



Summary of

**THE GOVERNOR'S PROPOSED
AMENDMENTS TO THE 2022–24 BUDGET**

Introduced as HB 1400/SB 800

January 10, 2023

Prepared by the staff of the:

**SENATE FINANCE & APPROPRIATIONS
COMMITTEE**



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Introduction

This document was prepared by the staff of the Senate Finance & Appropriations Committee as a summary on the Governor's Proposed Amendments, introduced as HB 1400/SB 800, to the budget for the 2022-24 biennium.

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Overview of Proposed Amendments to the 2022-24 Budget

Proposed amendments to the 2022-24 biennial budget reflect adjustments to both resources and spending as compared to Chapter 2, 2022 Special Session I. Assumed revenue adjustments total reflect \$2,155.6 million in base forecast increases, net reductions of \$1,001.0 million in proposed and assumed tax policy decisions, and a net \$24.7 million increase in transfers. The introduced budget also includes a net \$2,276.3 million adjustment to balances from the FY 2022 revenue surplus of \$1,947.0 million and reversions from unspent FY 2022 appropriations. Therefore, the additional resources available for appropriation in the 2022-24 biennium totals \$3,455.6 billion.

Amendments to 2022-24 Budget HB 1400/SB 800, as Introduced (\$ in millions)			
	<u>FY 2023</u>	<u>FY 2024</u>	<u>2022-24</u>
GF Resources, Chapter 2, 2022 Special Session I	\$31,759.4	\$27,995.7	\$59,755.1
Net Resource Adjustments	<u>3,220.4</u>	<u>235.2</u>	<u>3,455.6</u>
Available Resources	\$34,979.8	\$28,230.9	\$63,210.7
GF Appropriations, Chapter 2, 2022 Special Session I	\$31,250.3	\$28,488.8	\$59,739.1
Net Spending Adjustments	<u>921.3</u>	<u>2,534.9</u>	<u>3,456.2</u>
Total Proposed Appropriations	\$32,171.6	\$31,023.8	\$63,195.4
Unappropriated Balance	\$2,808.2	(\$2,792.8)	\$15.4

Resources

HB 1400/SB 800 includes \$63,210.7 million in general fund resources available for appropriation. Based on the advice of the Joint Advisory Board of Economists (JABE) and the Governor's Advisory Council on Revenue Estimates (GACRE), the Governor's proposed base forecast increases general fund revenues, excluding transfers,

\$1,588.5 million in FY 2023 and \$567.1 million in FY 2024, representing a decline of 8.6 percent in FY 2023 and an increase of 5.2 percent in FY 2024. The decline in FY 2023 revenue compared to FY 2022 is a result of the large surplus in FY 2022 and the significant tax policy actions adopted in Chapter 2. Due to the FY 2022 actual revenue being \$3,069.0 million higher than the FY 2022 base assumed to project revenues for the 2022-24 biennium and the increase in the beginning balance from the surplus, significant additional resources are available compared to Chapter 2.

The introduced budget also includes net reduction of \$1,001.0 million associated with proposed and assumed tax policy adjustments, including reductions of \$510,000 to conform to provisions in the Inflation Reduction Act. The remaining revenue reductions of \$1,000.5 million are tax policy actions that have not been adopted by the General Assembly. Accounting for proposed and assumed tax policy actions in the introduced budget, general fund revenue, excluding transfers, is assumed to decline 8.8 percent in FY 2023 and increase 1.9 percent in FY 2024.

Tax Policy Changes Assumed in Introduced Budget		
(\$ in millions)		
	<u>FY 2023</u>	<u>FY 2024</u>
Tax Conformity	(\$0.2)	(\$0.3)
Decrease Corporate Income Tax Rate from 6.0% to 5.0%	(71.9)	(290.2)
Reduce Individual Income Tax Rate from 5.75% to 5.5% *	0.0	(333.3)
Income Tax Deduction for up to 10% Federal Qualified Business Income Deduction	0.0	(162.1)
Increase Standard Deduction to \$9,000 / \$18,000	0.0	(94.9)
Eliminate Age Limit on Military Retiree Exemption	0.0	(37.8)
Increase Business Interest Expense Deduction to 50%	0.0	(10.3)
Sales and Use Tax Exemption for Controlled Environment Agriculture Facilities **	---	---
Total GF Resources	(\$72.1)	(\$928.9)
* Contingent on FY 2023 revenues meeting forecast.		
** Revenue impact is unknown.		

In total, the proposed revisions to the 2022-24 resources contained in HB 1400 /SB 800 result in an increase of \$3,455.6 million in more general fund resources than those assumed in Chapter 2, 2022 Special Session I.

Appropriations

As a result of \$3,455.6 million in additional resources available and the assumed year-end balance of \$16.0 million for FY 2024 in Chapter 2, net general fund spending adjustments proposed total \$3,456.2 million and would leave an unappropriated balance of \$15.4 million at the close of FY 2024. Major additional general fund spending items include:

- \$450.0 million for the Business Ready Sites Program and site development;
- \$406.0 million for a mandatory deposit to the Revenue Stabilization Fund in FY 2024;
- \$351.6 million for bonuses for state employees and teachers and a variety of other targeted compensation actions for certain positions;
- \$200.0 million for the Resilient Virginia Revolving Loan Fund; and
- \$149.1 million for behavioral health.

Chapter 2, 2022 Special Session I, directed the Comptroller to reserve \$585.5 million GF on the year-end balance sheet for five designated purposes. These reservations were contingent on any general funds collected in FY 2022 in excess of the official FY 2022 revenue estimate in Chapter 1, 2022 Special Session I that were not required to meet a Constitutionally mandated deposit to the Revenue Stabilization Fund or the Water Quality Improvement Fund Part A deposit. SB 800, as introduced, appropriated all five reservations directed by Chapter 2:

- \$250.0 million to reduce unfunded liabilities in the Virginia Retirement System;
- \$150.0 million for improvements to Interstate 64 between Exit 205 and Exit 234;
- \$50.0 million for the Business Ready Sites Program;
- \$100.0 million for capital cost overruns and inflationary increases; and

- \$35.5 million for the Major Headquarters Workforce Grant fund.

Additionally, SB 800, as introduced, designates \$1,083.3 million GF the second year in contingent spending items and tax policy actions that can be unallotted and reverted to the general fund to offset the impact of any revenue shortfall. These items are contingent on FY 2023 revenues meeting the assumed forecast. If revenues are less than the forecast, the Director of the Department of Planning and Budget will unallot \$750.0 million in spending items and the reduction in the top marginal individual income tax rate will not take effect in tax year 2024. These items may be restored in FY 2024 if the Governor determines resources are available and language prescribes the following priority order for restoration:

- \$333.3 million to reduce the highest marginal individual income tax rate from 5.75 percent to 5.5 percent;
- \$250.0 million for site development investment;
- \$100.0 million for the Resilient Virginia Revolving Loan Fund;
- \$100.0 million for the state employee performance bonus; and
- \$300.0 million for capital cost overruns and inflationary increases.

As proposed, the amendments contained in HB 1400/SB 800 would leave an unappropriated balance of \$15.4 million at the close of FY 2024. Major spending and savings items, including capital outlay GF cash spending, are detailed in the table below.

**Major Budget Operating and Capital Outlay Spending and Savings in
HB 1400 / SB 800, As Introduced**
(General Fund \$ in Millions)

FY 2023-24

Major Spending Propose

Capital Outlay – GF Cash Spending ^ *	\$604.5
Business Ready Sites & Site Development Investment *	450.0
Mandatory Revenue Stabilization Fund Deposit	406.0
VRS: Payment to Reduced Unfunded Liabilities ^	250.0
DCR: Resilient Virginia Revolving Loan Fund *	200.0
K-12: Update Sales Tax	168.0
DEQ: Enhanced Nutrient Removal Certainty Program (Includes WQIF)	151.0
VDOT: I-64 Improvements ^	150.0
State Employees Merit Bonus *	100.0
VEC: Unemployment Trust Fund Deposit	100.0
DEQ: Richmond Combined Sewer Overflow	100.0
State Employee \$1,500 Bonus on Dec. 1, 2023	99.8
DCR: Water Quality Improvement Fund Deposit (Agricultural BMP)	87.1
K-12: Update for Fall Enrollment	71.2
Medicaid: Health Care Fund	67.7
DBHDS: Crisis Services	58.3
Medicaid: Extension of Public Health Emergency (Enrollment Costs)	53.4
Business Ready Sites ^	50.0
K-12: College Partnership Laboratory Schools	50.0
K-12: Bonuses for Top-Performing Teachers	50.0
DCR: Natural Resources Commitment Fund Supplemental Deposit	50.0
K-12: Retention Bonus for Instructional / Support Positions	45.2
Medicaid: Personal Care Rates (Five Percent Increase)	41.6
Major Headquarters Workforce Grant Fund ^	35.5
VDH: Earn to Learn Nursing Education Program	30.0
DCJS: Law Enforcement Recruitment Efforts	30.0
DHCD: Virginia Talent Pathways	24.5
K-12: Early Childhood Mixed Delivery Program	20.0
DBHDS: Alternative Hospital-Based Diversion Programs	20.0
DBHDS: Mobile Crisis Units	20.0
DCJS: Operation Ceasefire Grant Fund	20.0
K-12: Remedial Summer School	18.3
K-12: Reading Specialists	16.9
DSS: TANF Unemployment Parent Caseload	15.7
Medicaid: 500 Developmental Disability Waiver Slots	15.2
VCCS: Accelerator Programs for Credentials for High Schoolers	15.0
DBHDS: School-Based Mental Health Pilots	15.0
Central Appropriations: Transformation Initiatives	15.0
Comp. Board: Compression Funds for Deputy Sheriffs / Reg. Jail Officers	13.9

**Major Budget Operating and Capital Outlay Spending and Savings in
HB 1400 / SB 800, As Introduced**

(General Fund \$ in Millions)

	FY 2023-24
Medicaid: Utilization and Inflation	12.3
DHCD: GO Virginia	10.0
DHCD: Local Housing Inspection Programs	10.0
DOE: Virginia Power Innovation Fund	10.0
K-12: Incentives for Hard-to-fill Positions / Schools	10.0
EVMS: Merger with Old Dominion University	10.0
VDH: Nurse Preceptor Incentive Program	10.0
DCJS: Mass Violence Care Fund	10.0
All Other Spending Items	<u>252.1</u>
Total:	\$4,063.2

Major Savings Proposed

Medicaid Utilization and Inflation (Forecast Savings in FY 2003)	(279.3)
Medicaid Enhanced Federal Match Rate Savings	(157.8)
Medicaid Offset in the Health Care Fund	(50.4)
K-12: Update for Incentive Programs	(22.7)
DMAS: Children's Health Insurance Programs	(22.2)
DSS: Child Welfare Forecast	(20.0)
K-12: Lottery Proceeds	(9.5)
Treasury: Bond Defeasance Costs	(8.1)
CSA: Updated Forecast of Expenditures	(6.9)
Higher Ed: Tech Talent Investment Fund	(5.7)
All Other Savings Items	<u>(24.4)</u>
Total:	\$(607.0)

Net Spending Adjustments Proposed **\$3,456.2**

^ Denotes appropriation of Chapter 2, 2022 Special Session I, contingent amounts.

* Denotes a portion of the proposed spending may be contingent in SB 800, as introduced.

Judicial Department. The Governor’s proposed budget for the Judicial Department includes a net increase of \$13.4 million GF for the amended 2022-24 budget. It includes \$7.4 million GF for Indigent Defense Commission compensation increases, \$3.5 million GF for specialty court dockets, and \$1.7 million GF to increase the recalled retired judge per diem. The proposed budget also reverts \$32.9 million NGF to the general fund from surplus balances of the Criminal Fund.

Executive Offices. The introduced budget for the Executive Offices proposes an increase of \$5.4 million GF in FY 2024. Nearly half of the proposed spending, \$2.5 million GF, represents the establishment of a new witness protection fund under the Office of the Attorney General (OAG). Additional proposals for the OAG include requests for 13.0 new positions, salary increases for non-attorney staff, and language to establish a fund for the Commonwealth’s share of opioid lawsuit settlements. In the Office of the Lieutenant Governor, two proposals totaling \$729,570 GF are for two additional positions and to contract for security services for the Lieutenant Governor.

