$22,632,909".

*Committee Approved Amendments to House Bill 30, as Introduced*

**Explanation:**

(This amendment provides \$60,000 the first year from the general fund to develop guidance on the implementation of culturally responsive and language appropriate mental health support and services, pursuant to House Bill 1113.)

---

Item 118 #2h

**Education: Elementary and Secondary**

**FY26-27**

**FY27-28**

Department of Education, Central  
Office Operations

\$60,000

\$0 GF

**Language:**

Page 132, line 45, strike "\$22,572,909" and insert "\$22,632,909".

**Explanation:**

(This amendment provides \$60,000 the first year from the general fund to develop training and resources for school nurses and athletic coaches related to recognition and management of sickle cell disease pursuant to House Bills 1446 and 1503.).

---

Item 118 #3h

**Education: Elementary and Secondary**

**FY26-27**

**FY27-28**

Department of Education, Central  
Office Operations

\$70,000

\$0 GF

**Language:**

Page 132, line 45, strike "\$22,572,909" and insert "\$22,642,909".

**Explanation:**

(This amendment provides \$70,000 the first year from the general fund to support the development of guidelines and support materials for considering, monitoring, and evaluating evidence-based restorative disciplinary practices, including professional development and technical assistance, pursuant to the passage of House Bill 298.)

---

Item 120 #1h

**Education: Elementary and Secondary**

Department of Education, Central Office Operations

Language

**Language:**

*Committee Approved Amendments to House Bill 30, as Introduced*

Page 136, after line 21, insert:

"D. The Department of Education shall develop and submit a detailed plan for the state's school improvement program by August 1, 2026 to the Board of Education and the chairs of the House Appropriations, House Education, Senate Finance and Appropriations, and Senate Education and Health Committees.

E. The Department of Education shall annually develop a status report that includes updates on key school improvement program activities, available and needed resources, program performance, and student and school outcomes. This report shall be submitted annually to the Board of Education and the chairs of the House Appropriations, House Education, Senate Finance and Appropriations, and Senate Education and Health Committees no later than December 1 each year."

**Explanation:**

(This amendment implements recommendation 10 from the December 2025 JLARC Report, *Virginia's K-12 Accountability System*.)

---

Item 123 #1h

**Education: Elementary and Secondary**

Department of Education, Central Office Operations

Language

**Language:**

Page 139, line 7, strike "J." and insert "J.1."

Page 139, line 10, after "Funding" insert:

", including the implementation of data collections from school divisions related to expenditures for English learner and special education students."

Page 139, line 10, strike "positions" and insert "funds".

Page 139, after line 11, insert:

"2. The Department, in consultation with each school board, shall annually collect, maintain, post publicly and conspicuously on its website, and report no later than November 1 to the Board, the Governor, and the General Assembly data on expenditures for the education of students receiving special education services in each local school division. Such data shall be disaggregated by school level, grade level, disability category and service needs as determined by the department."

**Explanation:**

(This amendment directs the Department of Education to collect and report on school divisions special education expenditures to support the work of the Joint Subcommittee on Elementary and Secondary Education Funding. This amendment also provides clarification that funds currently appropriated to support the Joint Subcommittee's work may be used to support new fiscal data collections for special education expenditures and English learners as directed by

*Committee Approved Amendments to House Bill 30, as Introduced*

House Bill 1367.)

---

Item 123 #2h

<b>Education: Elementary and Secondary</b>	<b>FY26-27</b>	<b>FY27-28</b>	
Department of Education, Central Office Operations	\$50,000	\$50,000	GF

**Language:**

Page 137, line 41, strike "\$31,040,859" and insert "\$31,090,859".

Page 137, line 41, strike "\$30,040,859" and insert "\$30,090,859".

**Explanation:**

(This amendment provides \$50,000 each year from the general fund to support the Virginia African American, Asian American, Pacific Islander, Latino, and Indigenous Education Advisory Board proposed in House Bill 814.)

---

Item 123 #3h

<b>Education: Elementary and Secondary</b>	<b>FY26-27</b>	<b>FY27-28</b>	
Department of Education, Central Office Operations	(\$1,500,000)	(\$500,000)	GF

**Language:**

Page 137, line 41, strike "\$31,040,859" and insert "\$29,540,859".

Page 137, line 41, strike "\$30,040,859" and insert "\$29,540,859".

Page 139, strike lines 18 through 28.

**Explanation:**

(This amendment saves \$1.5 million the first year and \$500,000 the second year in general funds by eliminating an early childhood initiative proposed in the introduced budget. These funds are redirected to support the Early Childhood Public Private Partnership initiative in Item 126.)

---

Item 123 #4h

<b>Education: Elementary and Secondary</b>	
Department of Education, Central Office Operations	Language

**Language:**

*Committee Approved Amendments to House Bill 30, as Introduced*

Page 139, after line 28, insert:

"N. 1. The Department of Education, in coordination with other entities the Department deems appropriate, shall develop type 1 diabetes informational materials for the parents and guardians of students. The informational materials shall be made available to each school division through the Department's website.

2. School boards shall make the type 1 diabetes materials accessible to the parent or guardian of a student when the student is first enrolled in elementary school and annually thereafter.

3. Information provided to parents and guardians may include: (i) a description of type 1 diabetes, (ii) a description of the risk factors and warning signs associated with type 1 diabetes, (iii) a description of the need for screening all students for early detection of type 1 diabetes using a blood autoantibody test, and (iv) a recommendation regarding those students displaying warning signs associated with type 1 diabetes or positive early detection screening results that the parents or guardians of those students should immediately consult with the students' primary care provider to develop an approximate treatment plan, which may include consultation with and examination by a specialty care provider, including a properly qualified endocrinologist."

**Explanation:**

(This amendment requires information about type 1 diabetes to be developed and disseminated to parents of public school students.)

---

Item 124 #1h

**Education: Elementary and Secondary**

**FY26-27**

**FY27-28**

Direct Aid to Public Education

\$300,000

\$0 GF

**Language:**

Page 139, line 41, strike "\$52,993,467" and insert "\$53,293,467".

Page 141, after line 27 insert:

"Big Free Bookstore \$300,000 \$0".

Page 152, after line 32, insert:

"NNN. Out of this appropriation, \$300,000 the first year from the general fund is provided to support the Big Free Bookstore operated by REACH, Inc. in Norfolk."

**Explanation:**

(This amendment provides \$300,000 the first year from the general fund to support the Big Free Bookstore program operated by REACH to provide new books, school supplies, and resources for at-risk and homeless children in Coastal Virginia.)

---

Item 124 #2h

*Committee Approved Amendments to House Bill 30, as Introduced*

<b>Education: Elementary and Secondary</b>	<b>FY26-27</b>	<b>FY27-28</b>
Direct Aid to Public Education	\$500,000	\$0 GF

**Language:**

Page 139, line 41, strike "\$52,993,467" and insert "\$53,493,467".

Page 141, after line 27 insert:

"YMCA of South Hampton Roads \$500,000 \$0".

Page 152, after line 32, insert:

"NNN. Out of this appropriation, \$500,000 the first year from the general fund is provided to the Virginia Alliance of YMCAs to continue the partnership between the YMCA of South Hampton Roads and the Virginia Beach School Division to provide child care assistance for school division employees working in Title I schools."

**Explanation:**

(This amendment provides \$500,000 the first year from the general fund to continue the partnership between the YMCA of Hampton Roads and Virginia Beach Public Schools to provide child care assistance for school division employees working in Title I schools.)

---

Item 124 #3h

<b>Education: Elementary and Secondary</b>	<b>FY26-27</b>	<b>FY27-28</b>
Direct Aid to Public Education	\$350,000	\$350,000 GF

**Language:**

Page 139, line 41, strike "\$52,993,467" and insert "\$53,343,467".

Page 139, line 41, strike "\$52,235,967" and insert "\$52,585,967".