Administration. Proposed amendments in the Administration Secretariat result in a net increase of \$21.8 million GF and a net decrease of \$9.7 million NGF over the biennium. Salary compression adjustments of \$13.9 million for sworn deputy sheriffs and regional jail officers and a \$4.1 million pilot program for court-ordered transportation are the largest increases in general fund spending in the Compensation Board. The decrease in nongeneral fund spending reflects updated agency utilization projections for services offered by the Virginia Information Technologies Agency. The amendments also reflect the establishment of a new independent Office of Data Governance and Analytics under the Secretary of Administration.

Agriculture and Forestry. The introduced budget for the area of Agriculture and Forestry proposes a net increase of \$6.6 million GF over the biennium. Of the new proposed spending, a total \$3.5 million is proposed for various investments in agricultural technology, as part of a broader \$5.0 million initiative across several agencies. Additionally, \$2.2 million GF is proposed for the Department of Agriculture and Consumer Services to establish a hemp product registration and inspection program.

Commerce and Trade. The introduced budget for the area of Commerce and Trade proposes a significant increase of \$286.2 million GF in FY 2023 and \$310.9 million GF in FY 2024. Of these amounts, \$500.0 million is provided for deposit to the Virginia Business Ready Sites Program, including an unspecified amount for a new Site Acquisition Pilot Program. Additionally, an increase of \$35.8 million GF is proposed for new GO Virginia investments in talent pathways, regional workforce development initiatives, and expanding advancements in agricultural technology. Other major new proposed initiatives include \$10.0 million GF for assisting local building authorities in addressing permitting backlogs and \$10.0 million for initial capitalization of the Virginia Power Innovation Fund.

Public Education. The proposed amendments for Direct Aid to Public Education for the 2022-2024 biennium for Public Education total \$441.9 million GF and \$4.6 million NGF. This is a net increase of \$166.9 million GF in FY 2023 and \$275.0 million GF in FY 2024 compared to Chapter 2, 2022 Special Session I. These amounts reflect \$241.6 million GF in technical updates and forecast changes and \$200.3 million GF in policy changes.

The primary technical updates and forecast changes include \$167.9 million in projected sales tax revenue and \$71.2 million in revised Average Daily Membership (ADM) projections. While the ADM increase reflects growth, enrollments are expected to be 2.7 percent lower than FY 2020 levels in FY 2023 and 2.2 percent lower in FY 2024. Other updates include increases in remedial summer school, English Learner Enrollments and an adjustment to the Governor's school salary increase.

The proposed policy changes include: (1) \$50.0 million the first year in additional funding for college partnership lab schools; (2) \$50.0 million for a \$5,000 teacher performance bonus (no required match); (3) \$45.2 million to provide a one percent retention bonus for instructional and support positions; (4) \$20.0 million in grants to expand mixed delivery preschool in the Lenowisco and Crater Planning Districts; (5) \$16.9 million to expand the reading specialist staffing standard to the fourth and fifth grades; (6) \$7.2 million to fund the state share of a math specialist position in elementary and middle schools ranking in the lowest 10 percent of SOL math assessments; and (7)

\$1.0 million the first year to provide one-time support for Communities in School to expand the program to Petersburg, Southside and Southwest Virginia.

Other proposed amendments for public education include an additional \$438,000 GF and three full-time positions to support the Secretary of Education, \$389,000 GF to support ongoing maintenance of the Department of Education's automated teacher licensing system, and \$1.1 million GF to Virginia School for the Deaf and Blind support salary adjustments to remain competitive with the local labor market and local school divisions.

Higher Education. The proposed amendments for Higher Education institutions and related agencies reflect an additional \$45.8 million GF and \$240.3 million NGF for the biennium.

Primary GF investments include: (1) \$21.0 million for the Virginia Community College System to support pilot programs to increase industry credentials in high schools, establish and expand career placement centers, and promote awareness of workforce programs (G3 and Fastforward); (2) \$10.0 million to Eastern Virginia Medical School to support one-time costs with planning and integration activities to merge with Old Dominion University; (3) \$9.0 million to the State Council of Higher Education for Virginia (SCHEV) to support mental health services in K-12 and postsecondary; (4) \$5.0 million to support research at Virginia Commonwealth University's Massey Cancer Center; and (5) \$500,000 to explore the feasibility of research status and (6) \$300,000 to expand the Teacher Excellence Center at the University of Virginia-Wise.

Other proposed changes in central accounts related to higher education include: \$5.0 million GF to support the expansion of paid or credit-bearing internships; a \$5.8 million GF reduction to the Tech Talent Investment Fund to align with current allocations; bonuses related to employees; and adjustments to the interest earnings accounts.

The amendments also propose language that charges SCHEV with standardizing and collecting financial data that is not record in the state's financial reporting system and a requirement that alternative financing arrangements for capital projects include

approval by the responsible cabinet secretary, the Secretary of Finance, and the Secretary of Administration.

Finance. The Governor's introduced budget includes a net increase of \$244.0 million GF in FY 2023 and \$403.7 million GF and \$2.1 million NGF in FY 2024. Of these amounts, \$250.0 million GF is appropriated for a one-time deposit to the Virginia Retirement System, based on excess revenue collected in FY 2022 that was designated in the current appropriation act for this purpose. The other major spending proposal is \$406.0 million GF in FY 2024 that reflects a portion of the \$904.7 million mandatory deposit to the Revenue Stabilization Fund that is constitutionally required based on revenue collections in FY 2022. The remaining \$498.7 million portion of the deposit would be transferred from the Revenue Reserve Fund, which had been reserved for this purpose in Chapter 1, 2022 Acts of Assembly, Special Session I.

Health and Human Resources. The introduced budget proposes a net decrease of \$113.5 million GF and an increase of \$4.5 billion NGF over the current 2022-24 biennial budget. Spending of \$426.0 million GF is offset by \$539.5 million in reductions. The savings reflects additional federal Medicaid funding resulting from the extension of the public health emergency (PHE) and lower than projected managed care rates for FY 2023. The PHE was extended through January 2023 and is expected to continue through April 2023 resulting in proposed changes that reflect savings for three additional quarters of enhanced federal match for Medicaid. The NGF increase is primarily due to the increase of additional federal funds related to higher Medicaid spending due to the requirement to maintain eligibility during the PHE.

Mandatory general fund spending of \$166.6 million GF typically represents the largest share of spending of new GF spending in HHR; however, due to the enhanced federal match rate for Medicaid, the required mandatory GF spending is lower than normal. Medicaid spending is the largest share of mandatory spending. Other mandatory spending includes such items as caseload growth in the TANF Unemployed Parent program, a repayment to the federal government for Supplemental Nutrition Assistance Program overpayments, and the state match for federal drinking water infrastructure grants.

The proposed changes include \$259.4 million GF in discretionary spending in HHR. Out of this spending, 51 percent is for various initiatives in behavioral health services with a focus on enhancing the crisis system to deal with the pressure on state hospitals and law enforcement. Other major GF expenditures include: \$48.5 million for various healthcare workforce initiatives; \$41.6 million to increase Medicaid personal care rates by five percent; \$15.2 million to add 500 developmental disability waiver slots; and \$8.2 million to address the recommendations of the Office of the State Inspector General related to issues in child protective services.

Labor. The Governor's introduced budget for the Labor Secretariat proposes a one-time deposit to the Unemployment Insurance Trust Fund of \$100.0 million GF in FY 2023. This amount would be in addition to the \$1.2 billion that has been added by the General Assembly since FY 2021. Additional proposed investments at the Virginia Employment Commission include an additional \$12.3 million NGF in continued federal American Rescue Plan Act funding to support both the claims appeals process and customer contact center operations. In addition to this substantial new funding, the introduced budget also includes funding to support two additional positions in the Office of the Secretary of Labor and an increase of \$14.8 million GF in FY 2024.

Natural Resources. The Governor's introduced budget for the Natural Resources Secretariat includes substantial new funding of \$608.7 million GF over the biennium. Of these amounts, approximately \$131.0 million is from the statutory dedication of a portion of FY 2022 surplus revenue and agency balances dedicated to the Water Quality Improvement Fund. In addition to these amounts, supplemental funding of \$157.1 million GF and \$86.1 million NGF is proposed for the WQIF. Of these combined amounts, \$137.1 million is allocated to the Department of Conservation and Recreation for agricultural best management practices and a total of \$237.1 million is allocated to the Department of Environmental Quality for wastewater treatment plant upgrades under the Enhanced Nutrient Reduction Certainty Program. Also, a substantial new investment of \$200.0 million GF is proposed for the Resilient Virginia Revolving Loan Fund and \$100.0 million GF in supplemental funding is requested to support the City of Richmond combined sewer overflow project. Other proposals include an additional \$5.5 million GF for improvements to the Poor Creek Pump Station as well as an additional \$5.0 million

GF for the protection of historical sites through the Black, Indigenous, and People of Color Preservation Fund.

Public Safety. The Governor’s proposed budget for Public Safety and Homeland Security Secretariat includes a net increase of \$105.1 million GF and \$2.4 million NGF for the amended 2022-24 budget. Significant investments include \$30.0 million GF for the Operation Bold Blue Line to support law enforcement hiring and training, \$20.0 million GF for additional Operation Ceasefire grant awards, and \$5.3 million GF for 45 new sworn and civilian positions at the Department of State Police. The proposed budget also adds \$24.8 million GF related to public safety officer compensation, including \$8.6 million GF to cover salary increases for vacant positions at the Department of Corrections, \$2.1 million GF to address salary compression at the Department of State Police, and \$267,500 GF to increase sign-on bonuses at the Department of Juvenile Justice, as well as \$13.9 million GF under General Government to provide compression adjustments for sworn deputy sheriffs and regional jail officers.

Transportation. For the area of Transportation, the Governor’s proposed amendments provide for a net biennial increase of \$150.5 million GF and \$254.5 million NGF over the biennium. The general fund increase is driven by the appropriation of FY 2022 revenues that were contingently appropriated for improvements to Interstate 64, and a smaller proposal to provide \$500,000 for contractual services in support of a potential public-private transportation partnership to accelerate improvements to Interstate 81. Within the Department of Transportation, language is included that would provide \$300.0 million NGF to the Transportation Partnership Opportunity Fund (TPOF) for economic development initiatives over the next six years by (1) redirecting \$100.0 million NGF in balances from the Virginia Transportation Infrastructure Bank and (2) directing the Commonwealth Transportation Board to allocate new revenue ahead of the official forecast to the TPOF. Finally, a one-time capital outlay authorization of \$3.1 million GF in FY 2023 is proposed for the Virginia Commercial Spaceflight Authority to acquire land adjacent to the Mid-Atlantic Regional Spaceport in support of an economic development opportunity.

Veterans and Defense Affairs. The Governor’s proposed budget for the Veterans and Defense Affairs Secretariat includes a net increase of \$1.9 million GF and \$20.5 million

NGF for the biennium. The proposed general fund increases include \$900,000 to increase the Virginia Values Veterans grant amount, \$512,917 for six new positions at the Department of Veterans Services, and \$400,000 to cover fees for veterans cemetery burials. The proposed budget also provides start-up costs for two new veterans care centers in Fauquier County and Virginia Beach by increasing the NGF appropriation by \$20.5 million and the working capital advance by \$17.0 million.

Central Appropriations. The Governor's proposed budget for Central Appropriations includes a net increase of \$216.9 million GF and \$12.5 million NGF across the biennium. The largest spending proposals include \$99.8 million GF the second year for a flat \$1,500 bonus for state employees, effective December 1, 2023, and an additional \$100.0 million GF the second year for merit-based bonuses of up to 10 percent of base salary for state employees, also effective December 1, 2023. Other major spending proposals include \$15.0 million GF in additional funding for transformation initiatives, \$5.9 million for reimbursement of 2024 presidential primary expenses, \$5.2 million GF for statewide network transformation, and \$5.0 million for the Innovative Internship Fund and Program.