Page 140, line 9, strike "\$850,000" and "\$850,000" and insert:

"\$1,200,000" and "\$1,200,000".

Page 149, line 5, strike "\$850,000" and "\$850,000" and insert:

"\$1,200,000" and "\$1,200,000".

**Explanation:**

(This amendment provides \$350,000 each year from the general fund to increase support for Blue Ridge PBS to \$1.2 million annually.)

---

Item 124 #4h

<b>Education: Elementary and Secondary</b>	<b>FY26-27</b>	<b>FY27-28</b>
Direct Aid to Public Education	\$200,000	\$0 GF

**Language:**

*Committee Approved Amendments to House Bill 30, as Introduced*

Page 139, line 41, strike "\$52,993,467" and insert "\$53,193,467".

Page 141, after line 27 insert:

"New Chesapeake Men for Progress Education Foundation \$200,000 \$0".

Page 152, after line 32, insert:

"NNN. Out of this appropriation, \$200,000 the first year from the general fund is provided to support the New Chesapeake Men for Progress Education Foundation to provide mentoring for young men in the community and enhanced services for underserved youth."

**Explanation:**

(This amendment provides \$200,000 the first year from the general fund to support the New Chesapeake Men for Progress Education Foundation to provide mentoring for young men in the community and enhanced services for underserved youth.)

---

Item 124 #5h

<b>Education: Elementary and Secondary</b>	<b>FY26-27</b>	<b>FY27-28</b>	
Direct Aid to Public Education	\$950,000	\$950,000	GF

**Language:**

Page 139, line 41, strike "\$52,993,467" and insert "\$53,943,467".

Page 139, line 41, strike "\$52,235,967" and insert "\$53,185,967".

Page 140, line 41, strike "\$250,000" and "\$250,000" and insert:

"\$1,200,000" and "\$1,200,000".

Page 151, line 5, strike "\$250,000" and "\$250,000" and insert:

"\$1,200,000" and "\$1,200,000".

**Explanation:**

(This amendment provides \$950,000 each year from the general fund to increase support for PBS Appalachia to \$1.2 million annually. This additional support aligns PBS Appalachia with support provided for other Virginia PBS stations and supports its role as the production arm for southwest Virginia.)

---

Item 124 #6h

<b>Education: Elementary and Secondary</b>	<b>FY26-27</b>	<b>FY27-28</b>	
Direct Aid to Public Education	\$100,000	\$0	GF

**Language:**

Page 139, line 41, strike "\$52,993,467" and insert "\$53,093,467".

Page 141, after line 27, insert:

*Committee Approved Amendments to House Bill 30, as Introduced*

"Virginia Outdoor Education Program \$100,000 \$0".

Page 152, after line 32, insert:

"EEE. Out of this appropriation, \$100,000 the first year from the general fund is provided for Virginia Outdoor Education Program grants. These grants are provided by the Department to assist school divisions seeking to develop outdoor learning spaces to enhance student learning about the environment. The Department of Education shall establish guidelines for implementation of the program including the application process and award criteria."

**Explanation:**

(This amendment provides \$100,000 the first year from the general fund for grants to school divisions to develop outdoor learning spaces.)

---

Item 124 #7h

<b>Education: Elementary and Secondary</b>	<b>FY26-27</b>	<b>FY27-28</b>
Direct Aid to Public Education	\$750,000	\$0 GF

**Language:**

Page 139, line 41, strike "\$52,993,467" and insert "\$53,743,467".

Page 141, after line 27, insert:

"Hanover Center for Trades and Technology \$750,000 \$0".

Page 152, after line 32, insert:

"EEE. Out of this appropriation, \$750,000 the first year from the general fund is provided to Hanover County Public Schools for the Hanover Center for Trades and Technology to purchase heavy duty lifts for the Diesel Equipment Tech Program, simulators and multimatic welders, culinary classroom expansion, a 3D anatomy system, and VR welding simulators."

**Explanation:**

(This amendment provides \$750,000 the first year from the general fund to support the purchase of equipment for a career and technical education facility in Hanover County.)

---

Item 124 #8h

<b>Education: Elementary and Secondary</b>	<b>FY26-27</b>	<b>FY27-28</b>
Direct Aid to Public Education	\$500,000	\$0 GF

**Language:**

Page 139, line 41, strike "\$52,993,467" and insert "\$53,493,467".

Page 141, after line 27, insert "REACH Virginia \$500,000 \$0."

*Committee Approved Amendments to House Bill 30, as Introduced*

Page 152, after line 32, insert:

"EEE. Out of this appropriation, \$500,000 the first year from the general fund is provided for REACH Virginia to provide teacher retention services to Virginia public school divisions."

**Explanation:**

(This amendment provides \$500,000 the first year from the general fund to support REACH Virginia to provide teacher retention and mentorship services.)

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	Item 124 #9h	
<b>Education: Elementary and Secondary</b>	<b>FY26-27</b>	<b>FY27-28</b>
Direct Aid to Public Education	\$2,000,000	\$2,000,000 GF

**Language:**

Page 139, line 41, strike "\$52,993,467" and insert "\$54,993,467".

Page 139, line 41, strike "\$52,235,967" and insert "\$54,235,967".

Page 140, line 27, strike "\$1,157,065" and "\$1,157,065" and insert: "\$3,157,065" and "\$3,157,065".

Page 149, line 45, strike "\$1,157,065" and "\$1,157,065" and insert: "\$3,157,065" and "\$3,157,065".

**Explanation:**

(This amendment provides \$2.0 million each year from the general fund to increase support for the Dolly Parton Imagination Library to \$3.2 million annually. This additional state support will allow the program to establish local program partners in additional communities across the Commonwealth.)

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	Item 124 #10h	
<b>Education: Elementary and Secondary</b>	<b>FY26-27</b>	<b>FY27-28</b>
Direct Aid to Public Education	\$200,000	\$0 GF

**Language:**

Page 139, line 41, strike "\$52,993,467" and insert "\$53,193,467".

Page 141, after line 27, insert:

RFK Outreach - Cyber Bus \$200,000 \$0".

Page 152, after line 32, insert:

"EEE. Out of this appropriation, \$200,000 the first year from the general fund is provided to RFK Outreach to support the purchase of equipment for a mobile cyber education bus."

**Explanation:**

*Committee Approved Amendments to House Bill 30, as Introduced*

(This amendment provides \$200,000 in fiscal year 2027 from the general fund to RFK Outreach to support the purchase of mobile cyber education bus equipment to expand access to cybersecurity, AI literacy, and digital safety training in Hampton Roads.)

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Item 125 #4h

**Education: Elementary and Secondary**

**FY26-27**

**FY27-28**

Direct Aid to Public Education

\$400,445,548

\$0 GF

**Language:**

Page 152, line 33, strike "\$11,395,866,095" and insert "\$11,796,311,643".

Page 153, after line 46, insert:

"Flexible Funding Supplement \$400,445,548 \$0".

Page 187, after line 13, insert:

"Flexible Funding Supplement

a. Out of this appropriation, an additional state payment estimated at \$400,445,548 the first year from the general fund is provided to support flexible funding to address unique local needs, to protect programming from the impacts of federal actions, to provide academic, physical health and mental health supports, and to supplement operating and infrastructure support. These funds shall be distributed as follows:

(i) \$100,000,000 shall be distributed based on each school division's share of the latest yearly estimate of school age population provided by the Weldon Cooper Center for Public Service.

(ii) \$200,769,715 shall be distributed as the state share of a 3.2 percent add-on to basic aid for each student in fiscal year 2027 projected unadjusted average daily membership.

(iii) \$99,627,647 shall be distributed based on the estimated number of At-Risk students, based on (1) the most recent three-year average Identified Student Percentage, applying a 1.25 multiplier factor, and (2) including one quarter of students identified as English language learners. Each school division shall receive the state share of (1) a 1.5 percent basic aid add-on per estimated At-Risk student, and (2) a 0.0 to 4.4 percent basic aid add-on per estimated At-Risk student, with each school division's add-on percentage determined based upon the school division's concentration of At-Risk students relative to all other school divisions.

(iv) \$48,186 shall be provided to ensure the total payment provided to any school division resulting from paragraphs (i) through (iii) be no less than \$100,000.

(v) Distributions shall be final and not subject to adjustment throughout the biennium.

b. Funds shall not require a local match; however, these funds shall only be disbursed to school divisions that certify to provide the full compensation supplement as provided in paragraph C.38 if this item. Any funds provided to school divisions from this appropriation that are unexpended as of June 30, 2027 shall be carried on the books of the locality to be appropriated to the school division in the following year.

*Committee Approved Amendments to House Bill 30, as Introduced*

c. School divisions shall report on the use of these funds, specifying amounts budgeted based on reporting categories prescribed by the Department of Education and including a narrative explanation of the use from each school division. The Department of Education shall compile this information and submit it to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than October 1, 2026 and October 1, 2027.

d. The locality in which the school division is located shall appropriate these funds solely for educational purposes and shall not use such funds to reduce total local operating expenditures for public education below the amount expended by the locality for such purposes in the year upon which the 2026-2028 biennial Standards of Quality expenditure data were based; provided however that no locality shall be required to maintain a per-pupil expenditure which is greater than the per pupil amount expended by the locality for such purposes in the year upon which the 2026-2028 biennial Standards of Quality were based."

**Explanation:**

(This amendment provides \$400.4 million the first year from the general fund for a one-time flexible payment for school divisions to use throughout the biennium, with no local match required. Of these funds, (1) \$100.0 million is distributed based on each school division's share of estimated school-age population, (2) \$200.8 million is distributed as a 3.2 percent add-on to basic aid, adjusted for the local composite index, and (3) \$99.6 million is distributed as a 1.5 percent to 4.4 percent add-on to basic aid, based on the concentration of at-risk students in each school division. To access these funds, school divisions must certify that the proposed 2 percent compensation increases in each year will be provided.)

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		Item 125 #5h	
<b>Education: Elementary and Secondary</b>	<b>FY26-27</b>	<b>FY27-28</b>	
Direct Aid to Public Education	\$74,375,111	\$74,011,971	GF

**Language:**

Page 152, line 33, strike "\$11,395,866,095" and insert "\$11,470,241,206".  
Page 152, line 33, strike "\$11,253,671,960" and insert "\$11,327,683,931".  
Page 153, line 18, strike "\$61,969,181" and "\$61,681,332", and insert: "\$136,344,292" and "\$135,693,303".  
Page 166, line 42, strike "4.75" and "5.25" and insert: "9.25" and "17.5".

**Explanation:**

(This amendment provides \$74.4 million the first year and \$74.0 million the second year from the general fund to increase the add-on rates applied to basic aid for special education students from (i) 4.75 percent to 9.25 percent for Level I students and (ii) 5.25 percent to 17.5 percent for

*Committee Approved Amendments to House Bill 30, as Introduced*

Level II students. This increases the total amount of the add-on from \$62.0 million to \$136.3 million in fiscal year 2027 and from \$61.7 million to \$135.7 million in fiscal year 2028.)

---

Item 125 #6h

**Education: Elementary and Secondary**

**FY26-27**

**FY27-28**

Direct Aid to Public Education

(\$15,000,002)  
\$15,000,000

\$0 GF  
\$0 NGF

**Language:**

Page 152, line 33, strike "\$11,395,866,095" and insert "\$11,395,866,093".

Page 161, line 53, strike "\$885,725,168" and insert "\$900,725,168".

Page 161, line 54, after "Fund." insert:

"Of the amounts in the first year, \$15,000,000 are anticipated residual profits from fiscal year 2026."

**Explanation:**

(This amendment increases the amounts available from the Lottery Proceeds Fund by \$15.0 million the first year, resulting in a general fund reduction of a like amount. This recognizes a significant increase in lottery revenues during December 2025.)

---

Item 125 #7h

**Education: Elementary and Secondary**

**FY26-27**

**FY27-28**

Direct Aid to Public Education

\$10,000,003

\$0 GF

**Language:**

Page 152, line 33, strike "\$11,395,866,095" and insert "\$11,405,866,098".

Page 154, line 12, strike "Regional Tuition" and insert:

"Support for Students with Intense Needs Application (SISNA)".

Page 154, line 12, strike "\$102,686,265" and insert "\$112,686,268".

Page 176, line 20, strike "b." and insert "b.1."

Page 176, line 23, strike "Special Education".

Page 176, line 24, strike "Regional Tuition school programs" and insert:

"Support for Students with Intense Needs Application (SISNA)".

Page 176, line 22, strike "\$102,686,265" and insert "\$112,686,268".

Page 176, after line 25, insert:

"2. (i) The Department of Education is directed to expand the disability categories eligible through this program for tuition reimbursement. To select expanded disability categories, the Department shall consider students with complex behavioral needs that otherwise would be referred to private day school placements.

(ii) Of this amount, \$10,000,000 the first year shall be prioritized for tuition payments to serve students through the expanded disability categories. These funds shall not revert to the general fund at the end of fiscal year 2027 but shall be reappropriated for expenditure for the same purpose in fiscal year 2028.

3. The Department of Education shall annually report for the SISNA program the total and per pupil local and state costs for the program and the number of students served, disaggregated by school division and primary disability category. For the purpose of this report, the number of students and per pupil costs shall be adjusted to reflect length of enrollment in the program. Such report shall be posted to the Department's website annually no later than December 1, 2026."

**Explanation:**

(This amendment provides \$10.0 million the first year from the general fund to serve additional special education students in public school settings by expanding the disability categories eligible for tuition reimbursement through the Department of Education's Support for Students with Intense Needs Application, or SISNA, with a goal to reduce the number of students referred to CSA-funded private day school programs. The amendment also updates the name of the program from Special Education Regional Tuition to SISNA and establishes annual reporting requirements for students served through SISNA. A companion amendment in the Office of Children's Services establishes a similar report.)

---

Item 125 #8h

**Education: Elementary and Secondary**

Direct Aid to Public Education

Language

**Language:**

Page 167, line 18, strike "and".

Page 167, line 19, after "absenteeism" insert:

"; and initiatives to support both the physical and mental health of students in public schools, including the hiring of licensed practical nurses, registered nurses, and advanced practice registered nurses".

**Explanation:**

(This amendment expands the permitted uses for At-Risk Add-On funds to include initiatives to support both the physical and mental health of students as provided in House Bill 195.)

---

Item 125 #10h

**Education: Elementary and Secondary**

*Committee Approved Amendments to House Bill 30, as Introduced*

Direct Aid to Public Education

Language

**Language:**

Page 156, strike lines 12 through 16.

**Explanation:**

(This amendment removes language that permits a locality to submit corrections to data used to calculate the Local Composite Index after the beginning of the biennium.)

---

Item 125 #11h

**Education: Elementary and Secondary**

Direct Aid to Public Education

Language

**Language:**

Page 156, line 24, after "education", strike "," .

Page 156, strike lines 25 and 26.

Page 156, line 27, strike "Item, both of which are" and insert "and".

Page 158, line 21, after "education" strike the remainder of the line.

Page 158, strike line 22.

Page 158, line 23, strike "in this Item (both of which are" and insert "and".

Page 158, line 24, strike "Service)" and insert "Service".

Page 158, strike lines 38 through 46.

Page 161, line 36, after "education" strike the remainder of the line.

Page 161, strike line 37.

Page 161, line 38, strike "Standards of Quality/Local Real Estate Property Tax Relief Fund".

Page 161, line 44, after "education", strike the remainder of the line.

Page 161, line 45, strike "Education Standards of Quality/Local Real Estate Property Tax Relief Fund".

Page 165, line 35, strike "one-cent" and insert:

"one and one-eighth cent".