The proposed amendments include typical changes to statewide costs charged to agencies and reflects a net savings of \$3.4 million GF across the biennium that would be recovered from state agencies. Other savings includes a reduction of \$5.8 million GF to reflect the existing memoranda of understanding for Tech Talent programs and those distributions to individual institutions of higher education, the reversion of \$6.6 million the second year in surplus GF balances, and a reversion of \$4.8 million GF and \$2.9 million NGF the first year from prior fiscal year interest earnings and credit card rebates that were not fully distributed to the specified institutions of higher education.

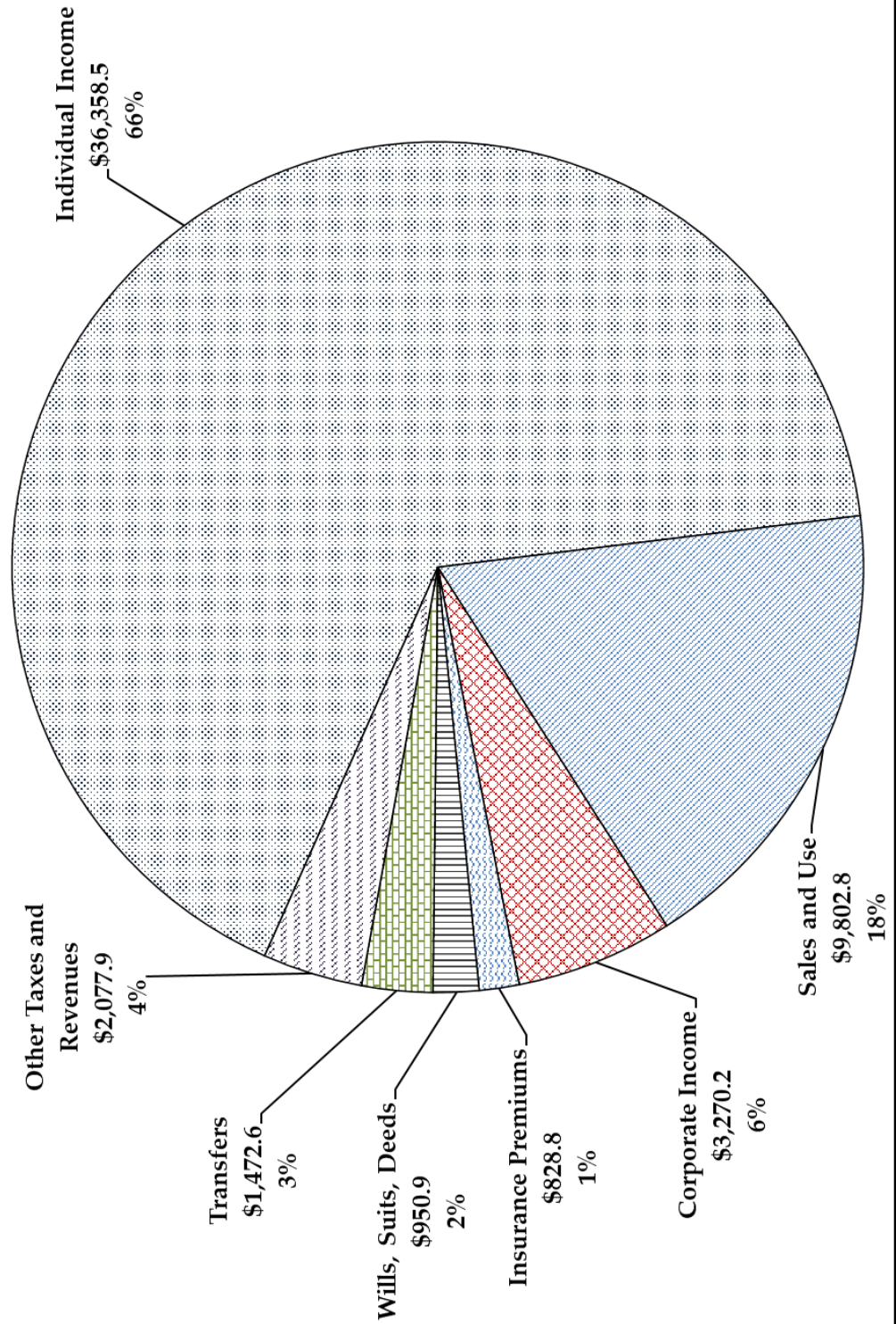
Other proposals include \$1.0 million GF the second year to reimburse fines paid by individuals for COVID-19 violations and \$500,000 GF the second year in new planning money for the potential relocation of the Washington Commanders to Virginia. The proposed budget also allocates \$129.5 million of the State and Local Fiscal Recovery Funds from the federal American Rescue Plan Act, which includes the remaining \$15.4 million available balance and the reallocation of \$114.1 million in previously allocated funding.

Independent Agencies. The proposed amendments to the Independent Agencies reflect no change to the general fund, and a nongeneral fund increase in the second year of \$50.3 million. The largest proposed change is a \$40.3 million NGF appropriation to the Virginia Lottery for the statutory distribution of casino gaming tax revenues to localities. The only other proposed amendment is to provide \$10.0 million NGF for the State Corporation Commission for the information technology costs of the State Health Benefit Exchange.

Capital Outlay. The proposed amendments to the capital outlay program for FY 2022-24 total \$914.6 million from all funds, including \$604.5 million in general fund cash, \$211.7 million in nongeneral fund cash, and \$98.4 million in 9(d) nongeneral fund revenue bonds supported by higher education revenues. General fund supported amendments include: (1) \$100.0 million in fiscal year 2023 (previously contingent on the fiscal year 2022 balance sheet) and \$300.0 million in fiscal year 2024 (contingent on FY 2023 revenue meeting the forecast) to supplement previously authorized capital project construction pools for inflation and cost overruns; (2) \$75.5 million to support new construction or improvements for 12 stand-alone projects; (3) \$43.3 million for a data facility at Jefferson Lab (contingent on a federal award); (4) \$34.1 million for equipment for capital projects nearing completion; (5) \$19.1 million for a capital pool of three projects; (6) \$9.6 million to support acquisition or planning for seven projects; (7) \$8.0 million in maintenance reserve for Norfolk State; (8) \$8.0 million in maintenance reserve for Virginia State; and (9) \$6.9 million to supplement two existing projects.

FY 2023-24 General Fund Revenues = \$54.8 Billion

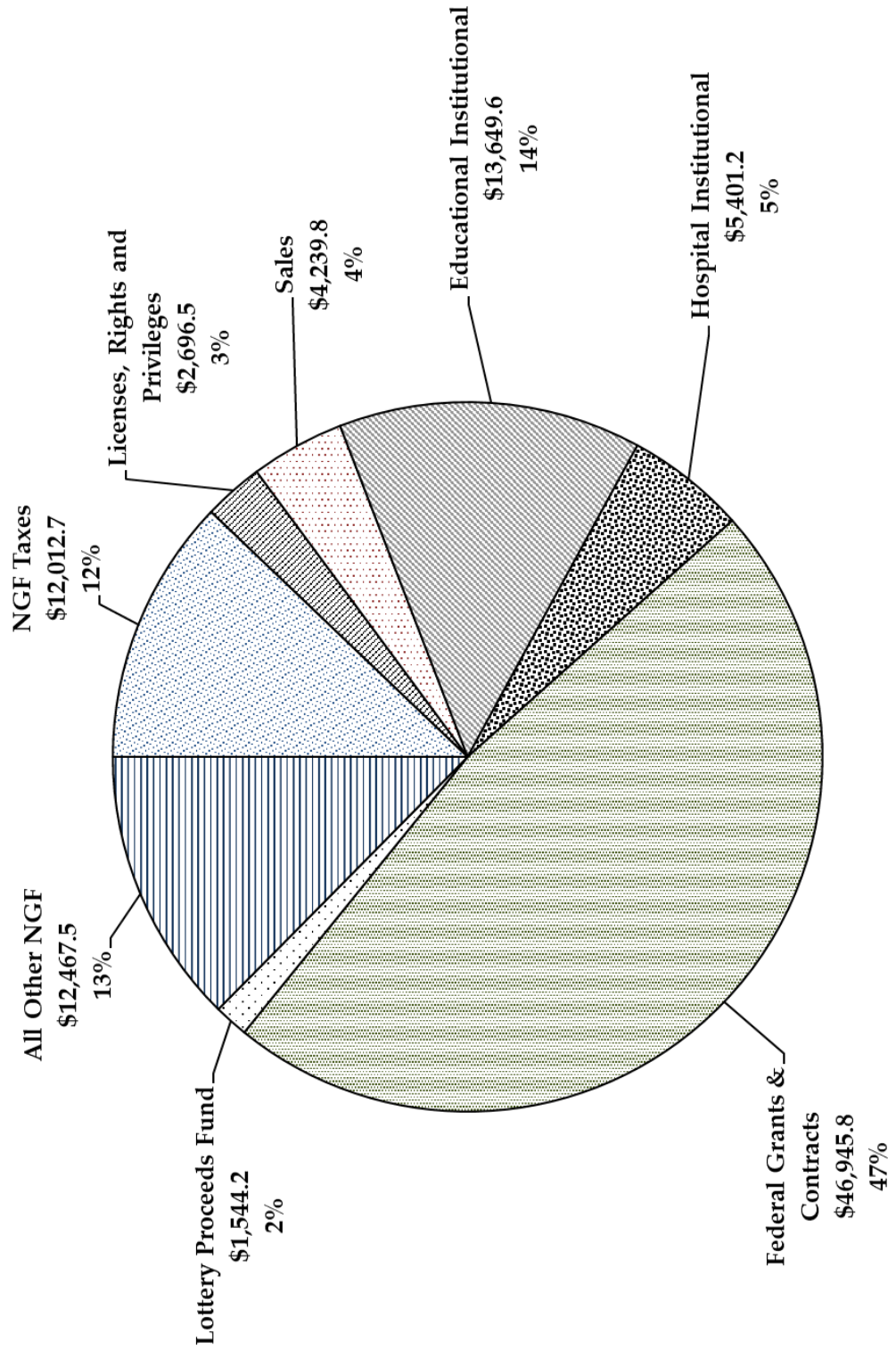
SB 800, as Introduced
(\$ in millions)