Page 165, line 35, after "education and" strike the remainder of the line.

Page 165, strike line 36.

Page 165, line 37, strike "Estate Property Tax Relief Fund and appropriated in this Item which are".

Page 165, strike lines 42 through 54.

Page 166, strike lines 1 through 10.

**Explanation:**

(This amendment provides that one and one eighth cents of sales and use tax revenues are distributed to localities in support of public education. Under current law, one cent of the sales

*Committee Approved Amendments to House Bill 30, as Introduced*

and use tax is deposited into the general fund and distributed to school divisions in support of public education, and an additional one-eighth cent of the sales and use tax is deposited first into the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund, then transferred into the general fund for distribution to school divisions. This amendment consolidates these two actions and does not impact amounts of sales and use taxes collected or the distribution of funds to school divisions. There are companion amendments in Item 3-5.03 and Item 4-14.)

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Item 125 #12h

**Education: Elementary and Secondary**

**FY26-27**

**FY27-28**

Direct Aid to Public Education

\$0  
(\$172,000,000)

(\$172,000,000)  
\$172,000,000

GF  
NGF

**Language:**

Page 152, line 33, strike "\$11,395,866,095" and insert "\$11,223,866,095".

Page 153, line 42, strike "\$384,000,000" and insert "\$212,000,000".

Page 164, line 8, strike "\$275,000,000" and insert "\$447,000,000".

Page 185, line 27, after "School Construction Fund" strike the remainder of the line.

Page 185, line 28, strike "that shall be transferred into the School Construction Fund".

**Explanation:**

(This amendment (i) provides \$347.0 million in School Construction Assistance Grants from projected casino gaming revenues over the biennium; and (ii) redirects the transfer of \$172.0 million from Literary Fund balances to the School Construction Fund in the first year as proposed in the introduced budget to support teacher retirement costs in the second year, reducing general funds needed in the second year by the same amount.)

---

Item 125 #13h

**Education: Elementary and Secondary**

Direct Aid to Public Education

Language

**Language:**

Page 168, line 30, after "formula." insert:

"The Department of Education shall take this desired number of student slots into account when determining the approved number of slots."

**Explanation:**

(This amendment directs the Department of Education to consider the number of slots each school division applied for when distributing slots for Regional Alternative Education.)

Item 126 #1h

**Education: Elementary and Secondary**

**FY26-27**

**FY27-28**

Direct Aid to Public Education

\$25,000,000

\$0 GF

**Language:**

Page 187, line 17, strike "\$691,911,494" and insert "\$716,911,494".

Page 194, after line 25, insert:

"G. Out of this appropriation, \$25,000,000 the first year from the general fund is provided for the Employee Child Care Assistance Program administered by the Virginia Early Childhood Foundation.

1. Family participation in the program shall be limited to families with income less than 125 percent of the area median income (AMI) as published by the U.S. Department of Housing and Urban Development, and at least one family member must be employed by a participating employer.

2. Minimum family contributions shall be no greater than five percent of family income for those with incomes at or below 85 percent of the AMI. The Foundation, in consultation with the Department, shall establish minimum family contributions for families with incomes between 85 percent of the AMI and 125 percent of the AMI, scaled such that the minimum family contribution for families at 125 percent of the AMI shall not be required to contribute greater than 9 percent of family income.

3. State contributions shall not exceed 40 percent of the remaining cost of the slot after application of the family contribution. The employer or other payor sources shall be responsible for remaining costs.

4. The Early Childhood and Care and Education Commission shall review and approve any (a) flexibility provisions related to additional payor contributions for slots or (b) provisions to combine or incorporate this program into any Mixed Delivery program or initiative.

5. Any unexpended funds at the end of each fiscal year shall not revert and be reappropriated for the same purpose in the next fiscal year until June 30, 2030."

**Explanation:**

(This amendment provides \$25.0 million the first year from the general fund to establish a public-private child care cost-sharing program as provided in House Bill 18. Through this program, families, employers, and employers would share in the cost. Family eligibility is limited to those with incomes below 125% of the area median income. Family copayments shall not exceed 5% to 7%, and of remaining costs, the state contributes 40%, and the employer contributes 60%.)

**Education: Elementary and Secondary**

Direct Aid to Public Education

Language

**Language:**

Page 187, after line 48, insert:

"B. The appropriations in this item are based on this estimated initial distribution of slots at the beginning of the biennium, prior to any redistribution of slots:

<b>Program</b>	<b>FY 2027</b>	<b>FY 2028</b>
Child Care Subsidy Program		
Birth to Five	38,924	38,924
School Age	15,497	15,497
<b>CCSP Total</b>	<b>54,521</b>	<b>54,421</b>
Mixed Delivery Grant Program	2,630	2,630
Virginia Preschool Initiative (including expansion slots)	25,615	26,091
<b>Total</b>	<b>82,766</b>	<b>83,142</b>

Page 188, line 14, after "targets.", insert:

"Local departments of social services shall maximize all available funding and targets to eliminate waitlists."

Page 189, line 41, after "resources.", insert:

"5. Grantees shall maximize all available funding and targets to eliminate waitlists."

Page 193, line 35, after "students.", insert:

"9. Localities shall maximize all available funding and targets to eliminate waitlists."

Page 194, line 25, after "capacity.", insert:

"G. Any funding not expended in the first year for the Child Care Subsidy Program or Mixed Delivery Grant Program shall be made available in the second year and may be reallocated among these programs based on parent demand following fall enrollment, however, reallocation of funding and slots shall be limited to addressing waitlists and shall not cause an increase to the number of slots needed to continue services in the subsequent biennium."

**Explanation:**

(This amendment provides that the early childhood system shall take actions to eliminate local waitlists, and authorizes unused funds in the first year to be used in the second year to address existing waitlists, and to be reallocated between the Subsidy Program and Mixed Delivery Program. This amendment also re-establishes the table displaying initial early childhood slots

allocations that was not included in the introduced budget.)

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Item 272 #1h

**Health and Human Resources**

Children's Services Act

Language

**Language:**

Page 311, after line 8, insert:

"3. The Office shall annually report for private day school placements the total and per pupil local and state costs and the number of students served, disaggregated by school division and primary disability category. The report shall also include local match rates. For the purpose of this report, the number of students and per pupil costs shall be adjusted to reflect length of enrollment in the program. The Office shall collaborate with the Department of Education to ensure that the data from this report is comparable and aligned with the annual report produced for the SISNA program. Such report shall be posted to the Office's website annually no later than December 1, 2026."

**Explanation:**

(This amendment provides an annual report on CSA-funded private day school placement costs, aligned in a manner to be comparable to a report on SISNA funded student costs produced by the Department of Education. The SISNA report is established in a companion amendment in Item 125.)

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Item 3-1.01 #5h

**Transfers**

Interfund Transfers

Language

**Language:**

Page 587, line 11, strike the first "\$877,725,168" and insert "\$892,725,168".

Page 587, line 14, strike "\$877,725,168" and insert "\$892,725,168".

**Explanation:**

(This amendment increases fiscal year 2027 Lottery Proceeds by \$15.0 million for estimated fiscal year 2026 residual profits.)

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Item 3-1.01 #7h

**Transfers**

Interfund Transfers

Language

**Language:**

Page 590, after line 12, insert:

"LL. Notwithstanding § 22.1-349.2 of the Code of Virginia, on or before June 30, 2027, the State Comptroller shall revert \$10,100,000 from unobligated College Partnership Laboratory School Fund amounts to the general fund."

**Explanation:**

(This amendment reverts \$10.1 million the first year from unobligated College Partnership Laboratory School Fund balances to the general fund.)

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Item 3-5.03 #2h

**Adjustments and Modifications to Tax Collections**

Implementation of Chapter 3, Acts of Assembly of 2004, Special Session I

Language

**Language:**

Page 593, strike lines 2 through 14.

**Explanation:**

(This amendment eliminates language directing revenues deposited into the Public Education Standards of Quality/Local Real Estate Property Tax Relief to be transferred to the general fund to support public education. Corresponding amendments to Item 125 and Item 4-14 redirect the revenues currently deposited into the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund into the general fund.)

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Item 4-14 #4h

**Effective Date**

Effective Date

Language

**Language:**

Page 668, after line 29, insert:

**"8. That §§ 58.1-608.3, 58.1-638, 58.1-3851.1, 58.1-3851.2, and 58.1-3851.3 of the Code of Virginia are amended and reenacted as follows:**

**§ 58.1-608.3. Entitlement to certain sales tax revenues.**

A. As used in this section, the following words and terms have the following meanings, unless some other meaning is plainly intended:

"Bonds" means any obligations of a municipality for the payment of money.

*Committee Approved Amendments to House Bill 30, as Introduced*

"Cost," as applied to any public facility or to extensions or additions to any public facility, includes: (i) the purchase price of any public facility acquired by the municipality or the cost of acquiring all of the capital stock of the corporation owning the public facility and the amount to be paid to discharge any obligations in order to vest title to the public facility or any part of it in the municipality; (ii) expenses incident to determining the feasibility or practicability of the public facility; (iii) the cost of plans and specifications, surveys and estimates of costs and of revenues; (iv) the cost of all land, property, rights, easements and franchises acquired; (v) the cost of improvements, property or equipment; (vi) the cost of engineering, legal and other professional services; (vii) the cost of construction or reconstruction; (viii) the cost of all labor, materials, machinery and equipment; (ix) financing charges; (x) interest before and during construction and for up to one year after completion of construction; (xi) start-up costs and operating capital; (xii) payments by a municipality of its share of the cost of any multijurisdictional public facility; (xiii) administrative expense; (xiv) any amounts to be deposited to reserve or replacement funds; and (xv) other expenses as may be necessary or incident to the financing of the public facility. Any obligation or expense incurred by the public facility in connection with any of the foregoing items of cost may be regarded as a part of the cost.

"Municipality" means any county, city, town, authority, commission, or other public entity.

"Public facility" means (i) any auditorium, coliseum, convention center, or conference center, which is owned by a Virginia county, city, town, authority, or other public entity and where exhibits, meetings, conferences, conventions, seminars, or similar public events may be conducted; (ii) any hotel which is owned by a foundation whose sole purpose is to benefit a baccalaureate public institution of higher education in the Commonwealth and which is attached to and is an integral part of such facility, together with any lands reasonably necessary for the conduct of the operation of such events; (iii) any hotel which is attached to and is an integral part of such facility; (iv) any hotel that is adjacent to a convention center owned by a public entity and where the hotel owner enters into a public-private partnership whereby the locality contributes infrastructure, real property, or conference space; (v) a sports complex consisting of a minor league baseball stadium and related tournament, training, and parking facilities, where a municipality owns a component of the sports complex; or (vi) any outdoor amphitheater, provided that a locality owns, wholly or partly, and contributes to financing the construction of such amphitheater. However, such public facility must be located in the City of Chesapeake, City of Fredericksburg, City of Hampton, City of Lynchburg, City of Newport News, City of Norfolk, City of Portsmouth, City of Richmond, City of Roanoke, City of Salem, City of Staunton, City of Suffolk, City of Virginia Beach, City of Winchester, or Town of Wise. Any property, real, personal, or mixed, which is necessary or desirable in connection with any such auditorium, coliseum, convention center, sports complex, or conference center, including, without limitation, facilities for food preparation and serving, parking facilities, and office space, is encompassed within this definition. However, structures commonly referred to as "shopping centers" or "malls" shall not constitute a public facility hereunder. A public facility shall not include residential condominiums, townhomes, or other residential units. In addition,

*Committee Approved Amendments to House Bill 30, as Introduced*

only a new public facility, or a public facility which will undergo a substantial and significant renovation or expansion, shall be eligible under subsection C. A new public facility is one whose construction began after December 31, 1991. A substantial and significant renovation entails a project whose cost is at least 50 percent of the original cost of the facility being renovated and shall have begun after December 31, 1991. A substantial and significant expansion entails an increase in floor space of at least 50 percent over that existing in the preexisting facility and shall have begun after December 31, 1991; or an increase in floor space of at least 10 percent over that existing in a public facility that qualified as such under this section and was constructed after December 31, 1991.

"Sales tax revenues" means such tax collections realized under the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.), as limited herein. "Sales tax revenues" does not include the revenue generated by (i) the 0.5 percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly which shall be paid to the Commonwealth Transportation Fund established pursuant to § 33.2-1524, (ii) the ~~1.0~~ *one and one-eighth* percent of the state sales and use tax revenue distributed among the counties and cities of the Commonwealth pursuant to subsection D of § 58.1-638 on the basis of school age population, or (iii) any sales and use tax revenues generated by increases or allocation changes imposed by the 2013 Session of the General Assembly.

B. Notwithstanding the definition of "public facility" in subsection A, a development project that meets the requirements for a "development of regional impact" set forth herein shall be deemed to be a public facility under the provisions of this section. The locality in which the public facility is located shall be entitled to all sales tax revenues generated by transactions taking place at such public facility solely to pay the cost of any bonds issued to pay the cost, or portion thereof, of such public facility pursuant to subsection C. For purposes of this subsection, the development of regional impact must be located in the City of Bristol.

For purposes of this subsection, a "development of regional impact" means a development project (i) towards which the locality contributes infrastructure or real property as part of a public-private partnership with the developer that is equal to at least 20 percent of the aggregate cost of development, (ii) that is reasonably expected to require a capital investment of at least \$50 million, (iii) that is reasonably expected to generate at least \$5 million annually in state sales and use tax revenue from sales within the development, (iv) that is reasonably expected to attract at least one million visitors annually, (v) that is reasonably expected to create at least 2,000 permanent jobs, (vi) that is located in a locality that had a rate of unemployment at least three percentage points higher than the statewide average in November 2011, and (vii) that is located in a locality that is adjacent to a state that has adopted a Border Region Retail Tourism Development District Act. Within 30 days from the date of notification by a locality that it intends to contribute infrastructure or real property as part of a public-private partnership with the developer of a development of regional impact, the Department of Taxation shall review the findings of the locality with respect to clauses (i) through (vi) and shall file a written report with the Chairmen of the House Committee on Finance, the House Committee on Appropriations, and the Senate Committee on Finance and Appropriations.

C. Any municipality which has issued bonds (i) after December 31, 1991, but before January 1, 1996, (ii) on or after January 1, 1998, but before July 1, 1999, (iii) on or after January 1, 1999, but before July 1, 2001, (iv) on or after July 1, 2000, but before July 1, 2003, (v) on or after July 1, 2001, but before July 1, 2005, (vi) on or after July 1, 2004, but before July 1, 2007, (vii) on or after July 1, 2009, but before July 1, 2012, (viii) on or after January 1, 2011, but prior to July 1, 2015, or (ix) on or after January 1, 2013, but prior to July 1, 2024, to pay the cost, or portion thereof, of any public facility shall be entitled to all sales tax revenues generated by transactions taking place in such public facility. In the case of a public facility described in clause (v) of the definition of public facility, all such sales tax revenues shall be applied solely to repayment of the bonds issued to pay the cost, or portion thereof, of the municipality-owned component of the sports complex. Such entitlement shall continue for the lifetime of such bonds, or any refinancing or refunding thereof, but in no event shall such entitlement exceed 35 years from the initial date that any bonds were issued to pay the cost, or a portion thereof, of any public facility, and all such sales tax revenues shall be applied to repayment of the bonds. The State Comptroller shall remit such sales tax revenues to the municipality on a quarterly basis, subject to such reasonable processing delays as may be required by the Department of Taxation to calculate the actual net sales tax revenues derived from the public facility. The State Comptroller shall make such remittances to eligible municipalities, as provided herein, notwithstanding any provisions to the contrary in the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.). No such remittances shall be made until construction is completed and, in the case of a renovation or expansion, until the governing body of the municipality has certified that the renovation or expansion is completed; however, in the case of any public facility consisting of more than one building or structure, such remittances shall be made on a quarterly basis beginning with the first quarter in which any sales tax revenue is generated by transactions taking place at any building or structure within such public facility, whether or not construction of all or any portion, phase, building, or structure of such public facility has been completed.