FY 2023-24 Nongeneral Fund Revenues = \$99.0 Billion

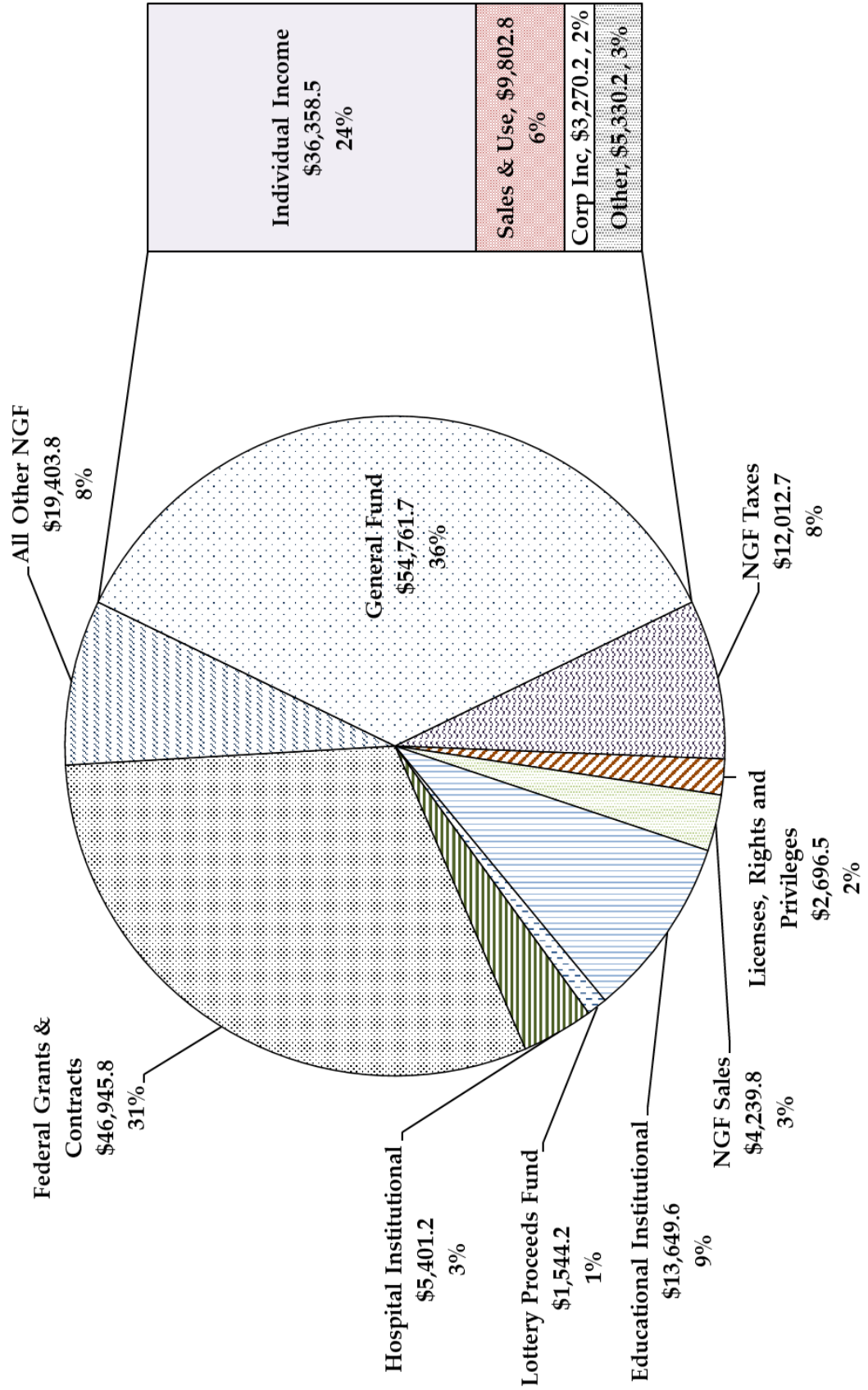
SB 800, as Introduced

(\$ in millions)



2022-24 Total Revenues = \$153.7 Billion

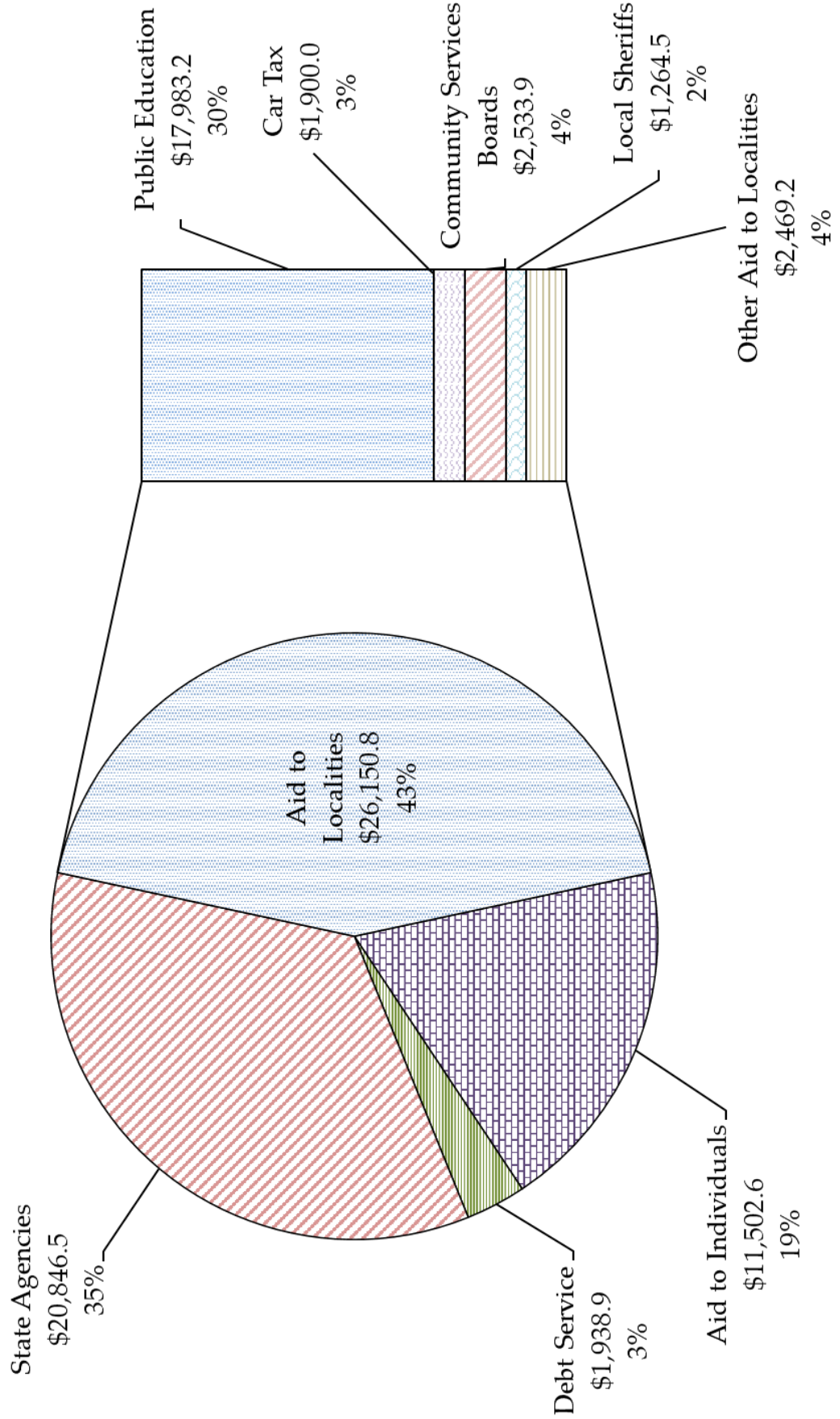
SB 800, as Introduced
(\$ in millions)



2022-24 GF Operating Budget = \$60.4 Billion

(SB 800, as Introduced)

(\$ in millions)



Resources

The general fund resources assumed in HB 1400/SB 800 as introduced includes changes resulting in an increase in general fund resources of \$3,455.6 million for the 2022-24 biennium compared to Chapter 2, the budget adopted during the 2022 Special Session I. The increase in resources is driven largely by a \$2,276.3 million net increase in balances. The increase in balances is driven largely by the \$1,947.0 million revenue surplus in FY 2022 as well as assumed reversions from unspent FY 2022 appropriations. The FY 2022 revenue surplus was in addition to a \$1,250.1 million mid-session forecast adjustment in FY 2022. These combined actions, offset by the elimination of the Accelerated Sales Tax in FY 2022, reflect that FY 2022 actual revenue was more than \$3,069.0 million above the FY 2022 revenue assumptions used to develop the base forecast for the 2022-24 biennial budget, Chapter 2.

Due to the \$3,069 million increase in the FY 2022 base and significant tax policy actions adopted during the 2022 Special Session I that reduce revenues beginning in FY 2023, the FY 2023 revenues assumed in Chapter 2 are projected to decrease 14.0 percent compared to the actual revenue collections in FY 2022.

Through the first five months of FY 2023, total revenues decreased 1.2 percent driven largely due to tax policy actions, primarily from the issuance of approximately \$1.0 billion in tax rebate checks as authorized in Chapter 2. Adjusted for the impact of the one-time tax rebate, the elimination of the Accelerated Sales Tax in FY 2022, and the standard deduction increases adopted in Chapter 2, revenues for the first five months of FY 2023 increased 7.5 percent compared to the first five months of FY 2022.

Based on the advice of the Joint Advisory Board of Economists (JABE) and the Governor's Advisory Council on Revenue Estimates (GACRE), the Governor's proposed base forecast increases general fund revenues by \$1,588.5 million in FY 2023 and \$567.1 million in FY 2024 based on economic projections. In addition to economic adjustments to the forecast, HB 1400/SB 800 includes net reductions of \$1,001.1 million associated with proposed and assumed tax policy adjustments, including advancing tax conformity.

Prior to proposed tax policy, the December forecast assumes an 8.6 percent decline in FY 2023 revenue and a 5.2 percent increase in FY 2024 revenue. After adjusting for tax policy assumptions proposed in the Governor’s budget, the introduced budget assumes an 8.8 percent revenue reduction in FY 2023 and a 1.9 percent increase in FY 2024.

While the forecast does assume negative revenue growth in FY 2023, the higher base, FY 2022 actuals, as well as the increase in the beginning balance does result in a significant increase in available resources compared to the resources adopted in Chapter 2. The introduced budget reflects an increase in available balances of \$2,276.3 billion and a projected increase in available revenues of \$1,154.6 billion over the biennium when compared to Chapter 2. These amounts combined with a \$24.7 million increase in assumed transfers results in a total increase in available resources of \$3,455.6 billion over the biennium compared to Chapter 2. The introduced budget also assumes additional net spending of \$3,456.2 million during the biennium. As proposed, the amendments contained in HB 1400/SB 800 would leave an unappropriated balance of \$15.4 million at the close of FY 2024.

Change to General Fund Resources Available for Appropriation			
(\$ in millions)			
	<u>Chapter 2</u>	<u>HB 1400/ SB 800</u>	<u>Change</u>
Prior Year Balance	\$4,733.1	\$11,733.1	\$7,000.0
Additions to Balance	1,439.7	(3,284.0)	<u>(4,723.7)</u>
Net Adjustments to Balance			\$2,276.3
Chapter 2 Revenue Estimate	\$52,134.4	\$52,134.4	\$0.0
GACRE Forecast Adjustments		2,155.6	2,155.6
Tax Conformity		(0.5)	(0.5)
Other Tax Policy Adjustment		(1,000.5)	(1,000.5)
Transfers	<u>1,447.9</u>	<u>1,472.6</u>	<u>24.7</u>
Total GF Revenues	\$53,582.3	\$54,761.6	\$1,179.3
Total Resources Available	\$59,755.1	\$63,210.7	\$3,455.6
Unappropriated Balance (Chapter 2)			\$16.0
HB 1400/SB 800 Change in Available Resources			3,455.6
HB 1400/SB 800 Net Reduction / (Increase) in Spending			<u>3,456.2</u>
Unappropriated Balance (HB 1400/SB 800)			\$15.4

Economic Projections

The economic growth assumed in building the base forecast for HB 1400/SB 800 assumes a mild recession will occur during FY 2024. As shown in the table below, the models assume a slight decrease in GDP and employment during FY 2024 with a lower rate of growth in income and wages.

Economic Variables Assumed in December Forecast				
Percent Growth Over Prior Year				
(December Forecast)				
	<u>FY 2023</u>		<u>FY 2024</u>	
	<u>VA</u>	<u>U.S.</u>	<u>VA</u>	<u>U.S.</u>
Real GDP	-	0.4%	-	(0.5%)
Real Consumer Spending	-	1.1%	-	(0.4%)
Employment	2.5%	2.4%	(1.2%)	(2.4%)
Personal Income	5.7%	4.5%	3.2%	3.2%
Wages & Salaries	8.3%	6.2%	2.6%	2.2%

Tax Policy Changes Assumed in Revenue Forecast

Embedded in the Governor's amended budget proposal are revenue reductions associated with tax policy changes that have not been adopted by the General Assembly. These changes include advancing Virginia's fixed date conformity to the federal tax code, reducing revenues by \$510,000 over the biennium.

The proposed tax policy changes would total \$1.0 billion over the biennium and include:

- Decreasing the corporate tax rate from 6.0 to 5.0 percent beginning in tax year 2023, reducing revenues \$71.9 million in FY 2023 and \$290.2 million in FY 2024.
- Reducing the top marginal individual income tax rate from 5.75 to 5.5 percent for taxable income above \$17,000 beginning in tax year 2024, contingent on FY 2023 revenues meeting the official forecast. This reduces revenues by \$333.3 million in FY 2024.