D. Nothing in this section shall be construed as authorizing the pledging of the faith and credit of the Commonwealth of Virginia, or any of its revenues, for the payment of any bonds. Any appropriation made pursuant to this section shall be made only from sales tax revenues derived from the public facility for which bonds may have been issued to pay the cost, in whole or in part, of such public facility.

**§ 58.1-638. Disposition of state sales and use tax revenue.**

A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax revenue collected under the preceding sections of this chapter.

The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided in this section, to the Commonwealth Transportation Fund established pursuant to § 33.2-1524. The Fund's share of such net revenue shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

*Committee Approved Amendments to House Bill 30, as Introduced*

B. The sales and use tax revenue generated by a one *and one-eighth* percent sales and use tax shall be distributed among the counties and cities of the Commonwealth in the manner provided in subsections C and D.

C. The localities' share of the net revenue distributable under this section among the counties and cities shall be apportioned by the Comptroller and distributed among them by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the net revenue was received into the state treasury. The distribution of the localities' share of such net revenue shall be computed with respect to the net revenue received into the state treasury during each month, and such distribution shall be made as soon as practicable after the close of each such month.

D. The net revenue so distributable among the counties and cities shall be apportioned and distributed upon the basis of the latest yearly estimate of the population of cities and counties ages five to 19, provided by the Weldon Cooper Center for Public Service of the University of Virginia. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for persons who are domiciled in orphanages or charitable institutions or who are dependents living on any federal military or naval reservation or other federal property within the school division in which the institutions or federal military or naval reservation or other federal property is located. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for members of the military services who are under 20 years of age within the school division in which the parents or guardians of such persons legally reside. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for individuals receiving services in state hospitals, state training centers, or mental health facilities, persons who are confined in state or federal correctional institutions, or persons who attend the Virginia School for the Deaf and the Blind within the school division in which the parents or guardians of such persons legally reside. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for persons who attend institutions of higher education within the school division in which the student's parents or guardians legally reside. To such estimate, the Department of Education shall add the population of students with disabilities, ages two through four and 20 through 21, as provided to the Department of Education by school divisions. The revenue so apportionable and distributable is hereby appropriated to the several counties and cities for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, which shall be considered as funds raised from local resources. In any county, however, wherein is situated any incorporated town constituting a school division, the county treasurer shall pay into the town treasury for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, the proper proportionate amount received by him in the ratio that the school population of such town bears to the school population of the entire county. If the school population of any city or of any town constituting a school division is increased by the annexation of territory since the last estimate of school population provided by the Weldon

*Committee Approved Amendments to House Bill 30, as Introduced*

Cooper Center for Public Service, such increase shall, for the purposes of this section, be added to the school population of such city or town as shown by the last such estimate and a proper reduction made in the school population of the county or counties from which the annexed territory was acquired.

E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a two percent sales and use tax, up to an annual amount of \$13 million, collected from the sales of hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment, wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, shall be paid into the Game Protection Fund established under § 29.1-101 and shall be used, in part, to defray the cost of law enforcement. Not later than 30 days after the close of each quarter, the Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established under § 29.1-101.01, is equal to or in excess of \$35 million, any portion of sales and use tax revenues that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the balance in the Capital Improvement Fund is less than \$35 million.

~~F. 1. Of the net revenue generated from the one-half percent increase in the rate of the state sales and use tax effective August 1, 2004, pursuant to enactments of the 2004 Special Session I of the General Assembly, the Comptroller shall transfer from the general fund of the state treasury to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1 an amount equivalent to one-half of the net revenue generated from such one-half percent increase as provided in this subdivision. The transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund under this subdivision shall be for one-half of the net revenue generated (and collected in the succeeding month) from such one-half percent increase for the month of August 2004 and for each month thereafter.~~

~~2. Beginning July 1, 2013, of the remaining sales and use tax revenue, an amount equal to the revenue generated by a 0.125 percent sales and use tax shall be distributed to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1, and be used for the state's share of Standards of Quality basic aid payments.~~

~~3. For the purposes of the Comptroller making the required transfers under subdivision 1 and 2, the Tax Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of each month certifying the sales and use tax revenues generated in the preceding month. Within three calendar days of receiving such certification, the Comptroller shall make the required transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund.~~

G. (Contingent expiration date) Beginning July 1, 2020, of the remaining sales and use tax

*Committee Approved Amendments to House Bill 30, as Introduced*

revenue, an amount equal to 20 percent of the revenue generated by a one-half percent sales and use tax, such as that paid to the Commonwealth Transportation Fund as provided in subsection A, shall be paid to the Commonwealth Transportation Fund established pursuant to § 33.2-1524.

The Commonwealth Transportation Fund's share of the net revenue distributable under this subsection shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

~~G. H.~~ (Contingent expiration date)

1. The additional revenue generated by increases in the state sales and use tax from Planning District 8 pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614 shall be deposited by the Comptroller in the fund established under § 33.2-2509.

2. The additional revenue generated by increases in the state sales and use tax from Planning District 23 pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614 shall be deposited by the Comptroller in the fund established under § 33.2-2600.

3. (For contingent expiration date, see Acts 2020, c. 1235) The additional revenue generated by increases in the state sales and use tax from Planning District 15 pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614 shall be deposited by the Comptroller in the fund established under § 33.2-3701.

4. The additional revenue generated by increases in the state sales and use tax in any other Planning District pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614 shall be deposited into special funds that shall be established by appropriate legislation.

5. The net revenues distributable under this subsection shall be computed as an estimate of the net revenue to be received by the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the appropriate funds on the last day of each month.

~~H. I.~~ (For contingent expiration date, see Acts 2018, c. 850) The additional revenue generated by increases in the state sales and use tax from the Historic Triangle pursuant to § 58.1-603.2 shall be deposited by the Comptroller as follows: (i) 50 percent shall be deposited into the Historic Triangle Marketing Fund established pursuant to subsection F of § 58.1-603.2; and (ii) 50 percent shall be deposited in the special fund created pursuant to subdivision D 2 of § 58.1-603.2 and distributed to the localities in which the revenues were collected. The net revenues distributable under this subsection shall be computed as an estimate of the net revenues to be received by the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the appropriate funds on the last day of each month.

~~I. J.~~ If errors are made in any distribution, or adjustments are otherwise necessary, the errors shall be corrected and adjustments made in the distribution for the next quarter or for

subsequent quarters.

~~J. K.~~ The term "net revenue," as used in this section, means the gross revenue received into the general fund or the Commonwealth Transportation Fund of the state treasury under the preceding sections of this chapter, less refunds to taxpayers.

**§ 58.1-3851.1. Entitlement to tax revenues from tourism project.**

A. For purposes of this section:

"Economic development authority" means a local industrial development authority or a local or regional political subdivision, the public purpose of which is to assist in economic development.

"Gap financing" means debt financing to compensate for a shortfall in project funding between the expected development costs of an authorized tourism project and the debt and equity capital provided by the developer of the project.

B. 1. If a locality has established a tourism zone pursuant to § 58.1-3851, has adopted an ordinance establishing a tourism plan as determined by guidelines set forth by the Virginia Tourism Authority, and has adopted an ordinance authorizing a tourism project to meet a deficiency identified in the adopted tourism plan approved by the Virginia Tourism Authority, and the tourism project has been certified by the State Comptroller as qualifying for the entitlement to tax revenues authorized by this section, the authorized tourism project shall be entitled to an amount equal to the revenues generated by a one percent state sales and use tax on transactions taking place on the premises of the authorized tourism project. The entitlement shall be contingent on the locality enacting an ordinance designating certain local tax revenues to the tourism project pursuant to subsection C and shall be subject to the conditions set forth in subsection D. The purpose of such entitlement shall be to assist the developer with obtaining gap financing and making payments of principal and interest thereon. The entitlement shall continue until the gap financing is paid in full. Entitled sales and use tax revenues shall be applied solely to payments of principal and interest on the qualified gap financing.

2. On a quarterly basis, the Tax Commissioner shall certify the amount of the entitled sales and use tax revenues to the Comptroller, who shall remit such revenues to the county or city in which the authorized tourism project is located. The county or city shall remit the revenues to the economic development authority. No payments herein shall be made until an agreement exists between the developer of the authorized tourism project and the economic development authority.

3. The state sales and use tax entitlement established in subdivision 1 shall not include any (i) sales and use tax revenues dedicated pursuant to § 58.1-638 or ~~58.1-638.1~~ or (ii) revenues generated pursuant to Chapter 766 of the Acts of Assembly of 2013, the additional state sales and use tax in certain counties and cities assessed pursuant to subsection B of § 58.1-603.1 and subsection B of § 58.1-604.01; or the additional state sales and use tax in certain counties and cities of historic significance imposed under § 58.1-603.2.

C. If a locality has adopted the ordinances required by subdivision B 1 to entitle an authorized tourism project to an amount equal to the revenues generated by a one percent state sales and

*Committee Approved Amendments to House Bill 30, as Introduced*

use tax on transactions taking place on the premises of the authorized tourism project, the local governing body of the county or city in which the authorized tourism project is located shall also direct by ordinance that an amount equal to the revenues generated by at least a one percent local sales and use tax, or an equivalent amount of other local tax revenues as designated by the ordinance, generated by transactions taking place on the premises of the authorized tourism project shall be applied to the payment of principal and interest on the qualified gap financing. Such revenues shall be remitted in the same manner, for the same time period, and under the same conditions as the remittances paid in accordance with subsection B, mutatis mutandis.

D. Prior to any entitlement to tax revenues for an authorized tourism project pursuant to subsections B and C, the owner of such project shall have a minimum of 70 percent of funding for the project in place through debt or equity, enter into a performance agreement with the economic development authority or political subdivision, and enter into an agreement to pay an access fee. The access fee shall be equivalent to the state sales and use tax revenue generated by and returned to the project pursuant to subdivision B 1 and shall be collected by the locality and remitted to the economic development authority on a quarterly basis. The access fee and the sales and use tax entitlement shall be used solely to make payments of principal and interest on the qualified gap financing.

E. In the event that the total amount of sales and use tax entitlement and the access fee exceeds any annual debt service on the qualified gap financing, such excess shall be paid to the principal of the loan until the qualified gap financing is paid in full.

F. A tourism project that is entitled to and receives revenues pursuant to this section shall not be eligible to receive revenues pursuant to § 58.1-608.3, 58.1-3851.2, or 58.1-3851.3.

**§ 58.1-3851.2. Entitlement to tax revenues from tourism project of regional significance.**

A. For purposes of this section:

"Economic development authority" means a local industrial development authority or a local or regional political subdivision, the public purpose of which is to assist in economic development.

"Gap financing" means debt financing to compensate for a shortfall in project funding between the expected development costs of an authorized tourism project of regional significance and the debt and equity capital provided by the developer of the project.

"Tourism project of regional significance" means a tourism project that meets the requirements set forth in subdivision B 1 and that additionally represents a new capital investment of at least \$100 million in a new tourism facility or in a substantial and significant renovation or expansion of an existing tourism facility by a private entity in the Commonwealth and, as determined by the Virginia Tourism Authority, that supports increased hotel occupancy, new job creation, an increase in the number of out-of-state visitors to the Commonwealth, and other factors of significant fiscal and economic impact. Any property, real, personal, or mixed, that is necessary or complementary, such as arenas, sporting facilities, hotels, and other tourism venues, developed in connection with any such tourism project of regional significance, including facilities for food preparation and serving, parking facilities, and administrative offices, is

*Committee Approved Amendments to House Bill 30, as Introduced*

encompassed within this definition, as is theme-related retail activity by vendors or the private entity owner of the project that occurs on site and directly supports the tourism mission of the project. A tourism project of regional significance does not include, for purposes of this section, general retail outlets, ancillary retail structures not directly related to the tourism purpose of the project or other retail establishments commonly referred to as shopping centers or malls or residential condominiums, townhomes, or other residential units.

B. 1. If a locality has established a tourism zone pursuant to § 58.1-3851, has adopted an ordinance establishing a tourism plan as determined by guidelines set forth by the Virginia Tourism Authority, and has adopted an ordinance authorizing a tourism project of regional significance to meet a deficiency identified in the adopted tourism plan approved by the Virginia Tourism Authority, and if the tourism project of regional significance has been certified by the State Comptroller as qualifying for the entitlement to tax revenues authorized by this section, the authorized tourism project of regional significance shall be entitled to an amount equal to the revenues generated by a 1.5 percent state sales and use tax on transactions taking place on the premises of the authorized tourism project of regional significance. The entitlement shall be contingent on the locality's enacting an ordinance designating certain local revenues to the project pursuant to subsection C and shall be subject to the conditions set forth in subsection D. The purpose of such entitlement shall be to assist the developer with obtaining gap financing and making payments of principal and interest thereon.

2. On a quarterly basis, the Tax Commissioner shall certify the amount of the entitled sales and use tax revenues to the Comptroller, who shall remit such revenues to the county or city in which the authorized tourism project of regional significance is located. The county or city shall remit the revenues to the economic development authority. No payments herein shall be made until an agreement exists between the developer of the authorized tourism project of regional significance and the economic development authority. The entitlement shall continue until the gap financing is paid in full or for the length of time specified in the agreement between the developer and the economic development authority, but in no event shall the entitlement extend beyond 20 years from the date of the initial entitlement. Entitled sales and use tax revenues shall be applied solely to payments of principal and interest on the qualified gap financing.

3. The state sales and use tax entitlement established in subdivision 1 shall not include any (i) sales and use tax revenues dedicated pursuant to § 58.1-638 or ~~58.1-638.1~~ or (ii) revenues generated pursuant to Chapter 766 of the Acts of Assembly of 2013, the additional state sales and use tax in certain counties and cities assessed pursuant to subsection B of § 58.1-603.1 and subsection B of § 58.1-604.01; or the additional state sales and use tax in certain counties and cities of historic significance imposed under § 58.1-603.2.

C. If a locality has adopted the ordinances required by subdivision B 1 to entitle an authorized tourism project of regional significance to an amount equal to the revenues generated by a 1.5 percent state sales and use tax on transactions taking place on the premises of the authorized tourism project of regional significance, the local governing body of the county or city in which the authorized tourism project of regional significance is located shall also direct by ordinance that an amount of local revenues, from any authorized source of revenues available to the

locality, equal to the revenues generated by at least a 1.5 percent state sales and use tax generated by transactions taking place on the premises of the authorized tourism project of regional significance shall be applied to the payment of principal and interest on the qualified gap financing. Such revenues shall be remitted in the same manner, for the same time period, and under the same conditions as the remittances paid in accordance with subsection B, *mutatis mutandis*.

D. Prior to any entitlement to tax revenues for an authorized tourism project of regional significance pursuant to subsections B and C, the owner of such project shall have a minimum of 80 percent of funding for the project in place through debt or equity, enter into a performance agreement with the economic development authority or political subdivision, and enter into an agreement to pay an access fee. The access fee shall be equivalent to the state sales and use tax revenue generated by and returned to the project pursuant to subdivision B 1 and shall be collected by the locality and remitted to the economic development authority on a quarterly basis. The access fee and the state and local contributions pursuant to this section shall be used solely to make payments of principal and interest on the qualified gap financing.