- Allowing an individual income tax deduction up to 50.0 percent of the federal qualified business income deductions allowed under IRS Code 199A(a) and 199A(g) beginning in tax year 2023. The federal deduction is provided to certain qualifying sole proprietorships, partnerships, and S corporations. Federal regulations allow for the deduction of up to 20.0 percent of their qualified business income; therefore, this proposal allows for a state specific deduction of up to 10.0 percent of the federal deduction, which reduces revenues by \$162.1 million in FY 2024.
- Increasing the standard deduction from \$8,000 to \$9,000 for individual filers and from \$16,000 to \$18,000 for married filers beginning in tax year 2024, which reduces revenues by \$94.9 million in FY 2024. In addition, proposes to remove the revenue growth thresholds required by Chapter 2, 2022 Special Session I, for the increase to the standard deduction from \$4,500 to \$8,000 for individual filers and from \$9,000 to \$16,000 for married filers. Chapter 2 requires 5.0 percent GF revenue growth, adjusted for tax policy actions, during the first six months of FY 2023 to effectuate the increase in tax year 2022 and 5.0 percent revenue growth, adjusted for tax policy actions, in FY 2023 to effectuate the increase in tax year 2023. If these thresholds are not met, the standard deduction increases to \$7,500 for individual filers and \$15,000 for married filers in the applicable tax year.
- Removing the age 55 or older restriction on those individuals allowed a military benefits income tax subtraction beginning in tax year 2023, reducing revenues by \$37.8 million in FY 2024.
- Increasing the deduction for business interest expense from 30.0 to 50.0 percent of the business interest disallowed as deduction under the business interest limitation beginning in tax year 2024, reducing revenues by \$10.3 million in FY 2024. Chapter 648, 2022 Session, increased this deduction from 20.0 to 30.0 percent.
- Proposes language for a sales and use tax exemption for controlled environment agriculture facilities used to bring agricultural products to market, including

towers for growing plants and equipment for controlled indoor environments. The revenue impact is unknown for this exemption.

Tax Policy Changes Assumed in Introduced Budget (\$ in millions)		
	<u>FY 2023</u>	<u>FY 2024</u>
Tax Conformity	(\$0.2)	(\$0.3)
Decrease Corporate Income Tax Rate from 6.0% to 5.0%	(71.9)	(290.2)
Reduce Individual Income Tax Rate from 5.75% to 5.5% *	0.0	(333.3)
Income Tax Deduction for up to 10% Federal Qualified Business Income Deduction	0.0	(162.1)
Increase Standard Deduction to \$9,000 / \$18,000	0.0	(94.9)
Eliminate Age Limit on Military Retiree Exemption	0.0	(37.8)
Increase Business Interest Expense Deduction to 50%	0.0	(10.3)
Sales and Use Tax Exemption for Controlled Environment Agricultural Facilities**	---	---
Total GF Resources	(\$72.1)	(\$928.9)
* Contingent on FY 2023 revenues meeting forecast.		
**Revenue impact is unknown.		

Changes in Revenues

The revised forecast assumed in HB 1800/SB 1100, including proposed tax policy changes, increases total general fund revenues by \$1,516.4 million in FY 2023 and decreases revenues by \$361.8 million in FY 2024. The FY 2023 increase is mainly from upward revisions to individual income and sales and use taxes. Although there is an upward revision in FY 2023 revenue, FY 2023 revenue, compared to FY 2022 actual revenue, is projected to decrease by 8.8 percent. This is due to the \$3.1 billion increase in the FY 2022 base and significant tax policy actions adopted in Chapter 2. In FY 2024, revenues are projected to increase 1.9 percent compared to the FY 2023 revenue assumed in the budget.

Change in GF Revenues by Source Compared to Chapter 2 Forecast (\$ in millions)				
<u>Major Tax Sources</u>	<u>Estimated Change FY 2023</u>	<u>Revised Annual Growth</u>	<u>Estimated Change FY 2024</u>	<u>Revised Annual Growth</u>
Net Individual Income	\$899.1	(13.6%)	(\$331.8)	6.2%
Corporate Income	72.1	(8.6%)	(323.9)	(19.2%)
Sales and Use	428.5	8.1%	403.8	(1.0%)
Insurance Premiums	18.9	(0.4%)	(21.6)	(5.0%)
Wills (Recordation)	(79.7)	(21.4%)	(156.8)	(15.0%)
All Other	<u>177.5</u>	<u>19.2%</u>	<u>68.5</u>	<u>(7.9%)</u>
Total GF Revenues	\$1,516.4	(8.8%)	(\$361.8)	1.9%
*Excludes Transfers				

Changes in Transfers

Net transfer adjustments total \$24.7 million over the biennium in HB 1400/SB 800. The largest increase is the \$129.4 million adjustment to the sales tax forecast for the 0.375 percent of sales tax collections transferred to the general fund for K-12 education.

The budget proposes a transfer of \$128.0 million GF the first year to the Taxpayer Relief Fund to effectuate and continue tax policy changes assumed in budget for subsequent fiscal years and to provide for additional future tax relief measures. The proposed language would allow the Governor to restore the items within available resources based on the priority order listed in the introduced budget. Additionally, it proposes language allowing the Director of the Department of Planning and Budget, in consultation with the State Comptroller to transfer applicable savings associated with efforts to streamline state agency procurements to the Taxpayer Relief Fund.

In addition to transfers, the table below lists net balance adjustments totaling \$4,723.7 million over the biennium. These adjustments reflect revenue cash reserve fund balances, Water Quality Improvement Fund deposits, the mandatory 2024 rainy day fund

deposit, and mandatory and discretionary reappropriations. The introduced budget also proposes reverting \$71.3 million in excess general fund balances in FY 2023. These reversions are primarily from a \$29.2 million mandatory carryforward in the Children's Services Act program and \$32.9 million from Criminal Fund balances.

General Fund Resource Changes Compared to Chapter 2	
(\$ in millions)	
	<u>2022-24</u>
<u>Unrestricted Balance</u>	
Unrestricted Fund Balance, Comptroller's August Report	\$10,684.5
Less Balance Required in Chapter 2	<u>(3,684.4)</u>
Adjustment Needed to Restate Unrestricted Balance	\$7,000.0
<u>Adjustment to the Unreserved Balance</u>	
Reappropriation of Unexpended Capital	(\$554.3)
Restoration of Capital Outlay Projects	(0.5)
Virginia Health Care Fund	(148.2)
Central Capital Planning	(18.7)
Communication Sales and Use Tax	(29.1)
Commonwealth's Development Opportunity Fund	(77.8)
Natural Disaster Sum Sufficient	(9.0)
Amount Required for Mandatory Reappropriation	(807.7)
Virginia Water Quality Improvement Fund	(113.3)
Virginia Water Quality Improvement Fund - Part A 2021	(255.8)
Virginia Water Quality Improvement Fund - Part B 2021	(57.2)
Revenue Cash Reserve Fund Balance	(1,507.6)
Taxpayer Relied Fund	(0.1)
Individual Income Tax Rebate	(1,048.6)
Local Fiscal Distress	(0.8)
Economic and Technological Development – Committed	(246.6)
Health and Public Safety – Committed	(39.5)
Environmental Quality and Natural Resource Preservation - Committed	(54.8)
Other Committed Amounts	(6.5)
Assigned Health and Public Safety	(29.3)
Assigned Environmental Quality and Natural Resource Preservation	(14.8)
Assigned Economic and Technological Development	(5.5)
Educational and Training Programs	(7.9)

General Fund Resource Changes Compared to Chapter 2

(\$ in millions)

	<u>2022-24</u>
Net Discretionary Reappropriations	(146.7)
Other assigned amounts	(20.7)
2024 Revenue Stabilization Fund Deposit (Net of Revenue Reserve Transfer)	406.0
Reversion of Excess GF Balances	
Criminal Fund Balances - Various Judicial Agencies	\$32.9
Department of Housing and Community Development	1.1
UVA Medical Center	0.2
Children's Services Act (carry-forward pursuant to Chapter 1, 2022 Special Session I)	29.2
Department of Labor and Industry	0.2
Central Appropriations – Commonwealth Enterprise Solution Center Relocation	4.8
Central Appropriations – Gubernatorial Transition & Primary Election Funding	1.8
State Corporation Commission	0.4
Virginia Workers' Compensation Commission	<u>0.7</u>
Net Balance Adjustments	(\$4,723.7)
<u>Revenue Amendments</u>	
December Forecast	\$2,155.6
Proposed Tax Policy Actions	(1,000.5)
Tax Conformity	<u>(0.5)</u>
Total Revenue Adjustments	\$1,154.6
<u>Transfers</u>	
Base Sales Tax Forecast Adjustment (0.375 cents for K-12)	\$129.4
ABC Profit Transfer	19.3
Transfer Hunting Sales and Use Tax to Game Protection Fund	(1.2)
Communication Sales and Use Tax – Tax Indirect Costs	0.1
Reversion of Inactive Fund	0.1
Reversion of Higher Education Escrow Balances	4.9
Transfer to Taxpayer Relief Fund	<u>(128.0)</u>
Total Transfer Adjustments	\$24.7
Total Change in Available Resources	\$3,455.6

* Totals may not sum due to rounding.

Contingent Policies in Budget

The Governor's proposed budget amendments include \$1,083.3 million in contingent spending items and tax policy actions that can be unallotted and reverted to the general fund to offset the impact of any revenue shortfall. These policies are contingent on FY 2023 revenues meeting the forecast assumed in the budget. If revenues do not meet the FY 2023 forecast, the reduction in the top marginal individual income tax rate will not take effect in tax year 2024 and \$750.0 million in spending items will be unallotted by the Director of the Department of Planning and Budget. The Governor may restore within available resources the reduction to the individual income tax rate and the spending allotments in the priority order listed in the budget (table lists the contingent policies in the priority order as proposed).

Contingent Policies in Introduced Budget (\$ in millions)	
Listed in Proposed Priority Order	<u>FY 2024</u>
Reduce Individual Income Tax Rate from 5.75% to 5.5%	\$333.3
Additional funding for Site Development	250.0
Additional funding for the Resilient Virginia Revolving Loan Fund	100.0
Employee Performance Bonus	100.0
Capital Cost Overruns	<u>300.0</u>
Total Contingent Policies	\$1,083.3

Legislative

Governor's Proposed Amendments to Legislative (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$118.6	\$0.0	\$xx.x	\$0.0
Approved Increases	0.0	0.0	0.0	0.0
Approved Decreases	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
\$ Net Change	\$0.0	\$0.0	\$0.0	\$0.0
HB 1400/SB 800, as Introduced	\$118.6	\$0.0	\$116.7	\$0.0

No proposed operating changes to legislative agencies.

Judicial

Governor's Proposed Amendments to Judicial (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$582.0	\$38.0	\$582.6	\$38.0
Proposed Increases	0.0	0.0	13.4	0.0
Proposed Decreases	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
\$ Net Change	\$0.0	\$0.0	\$13.4	\$0.0
HB 1400/SB 800, as Introduced	\$582.0	\$38.0	\$596.0	\$38.0

– **Supreme Court**

- **Increase Funding for Specialty Dockets.** Proposes \$3.5 million GF the second year to support current and planned specialty dockets in Virginia, including veterans treatment dockets, behavioral health dockets, and drug treatment dockets. The proposed funding is sufficient to cover treatment coordinators for 42 existing dockets that do not currently receive state funding and 12 planning dockets to support program growth.
- **Increase Human Resources and Fiscal Services Positions.** Recommends \$278,320 GF and 3.0 positions the second year for a human resources training specialist, human resources analyst, and fiscal services security and reporting analyst. Funding is prorated to cover 10 months of costs.
- **Revert Criminal Fund Balances.** Reverts \$32.9 million NGF the first year to the general fund from surplus balances of the Criminal Fund.

– **Court of Appeals of Virginia**

- **Increase Court of Appeals Positions.** Proposes \$362,917 GF the second year for 3.0 positions to address increased caseloads. Legislation adopted during the 2021 Session expanded the jurisdiction and organization of the Court of Appeals. Funding is prorated to cover 10 months of costs.

– **Circuit Courts, General District Courts, Juvenile and Domestic Relations Courts, and Combined District Courts**

- **Increase Retired Recalled Judge Per Diem.** Proposes nearly \$1.7 million GF the second year to increase the retired recalled judge per diem payment from \$250 to \$400, including \$827,236 for Circuit Courts, \$443,733 for General District Courts, \$318,267 for Juvenile and Domestic Relations District Courts, and \$82,837 for Combined District Courts.