E. In the event that the total amount of state and local contributions pursuant to this section and the access fee exceeds any annual debt service on the qualified gap financing, such excess shall be paid to the principal of the loan until the qualified gap financing is paid in full.

F. Neither the Commonwealth nor any political subdivision of the Commonwealth shall incur any debt under this section. Nothing in this section shall be construed as authorizing the pledging of the faith and credit of the Commonwealth, or any of its revenues, or the faith and credit of any other political subdivision of the Commonwealth, or any of its revenues, for the payment of any debt or debt financing, or meeting any contractual obligation incurred by the owner or developer of any authorized tourism project of regional significance.

G. An authorized tourism project of regional significance that is entitled to and receives revenues pursuant to this section shall not be eligible to receive revenues pursuant to § 58.1-608.3, 58.1-3851.1, or 58.1-3851.3.

**§ 58.1-3851.3. Entitlement to tax revenues from a major tourism project.**

A. For purposes of this section:

"Economic development authority" means a local industrial development authority or a local or regional political subdivision, the public purpose of which is to assist in economic development.

"Gap financing" means debt financing to compensate for a shortfall in project funding between the expected development costs of a major tourism project and the debt and equity capital provided by the developer of the project and any refinancing of a gap financing. "Gap financing" includes a developer's primary debt financing, as well as any refinancing thereof, if the entitlements to tax revenues provided under this section are pledged as collateral for such primary debt financing.

"Major tourism project" means a tourism project that meets the requirements set forth in subdivision B 1 and that additionally represents a new capital investment of at least \$500

*Committee Approved Amendments to House Bill 30, as Introduced*

million in a new tourism facility or in a substantial and significant renovation or expansion of an existing tourism facility by a private entity in the Commonwealth, that will result in the creation of at least 500 net new jobs, and, as determined by the Virginia Tourism Authority, that supports increased hotel occupancy, an increase in the number of out-of-state visitors to the Commonwealth, and other factors of significant fiscal and economic impact. Any property, real, personal, or mixed, that is necessary or complementary, such as arenas, sporting facilities, hotels, and other tourism venues, developed in connection with any such major tourism project, including facilities for food preparation and serving, parking facilities, and administrative offices, is encompassed within this definition, as is theme-related retail activity that occurs on site and directly supports the tourism mission of the project. "Major tourism project" does not include, for purposes of this section, (i) general retail outlets, ancillary retail structures not directly related to the tourism purpose of the project, or other retail establishments commonly referred to as shopping centers or malls or (ii) residential condominiums, townhomes, or other residential units.

B. 1. If a locality has established a tourism zone pursuant to § 58.1-3851, has adopted an ordinance establishing a tourism plan as determined by guidelines set forth by the Virginia Tourism Authority, and has adopted an ordinance authorizing a major tourism project to meet a deficiency identified in the adopted tourism plan approved by the Virginia Tourism Authority, and if the major tourism project has been certified by the State Comptroller as qualifying for the entitlement to tax revenues authorized by this section, the major tourism project shall be entitled to an amount equal to the revenues generated by a two percent state sales and use tax on transactions taking place on the premises of the authorized major tourism project. The entitlement shall be contingent on the locality's enacting an ordinance designating certain local revenues to the project pursuant to subsection C and shall be subject to the conditions set forth in subsection D. The entitlement shall also be subject to review and approval by the MEI Project Approval Commission pursuant to § 30-310. The purpose of such entitlement shall be to assist the developer with obtaining gap financing and making payments of principal and interest thereon.

2. On a quarterly basis, the Tax Commissioner shall certify the amount of the entitled sales and use tax revenues to the Comptroller, who shall remit such revenues to the county or city in which the authorized major tourism project is located. The county or city shall remit the revenues to the economic development authority or such other entity as the economic development authority shall designate. No payments herein shall be made until an agreement exists between the developer of the authorized major tourism project and the economic development authority. The entitlement shall continue until the gap financing is paid in full or for the length of time specified in the agreement between the developer and the economic development authority, but in no event shall the entitlement extend beyond 20 years from the date of the accrual of the initial entitlement. Entitled sales and use tax revenues shall be applied solely to payments of principal and interest on the qualified gap financing.

3. The state sales and use tax entitlement established in subdivision 1 shall not include any (i) sales and use tax revenues dedicated pursuant to § 58.1-638 or ~~58.1-638.1~~ or (ii) revenues

*Committee Approved Amendments to House Bill 30, as Introduced*

generated pursuant to Chapter 766 of the Acts of Assembly of 2013, the additional state sales and use tax in certain counties and cities assessed pursuant to subsection B of § 58.1-603.1 and subsection B of § 58.1-604.01; or the additional state sales and use tax in certain counties and cities of historic significance imposed under § 58.1-603.2.

C. If a locality has adopted the ordinances required by subdivision B 1 to entitle an authorized major tourism project to an amount equal to the revenues generated by a two percent state sales and use tax on transactions taking place on the premises of the authorized major tourism project, or subsequently acquired premises for the major tourism project, the local governing body of the county or city in which the authorized major tourism project is located shall also direct by ordinance that an amount of local revenues, from any authorized source of revenues available to the locality, equal to the revenues generated by at least a two percent state sales and use tax generated by transactions taking place on the premises of the authorized major tourism project, or subsequently acquired premises for the authorized major tourism project, shall be applied to the payment of principal and interest on the qualified gap financing. Such revenues shall be remitted in the same manner, for the same time period, and under the same conditions as the remittances paid in accordance with subsection B, *mutatis mutandis*.

D. Prior to any entitlement to tax revenues for a major tourism project pursuant to subsections B and C, the owner of such project shall have a minimum of 70 percent of funding for the project in place through debt or equity, enter into a performance agreement with the economic development authority or political subdivision, and enter into an agreement to pay an access fee. The access fee shall be equivalent to the state sales and use tax revenue generated by and returned to the project pursuant to subdivision B 1 and shall be collected by the locality and remitted to the economic development authority or such other entity as the economic development authority shall designate on a quarterly basis. The access fee and the state and local contributions pursuant to this section shall be used solely to make payments of principal and interest on the qualified gap financing.

E. In the event that the total amount of state and local contributions pursuant to this section and the access fee exceeds any annual debt service on the qualified gap financing, such excess shall be paid to the principal of the loan until the qualified gap financing is paid in full.

F. Neither the Commonwealth nor any political subdivision of the Commonwealth shall incur any debt under this section. Nothing in this section shall be construed as authorizing the pledging of the faith and credit of the Commonwealth, or any of its revenues, or the faith and credit of any other political subdivision of the Commonwealth, or any of its revenues, for the payment of any debt or debt financing, or meeting any contractual obligation incurred by the owner or developer of any authorized major tourism project.

G. A major tourism project that is entitled to and receives revenues pursuant to this section shall not be eligible to receive revenues pursuant to § 58.1-608.3, 58.1-3851.1, or 58.1-3851.2.

**9. That § 58.1-638.1 of the Code of Virginia is repealed."**

Page 668, line 30, strike "8." and insert: "10."

Page 668, line 31, strike "9." and insert: "11."

*Committee Approved Amendments to House Bill 30, as Introduced*

Page 668, line 31, after “**third,**” strike “**and**”.

Page 668, line 31, after “**fourth**” insert “, **eighth and ninth**”.

**Explanation:**

(This amends provisions of the Code of Virginia to provide that one and one eighth cents of sales and use tax revenues are distributed to localities in support of public education. Under current law, one cent of the sales and use tax is distributed to school divisions in support of public education, and an additional one-eighth cent of the sales and use tax is deposited first into the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund and then distributed to school divisions. This amendment consolidates these two actions and does not impact amounts of sales and use taxes collected or the distribution of funds to school divisions. Companion amendments in Item 125 and Item 3.5-03 address corresponding budget language.)

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