– **Indigent Defense Commission**

- **Increase Indigent Defense Commission Compensation.** Recommends \$7.4 million GF the second year to increase compensation for employees of the

Indigent Defense Commission, public defender offices. This amendment includes \$6.2 million to increase the statewide entry level attorney salary from \$58,492 to \$70,000 and to adjust senior attorney salaries accordingly. It also includes \$1.2 million to provide compression adjustments for non-attorney staff.

– **Virginia Criminal Sentencing Commission**

- **Address Recruitment and Retention.** Proposes \$120,600 GF the second year for compensation adjustments to address recruitment and retention issues.

Executive Offices

Governor's Proposed Amendments to Executive Offices (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$55.1	\$37.3	\$56.5	\$37.3
Proposed Increases	0.0	0.0	5.4	0.0
Proposed Decreases	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
\$ Net Change	\$0.0	\$0.0	\$5.4	\$0.0
HB 1400/SB 800, as Introduced	\$55.1	\$37.3	\$61.9	\$37.3

– **Office of the Lieutenant Governor**

- **Security Services.** Recommends \$500,000 GF the second year to contract for security services for the Lieutenant Governor. These services would operate independently of the Division of Capitol Police and the Executive Protective Unit of the State Police.

- **Operational Support.** Proposes \$229,570 GF and 2.0 positions the second year to increase staffing for the Office of the Lieutenant Governor to a total of 5.0 positions.

– **Attorney General and the Department of Law**

- **Witness Protection Program.** Recommends \$2.5 million GF the second year to establish a fund for expenses related to the protection of witnesses cooperating with the investigation and prosecution of crimes. The proposed program would offer temporary assistance of up to \$2,500 per month to protectees or their families. Both state and local law enforcement agencies would be eligible for grants under the proposed program.
- **Salary Increases for Non-Attorney Staff.** Includes \$575,561 GF the second year to provide salary increases for non-attorney staff. Eligible positions include paralegals, investigators, legal secretaries, intake specialists, dispute resolution specialists and other non-attorney personnel.
- **Cannabis Consumer Protection Enforcement Investigators.** Includes \$513,374 GF and 5.0 positions the second year to support cannabis enforcement activities pursuant to the Consumer Protection Act. Specifically, these positions would enforce *Code of Virginia* provisions prohibiting certain practices related to the sale of substances containing tetrahydrocannabinol or industrial hemp extracts.
- **Establish an Organized Retail Crime Task Force.** Proposes \$414,105 GF and 3.0 positions the second year to establish an organized retail crime task force. Includes support for the procurement of a database network to facilitate statewide coordination of law enforcement efforts.
- **Fund Implementation of Proposed Hemp Legislation.** Recommends \$371,780 GF and 3.0 positions the second year to support the implementation of legislation to be considered during the 2023 General Assembly Session that would further regulate hemp.

- **Ratepayer Advocacy.** Includes \$253,902 GF and 2.0 positions the second year to provide enhanced consumer support services tied to utility rate-setting.
- **Establish a Fund for the Commonwealth’s Share of Opioid Settlement Funds.** Proposes language to establish a new fund for the state’s share of revenues resulting from settlements, judgements, verdicts, or other court orders related to opioid consumer protection claims. Separate items propose the establishment of the Opioid Abatement Authority and the distribution of funds received in accordance with settlement criteria.

Administration

Governor’s Proposed Amendments to Administration (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$886.3	\$3,181.8	\$892.3	\$3,167.1
Proposed Increases	0.3	0.0	22.1	65.2
Proposed Decreases	<u>(0.6)</u>	<u>0.0</u>	<u>0.0</u>	<u>(74.9)</u>
\$ Net Change	(0.3)	\$0.0	\$22.1	(\$9.7)
HB 1400/SB 800, as Introduced	\$886.0	\$3,181.8	\$914.4	\$3,157.4

– Secretary of Administration

- **Transfer Appropriation and Positions to New Office of Data Governance and Analytics.** Proposes a net zero transfer of \$251,279 GF and \$5.3 million NGF and 7.0 positions the second year from the Secretary of

Administration to establish a new Office of Data Governance and Analytics (ODGA, 167).

– **Office of Data Governance and Analytics**

- **Establish the Office of Data Governance and Analytics.** Proposes a net zero transfer of \$251,279 GF and \$5.3 million NGF and 7.0 positions the second year to establish a new Office of Data Governance and Analytics (ODGA), under the Secretary of Administration.
- **Expand the Office of Data Governance and Analytics.** Proposes \$3.4 million NGF and 7.0 new positions the second year to expand services. The proposed allocation, funded from an increase in fees paid by client agencies to the Virginia Information Technologies Agency (VITA), would also support data storage and licensing costs.

– **Compensation Board**

- **Address Salary Compression for Sworn Sheriffs’ Deputies and Regional Jail Staff.** Proposes \$13.9 million GF the second year to address salary compression among sworn sheriffs’ deputies and regional jail officers. This recommendation would increase supervisory salaries to align with the prior increase in the entry-level salary provided by the 2022 General Assembly.
- **Fund Pilot Program for Court-Ordered Transportation.** Recommends \$4.1 million GF and 1.0 position the second year to assist sheriffs’ offices, local jails, and regional jails with the custody and transport of individuals subject to temporary detention orders (TDOs) and emergency custody orders (ECOs). Within these amounts, \$110,000 GF and 1.0 position would be used to support program implementation. The proposal would authorize the use of the funds for up to 71.0 deputy sheriff positions, with the remaining balance available for wage costs for these services for offices without specific position allocations. Language directs the Compensation Board to allocate positions and reimbursements across the state’s five behavioral health regions in accordance with workload data provided by local magistrates and sheriffs’ offices. Eligibility for pilot funding would not

extend to offices already engaged in a memorandum of understanding with the Department of Behavioral Health and Developmental Services for TDO or ECO transfer services as part of the off-duty officer program. Language also directs annual progress reports on implementation of the program and specifies that localities shall not to use these funds to supplant existing local spending for these services.

- **Adjust Salary of Constitutional Officers to Reflect Local Population Increases.** Recommends \$123,634 GF the first year and \$134,874 GF the second year to support salary increases for constitutional officers in Prince George County, York County, and the City of Chesapeake to reflect increases in the localities' populations as required by law.
- **Fund Salary Increases for Qualified Career Development Program Participants.** Proposes \$76,275 GF the second year for local constitutional officers and staff eligible to receive salary increases through career development program completion.
- **Fund Increased Information Technology Costs.** Recommends \$5,024 GF each year to support increased maintenance contract costs for LIDS-CORIS, the board's data system for local inmates.
- **Transfer Funding for Behavioral Health Positions Between Fiscal Years.** Proposes a net zero transfer of \$557,863 GF from the first year to the second year to accommodate the anticipated timeline by which localities expect to fill behavioral health positions authorized by the 2022 General Assembly. Specifically, that action provided 125 behavioral health case managers and 127 partially funded medical and treatment positions in local and regional jails, in accordance with recommendations in a July 2021 report by the Department of Criminal Justice Services.

– Department of General Services

- **Expand Capacity for Tuberculosis Testing.** Recommends \$1.1 million GF and 2.0 positions the second year to increase the state's capacity to administer

early-detection tuberculosis testing. Of the proposed funding, \$358,340 would support the hiring of two additional scientists, while the remainder would support supplies, equipment and overhead costs associated with the testing program.

- **Update the Capitol Square Master Site Plan.** Includes \$500,000 GF the second year to procure consulting services to update the Capitol Square Master Plan, last updated in 2011. As provided in the *Code of Virginia*, the agency must periodically amend the long-range site plan to reflect changing conditions among all state buildings in Capitol Square and its immediate vicinity. Proposed language also directs a scope of work to consider how the facilities and grounds of Capitol Square can contribute to the interests of adjacent residences and businesses, and to assess the feasibility of co-location between public and private entities through public-private partnerships.

– **Department of Human Resource Management**

- **Provide General Fund Support for the Human Resource Shared Services Center.** Proposes \$145,963 GF the first year and \$357,425 GF the second year to temporarily address projected revenue shortfalls, following the departure of several client agencies. The Center has historically operated on a funding model based on fees paid by participating agencies, and this proposal to provide short-term funding while the agency develops a long-term plan to address client departures should perhaps be part of a Subcommittee discussion.

– **Virginia Information Technologies Agency**

- **Adjust Appropriation to Reflect Internal Service Fund Charges.** Reduces \$31.9 million NGF the second year to reflect updated estimates of agency needs and utilization.
- **Adjust NGF Appropriation to Reflect Expanded Agency Capabilities and Technology Offerings.** Proposes \$12.2 million NGF the second year to reflect new or additional service offerings to customer agencies. Covered services include Low Code Application Platform Salesforce service, Power BI Enterprise,

LCAP Microsoft Power Platform, Box Enterprise Content Management services, Docusign and robotic process automation.

Proposed NGF for Expanded Technology Capacity, FY 2024 (\$ in millions)	
Request	FY 2024 NGF
Maintain Low Code Application Platform Services	\$9.0
Implement Interactive Data Sharing Service	0.8
Maintain Electronic Signature Services	0.7
Maintain Enterprise Content Management Services	0.7
Maintain Robotic Process Automation Services	0.6
Implement Microsoft Platform Services	0.3
Total	\$12.2

- **Increase Funding for Extended Mainframe Support.** Includes \$3.1 million NGF the second year to reflect higher contract costs for mainframe services. The Departments of Social Services and Motor Vehicles plan to transition from mainframe services to cloud-based services.
- **Adjust NGF Appropriation to Reflect Actual Costs for Governor’s Office IT Support.** Proposes \$3.0 million NGF and 2.0 positions in the second year to reflect current spending for information technology staff and services provided in support of the Governor’s office activities.
- **Fund Creation of a Statewide Permit Evaluation Application.** Recommends \$896,365 GF the second year to expand planning for and the implementation of a single permit evaluation application across state agencies.
- **Evaluate Options for Central Portal for State Government Services.** Proposes \$500,000 GF the second year in new funding to review options for the creation of a new centralized government services portal.
- **Increase Multi-Supplier Model Contract Oversight.** Proposes \$440,000 NGF the second year to increase oversight of service provision under the

Department's current multi-supplier model. Specifically, this proposal would fund 3.0 additional contract positions to help monitor and procure contracts to ensure compliance and effective service delivery.

Agriculture and Forestry

Governor's Proposed Amendments to Agriculture & Forestry (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$78.4	\$61.8	\$70.3	\$61.8
Proposed Increases	1.3	1.5	5.5	2.1
Proposed Decreases	<u>0.0</u>	<u>0.0</u>	<u>(0.2)</u>	<u>0.0</u>
\$ Net Change	\$1.3	\$1.5	\$5.3	\$2.1
HB 1400/SB 800, as Introduced	\$79.7	\$63.3	\$75.6	\$63.9

– Department of Agriculture & Consumer Services

- **Hemp Registration & Inspection Program.** Proposes an increase of \$2.2 million GF and 15.0 positions in FY 2024 to establish a new program for the registration and inspection of facilities selling certain hemp products based on legislation that will be introduced during the 2023 General Assembly.
- **Agricultural Technology Funding.** Recommends an additional \$1.25 million GF in each year of the biennium for deposit to the Agriculture and Forestry Industries Development Fund. Proposed language directs this additional funding to be used for agricultural technology grants or loans. In addition to these amounts, \$1.0 million GF in FY 2024 is proposed for a new competitive grant program for

agricultural technology research projects with guidelines to be developed by the Secretary of Agriculture and Forestry. This investment is part of a broader \$5.0 million GF biennial initiative proposed across multiple agencies.

- **Wine Promotion Fund.** Recommends a reduction of \$159,035 GF in FY 2024 for deposit to the Wine Promotion Fund based on the most recent update to the wine and cider tax revenues attributable to Virginia wineries and cideries.
- **Spirits Promotion Fund.** Provides a \$1.1 million GF deposit to the Spirits Promotion Fund established by the 2022 General Assembly. The FY 2024 deposit is based on the most recent update of alcoholic beverage tax revenues attributable to Virginia distillers.
- **Commodity Inspection.** Includes an increase of \$590,043 NGF in additional fee revenues to support eight commodity grading and inspection positions to enable the grain, peanut, poultry, and egg industries to better meet consumer demand.

– Department of Forestry

- **Acquire Land for Charlotte State Forest (Capital Outlay).** Proposes a capital outlay authorization of \$640,000 NGF in FY 2023 for acquisition of the Tharpe Tract to expand the existing Charlotte State Forest. The nongeneral fund sources supporting the acquisition include both federal funding and existing nongeneral fund resources.

– Virginia Racing Commission

- **Virginia Breeder's Fund.** Increases the retained funding from pari-mutuel wagering proceeds by \$1.5 million NGF in each year of the biennium to reflect the provisions of Chapter 2, 2022 Special Session I, that direct 0.025 percent of money wagered on historical horse racing to be distributed to the Virginia Breeders Fund.

Commerce and Trade

Governor's Proposed Amendments to Commerce and Trade (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$571.8	\$262.7	\$534.8	\$262.7
Proposed Increases	286.2	42.1	311.1	52.9
Proposed Decreases	<u>0.0</u>	<u>0.0</u>	<u>(0.2)</u>	<u>0.0</u>
\$ Net Change	\$286.2	\$42.1	\$310.9	\$52.9
HB 1400/SB 800, as Introduced	\$858.0	\$304.9	\$845.7	\$315.7

– Economic Development Incentive Payments (EDIP)

- Virginia Business Ready Sites Program.** Proposes \$500.0 million GF over the biennium for deposit to the Virginia Business Ready Sites Program established by the 2022 General Assembly or a new Site Acquisition Pilot Program. Of these amounts, \$250.0 million in FY 2024 is contingent upon actual general fund collections for FY 2023 being equal to or greater than the official revenue forecast. Proposed language directs the Governor, Secretary of Commerce and Trade, Secretary of Finance, and CEO of the Virginia Economic Development Partnership Authority (VEDP) to apportion \$450.0 million between the Virginia Business Ready Sites Fund and a new Site Acquisition Pilot Program. Of the \$250.0 million GF recommended for deposit in FY 2023:
 - \$50.0 million GF is provided in FY 2023 for the Virginia Business Ready Sites Program from funding which was reserved on the FY 2022 year-end balance sheet (contingent item in Chapter 2). This funding is to be used in accordance

with Chapter 83 of the 2022 Acts of Assembly, and VEDP requires matching funds from each recipient; and

- \$200.0 million GF is a one-time discretionary appropriation that will either be deposited into the Virginia Business Ready Sites Program or a new Site Acquisition Pilot Program.

Language associated with \$450.0 million in site development funding authorizes a taskforce consisting of the Governor, Secretary of Finance, Secretary of Commerce and Trade, and the VEDP CEO to determine the distribution of these funds between the Virginia Business Ready Sites Program and Site Acquisition Pilot Program. The proposed language governing the Site Acquisition Pilot Program would authorize VEDP, in collaboration with the Department of General Services, to buy or option up to three sites in Virginia suited for economic development projects based on the results of an assessment currently being conducted by JLL and the Timmons Group on behalf of VEDP. Additional evaluative criteria for this new program include scope and cost to make the site project ready, fit within the Commonwealth's current inventory of sites, suitability for target industries, and return on investment.

- **Major Headquarters Workforce Grant Fund.** Includes an additional deposit of \$35.5 million GF in FY 2023 to the Major Headquarters Workforce Grant Fund which was reserved on the FY 2022 year-end balance sheet (contingent item in Chapter 2).
- **Virginia Economic Development Incentive Grant.** Increases by \$660,000 GF and \$1.0 million NGF in the first year and \$1.0 million GF in the second year the Virginia Economic Development Incentive Grant Fund to reflect the program's revised payment schedule.
- **Virginia Investment Partnership Grants.** Includes a reduction of \$180,000 GF in the second year to reflect anticipated timing of grant payments.

– Department of Housing and Community Development

- **GO Virginia Talent Pathways.** Adds an additional \$24.5 million GF in the second year to support the Talent Pathways program. Of this amount, \$4.5 million GF is recommended to support administration, organization, and capacity building activities. This does not require at least a 50 percent match from GO Virginia Regional Councils, as required by the *Code of Virginia*. The remaining \$20.0 million GF is directed towards grants for qualifying regions to support the development of talent pathways, which are partnerships between education and business to serve a particular industry.
- **GO Virginia Regional Workforce Initiatives.** Proposes an additional \$10.0 million GF in the second year to support workforce development efforts in regions 1, 3, 4, and 5. Budget language further directs the GO Virginia Board to direct \$2.5 million to each project. This does not require at least a 50 percent match from GO Virginia Regional Councils, as required by the *Code of Virginia*. Regional projects would support workforce development efforts for nurses, ship repair, truck driving, construction, engineering, and technology.
- **GO Virginia Agricultural Technology Workforce Development.** Proposes \$1.3 million GF in the second year to address workforce needs in agricultural technology industries. Requires the Virginia Initiative for Growth and Opportunity Board, the Department of Agriculture and Consumer Services, and the Secretary of Agriculture and Forestry to collaboratively distribute the funds to GO Virginia Regional Councils with final approval by the GO Virginia Board. This investment is part of a broader \$5.0 million GF biennial initiative proposed across multiple agencies.
- **Local Housing Inspection Programs.** Proposes \$10.0 million GF in the second year to provide assistance to localities or planning district commissions to increase capacity for review and issuance of building permits. The Department is directed to develop criteria and guidelines for the use of this funding.
- **Virginia Main Street Program.** Proposes an additional \$2.0 million GF in FY 2024 for the Virginia Main Street Program. Of these amounts, \$1.5 million GF

is to be used in a locality in the Crater Planning District. These funds would support the City of Petersburg in assessing and improving their main street district, including the creation of a grant program for building improvements.

- **Petersburg Economic Revitalization.** Continues support for the City of Petersburg to demolish and develop the Ramada Inn along Interstate-95 with federal American Rescue Plan Act Funds. This allocation, listed in Central Appropriations, would reduce funding by \$900,000 NGF in FY 2023 and provide an additional \$250,000 NGF in FY 2024 for a total investment of approximately \$2.0 million NGF over the biennium.
- **Relief for Flood Damage in Buchanan and Tazewell Counties.** Proposes \$11.4 million NGF in the second year from unobligated proceeds of Virginia's participation in the Regional Greenhouse Gas Initiative (RGGI) to provide flood relief to residents of Buchanan and Tazewell Counties that lost or sustained major damage to their property during the flooding that occurred in July 2022. This is in addition to \$11.4 million NGF in RGGI balances that were previously dedicated for flooding response in Buchanan County in Chapter 1, 2022 Special Session I.
- **Revert Surplus General Fund Balances.** Recommends the reversion of more than \$1.0 million of surplus balances in the Enterprise Zone grant program to the general fund prior to the end of FY 2023.
- **Adjust Special Fund Appropriations Between Programs.** Includes a proposal to transfer \$300,000 NGF from the Community Development and Revitalization program to the State Building Code Administration Program in FY 2024 to balance anticipated programmatic expenditures.

– Department of Energy

- **Establish and Capitalize the Virginia Power Innovation Fund.** Proposes the creation and initial capitalization of \$10.0 million GF in FY 2024 for the new Virginia Power Innovation Fund. Of this appropriation, \$5.0 million would be provided to establish a Virginia Nuclear Innovation Hub to support the research and development of nuclear technologies and workforce. The remaining

\$5.0 million is proposed for grants supporting energy innovation, to be awarded in collaboration with the Secretary of Commerce and Trade.

- **Virginia Energy Plan Implementation.** Recommends \$649,560 GF in the second year to increase staffing capacity in the Renewable Energy and Energy Efficiency divisions in support of the Virginia Energy Plan.
- **Align Federal Appropriation with Anticipated Expenditures in Energy Programs.** Proposes \$4.8 million NGF in the first year and \$2.8 million NGF in the second year to increase activities in Energy Conservation and Alternative Energy Supply Programs.
- **Align Federal Appropriation with Anticipated Mineral Management Expenditures.** Proposes \$36.3 million NGF in FY 2023 and \$38.1 million NGF in FY 2024 for an additional 22.0 positions to support increased activity in the Coal Environmental Protection and Land Reclamation program.

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

- **Reflect Virginia Small Business Financing Authority Anticipated Expenditures.** Proposes a technical adjustment of \$527,306 NGF in the second year for anticipated expenditures of the Virginia Small Business Financing Authority.

– **Fort Monroe Authority**

- **Marketing Initiatives.** Proposes an additional \$211,000 GF in the second year for the Fort Monroe Authority's operating expenses, specifically to support expansions to their marketing plan. No language in the budget bill specifies a purpose for this funding.

– **Virginia Economic Development Partnership**

- **Study Airline Service Expansion.** Suggests an allocation of \$1.2 million GF in the second year for a study on expanding airline services in the Commonwealth. Of this amount, \$200,000 is directed to specifically study potential capacity increases at the Roanoke Airport.

- **Market Virginia's Agricultural Technology Capacity.** Proposes \$200,000 GF in the second year to support marketing strategies to expand Virginia's participation in agricultural technology events and presence in the agricultural technology sector as part of a larger \$5.0 million GF biennial initiative to grow investments in Virginia's agricultural technology industry. However, no language in the budget bill specifies a purpose for this funding.

Public Education

Governor's Proposed Amendments to Public Education (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$9,104.6	\$2,299.4	\$8,624.4	\$2,236.0
Approved Increases	183.6	0.1	283.5	4.5
Approved Decreases	(16.7)	0.0	(6.6)	0.0
\$ Net Change	<u>166.9</u>	<u>0.1</u>	<u>277.0</u>	<u>4.5</u>
HB 1400/SB 800, as Introduced	\$9,271.5	\$2,299.5	\$8,901.3	\$2,240.5
<i>(Note: These amounts include the Office of the Secretary of Education, Department of Education, Direct Aid to Public Education, and the Virginia School for the Deaf and Blind. See the Appendix for detailed actions by agency.)</i>				

– Secretary of Education

- **Provide Funding for Additional Staff.** Proposes \$438,000 GF the second year to support 3.0 FTE positions in the Secretary's office. The Secretary's office reports that these positions are to hire an Assistant Secretary of Early Childhood Education, a Postsecondary Advisor, and a Workforce Development Advisor to

ensure all education agencies are working to promote workforce development initiatives.

– Direct Aid to Public Education

- Listings by locality of the estimated funding for FY 2023 and FY 2024 Direct Aid to Public Education are included as Appendix A and B, respectively.

Summary of Proposed Amendments for Direct Aid to Public Education (GF \$ in millions)			
	<u>FY 2023</u>	<u>FY 2024</u>	<u>Total</u>
<u>Routine (Technical Updates and Forecast) Changes:</u>			
Update Projected Sales Tax Revenue (Net Impact)	\$90.5	\$77.4	\$167.9
Update Average Daily Membership (ADM) Projections	28.4	42.8	71.2
Update Remedial Summer School Participation	9.1	9.1	18.2
Update English Learner Enrollment	2.1	4.6	6.7
Update Governor's School to Include 2020-22 Salary Increase	1.1	1.1	2.2
Update Incentive, Categorical & Lottery Funded Programs	(15.0)	(5.0)	(20.0)
Update Lottery Proceeds	0.0	(4.3)	(4.3)
Update National Board Certified Teacher Program	<u>(0.3)</u>	<u>0.0</u>	<u>(0.3)</u>
Subtotal for All Technical Updates and Forecast Changes	\$115.9	\$125.7	\$241.6
<u>Policy Changes:</u>			
Increase College Partnership Lab School funding	\$50.0	\$0.0	\$50.0
Provide \$5,000 Teacher Performance Bonuses	0.0	50.0	50.0
Provide State Share for a 1% Bonus (instructional & support positions)	0.0	45.2	45.2
Expand Mixed Delivery Early Childhood Programs	0.0	20.0	20.0
Expand Reading Specialist Standard to 4 th & 5 th grades	0.0	16.9	16.9
Provide Targeted \$5,000 Recruitment Bonuses	0.0	10.0	10.0
Provide Math Specialist Positions for K - 8	0.0	7.2	7.2
Increase Support for Communities in Schools	<u>1.0</u>	<u>0.0</u>	<u>1.0</u>
Subtotal for All Policy Changes	\$51.0	\$149.3	\$200.3
Total for All Proposed GF Changes	\$166.9	\$275.0	\$441.9

Summary of Proposed Revenues for Direct Aid to Education (\$ in millions)			
	<u>FY 2023</u>	<u>FY 2024</u>	<u>Biennium</u>
General Fund	\$9,178.1	\$8,805.1	\$17,983.2
Special Fund	1.0	1.0	2.0
Commonwealth Transportation	1.4	1.5	2.9
Trust & Agency (Lottery & Literary)	834.7	769.0	1,603.7
Lottery Fund	784.7	769.0	1,553.7
Literary Fund	50.0	0.0	50.0
Federal Trust	<u>1,123.3</u>	<u>1,123.3</u>	<u>2,246.7</u>
Grand Total for all Revenue Sources	\$11,138.5	\$10,699.9	\$21,838.4
<i>In HB 1400/SB 800: see Item 136 for the Appropriation Detail of Supplemental Education Assistance Programs; see Item 137 for the Appropriation Detail for Standards of Quality, Incentive, Categorical, and Lottery-Funded Programs; and see Item 138 for Details of Federal Education Assistance Program Awards. Additionally, each Item is summarized in a table at the end of the Direct Aid to Public Education section in this document.</i>			

Technical Updates and Forecast Changes. Includes \$115.9 million GF the first year and \$125.7 million GF the second year for technical updates and forecast changes impacting Direct Aid to Public Education costs. Major factors include:

- Projected Sales Tax Revenue.** The sales tax revenues from the one and one-eighth cent portion of the sales tax that is dedicated for public education and distributed based on school-aged population are projected to increase \$204.6 million GF in FY 2023 and \$175.3 million GF in FY 2024. These additional sales tax revenues reduce the state's share of SOQ Basic Aid costs \$114.1 million GF in FY 2023 and \$97.8 million GF in FY 2024. When combined, the net impact of the updated sales tax revenues and the SOQ Basic Aid offsets, total net funding to school divisions increase by \$90.5 million GF in FY 2023 and \$77.4 million GF in FY 2024.
- Enrollment Projections.** Includes \$28.4 million GF the first year and \$42.8 million GF the second year to reflect the revised ADM projections. This revised forecast anticipates 5,299 more students in FY 2023 and 7,354 more

students in FY 2024 than were projected in Chapter 2, for revised totals of 1,217,246 students the first year and 1,224,046 the second year.

ADM peaked in FY 2020 and decreased by 3.2 percent between FY 2020 and FY 2021, primarily due to the COVID-19 pandemic. Despite the anticipated ADM increases, enrollment is expected to be 2.7 percent lower than the FY 2020 levels in FY 2023, and 2.2 percent lower in FY 2024.

- **Remedial Summer School Participation.** Increases funding by \$9.1 million GF each year, based on actual enrollment rates in Summer 2022, which were 30.4 percent higher than projected in Chapter 2.
- **English Language Learner Enrollment.** English Language Learner student enrollment (English as a Second Language) increases state funding by \$2.1 million GF in FY 2023 and \$4.6 million GF in FY 2024. The actual number of English Learner students is 128,257 in FY 2023, or 2,729 more than was originally projected in Chapter 2. The number of such students projected in FY 2024 is 140,855, or 5,012 more than were originally projected in Chapter 2.
- **Academic Year Governor's School 2020-22 Compensation Supplement.** Adjusts funding by an additional \$1.1 million each year to account for ongoing costs of compensation supplements provided in the 2020-22 biennium. These costs were inadvertently not accounted for during the 2022-24 rebenchmarking process.
- **Lottery Proceeds Forecast.** Savings of \$4.3 million GF in FY 2024, resulting from the availability of additional lottery profits. The existing first year appropriation of \$784.7 million NGF in lottery proceeds is maintained, reflecting a decrease in the Lottery proceeds forecast of \$13.0 million NGF in FY 2023, to be offset using \$3.5 million NGF in residual FY 2022 profits and \$9.5 million NGF in existing unallocated Lottery proceeds fund balances. The Lottery proceeds forecast in the second year is increased by \$4.3 million NGF to \$769.0 million.

Lottery Proceeds Forecast (\$ in millions)			
	<u>FY 2023</u>	<u>FY 2024</u>	<u>Biennium</u>
Lottery Proceeds Forecast Chapter 2	\$784.7	\$764.7	\$1,549.4
Lottery Forecast Fall 2022			
Residual FY 2022 Profits	\$3.5	\$0.0	\$3.5
Estimated Fiscal Year Profits (GACRE)	<u>771.7</u>	<u>769.0</u>	<u>1,540.7</u>
Total Lottery Profits Forecast	\$775.2	\$769.0	\$1,544.2
Unallocated Lottery Proceeds Fund Balances	<u>\$9.5</u>	<u>\$0.0</u>	<u>\$9.5</u>
Lottery Proceed Forecast, HB 1400 / SB 800	\$784.7	\$769.0	\$1,553.7
Difference from Chapter 2 Forecast (GF Offset)	\$0.0	\$4.3	\$4.3

- Incentive, Categorical, and Lottery Accounts.** Reflects savings of \$15.0 million GF in FY 2023 and \$5.0 million GF in FY 2024 attributable to various adjustments to incentive, categorical, and Lottery-funded accounts that are linked to various data elements that drive funding costs for these programs, including student enrollment, assessment data, or program participation. Most of the savings, about \$7.7 million each year, is attributable to a 12.5 percent reduction in the projected number of students eligible for Early Reading Intervention funding based on PALS Literacy screener results from Spring 2022.
- National Board Certification.** Proposes a decrease of \$335,000 GF in FY 2023 to the cost of bonus payments under the National Board Certification Program based on the actual number of classroom teachers in Virginia's public schools who hold certification from the National Board of Professional Teaching Standards.

Proposed Policy Changes

- **Recruitment, Retention, and Performance Incentives.** A total of \$105.2 million GF is proposed for one-time compensation actions:
 - **Performance Pay for Top Performing Teachers.** Proposes \$50.0 million GF the second year to provide teacher performance bonuses of \$5,000 for top performing teachers, with no required local match. Bonuses would be awarded to individuals identified by the Department of Education in conjunction with local school divisions. Criteria established by the Department for the award of these grants would be based on student growth on Standards of Learning assessments, through-year growth assessments, or other measures deemed appropriate by the Department. The criteria also would ensure representation in each of the state's eight Superintendent's regions.
 - **Retention Bonuses.** Proposes \$45.2 million GF the second year for the state share of a 1.0 percent retention bonus, on September 1, 2023 per funded SOQ instructional and support position and per Academic Year Governor's School and Regional Alternative Education Program instructional and support position. To qualify for the bonus, the individual must have maintained employment in the same school division in the 2022-23 and 2023-24 school years. Flexibility is provided to permit school divisions to determine the bonus amount per employee. School divisions are required to provide a match based on the composite index of local ability-to-pay.
 - **Recruitment Incentives.** Proposes \$10.0 million GF the second year for a \$5,000 hiring incentive payment for individuals filling vacant instructional positions that are hard-to-fill or in hard-to-staff schools. One-half of the incentive would be paid no earlier than January 1, 2024 and the other half would be paid no earlier than May 1, 2024, provided the individual has received a satisfactory evaluation and commits to return to the same school in the 2024-2025 school year. To qualify for the incentive, the individual must not be employed by a Virginia school division as of July 1, 2023, however, exceptions

permit employees transferring from a non-hard-to-staff school to a hard-to-staff school to qualify for this incentive.

- **College Partnership Laboratory Schools.** Recommends an additional \$50.0 million GF in FY 2023 to the College Partnership Laboratory School Fund to support per-pupil costs for approved lab schools, bringing the total amount available in FY 2023 to \$150.0 million. Language is also proposed to permit the Department of Education to use a portion of Fund amounts to support administration of the lab school program.
- **Expand Mixed Delivery Preschool in Targeted Regions.** Proposes \$20.0 million GF the second year to expand grants for mixed delivery preschool in Lenowisco and Crater Planning Districts, bringing the total amount of such grants statewide to \$29.7 million in FY 2024. These funds would be administered by the Virginia Early Childhood Foundation as a formula grant based on unmet family demand to provide high quality, full-day, full-year services.
- **Expand Reading Specialist Staffing Standard.** Recommends \$16.9 million GF the second year to require one reading specialist for every 550 students in fourth and fifth grades. School divisions are provided flexibility to meet the staffing ratio by employing other instructional staff working toward obtaining the training and licensure requirements that will become effective in the 2024-2025 school year. In 2022, the General Assembly took established a staffing standard of one reading specialist per 550 students in kindergarten through third grades.
- **Fund Math Specialists.** Provides \$7.2 million GF in FY 2024 to fund the state share of a math specialist position in elementary and middle schools ranking in the lowest 10.0 percent statewide on Spring SOL math assessments. Localities opting to participate in this program will be required to certify that they have either hired a math specialist or are supporting tuition for other existing employees to become a credentialed math specialist.
- **Communities In Schools.** Recommends \$1.0 million GF the first year to provide one-time support for Communities In Schools to expand programming in Petersburg, Southside, and Southwest Virginia.

Proposed Language Changes

- **Increase Flexibility for Dual Enrollment Teacher Scholarships.** Proposes language to expand the existing scholarship program to support coursework for existing high school teachers to meet credentialing requirements needed to teach dual enrollment courses to also include coursework associated with credentialing requirements needed to teach a career and technical education credential. In addition, the language would increase the maximum lifetime award from \$7,500 to \$12,000 per individual.
- **Credentials Required for Virginia Preschool Initiative Classrooms in Community Settings.** Proposes language exempting community-based Virginia Preschool Initiative (VPI) classrooms from teacher licensure regulations and statutes, provided that the provider continues to meet the expectations of the statewide preschool quality measurement and improvement program. The change will allow more community providers to partner with divisions to deliver VPI. This flexibility is already to the Mixed Delivery Preschool program operated by the Virginia Early Childhood Education Foundation. This language does not apply to VPI classrooms in public school settings.

Appropriation Summary of Education Assistance Programs		
(\$ in millions)		
	<u>FY 2023</u>	<u>FY 2024</u>
Standards of Quality		
Basic Aid	\$3,639.0	\$3,704.9
Sales Tax	1,943.6	1,816.2
Textbooks	90.2	90.6
Vocational Education	71.8	72.0
Gifted Education	38.7	38.9
Special Education	429.7	431.8
Prevention, Intervention, and Remediation	126.1	126.5
English as a Second Language	100.5	111.1
VRS Retirement (includes RHCC)	522.2	526.7
Social Security	224.0	226.0

Appropriation Summary of Education Assistance Programs

(\$ in millions)

	<u>FY 2023</u>	<u>FY 2024</u>
Group Life	15.8	15.9
Remedial Summer School	31.9	31.9
Total	\$7,233.5	\$7,192.6
Incentive Programs		
Compensation Supplement	\$232.3	\$530.3
Governor's Schools	22.3	24.0
At-Risk Add-On (<i>split funded</i>)	165.2	201.5
Clinical Faculty	0.3	0.3
Career Switcher Mentoring Grants	0.3	0.3
Special Education - Endorsement Program	0.4	0.4
Special Education - Vocational Education	0.2	0.2
Virginia Workplace Readiness Skills Assessment	0.3	0.3
Math/Reading Instructional Specialists Initiative	1.7	1.8
Early Reading Specialists Initiative	3.4	3.5
Breakfast After the Bell Incentive	1.1	1.1
School Meals Expansion	4.1	4.1
Virginia Preschool Initiative - Per Pupil Amount	115.7	116.3
Early Childhood Expansion	34.4	45.1
Virginia Preschool Initiative - Provisional Teacher Licensure	0.3	0.3
Alleghany County - Covington School Division Consolidation	0.6	0.6
Hold Harmless for Rebenchmarking Data Affected by COVID-19	177.1	177.4
Pmt. in Lieu of Sales Tax on Food & Personal Hygiene Products	104.1	257.2
School Construction Grants	400.0	0.0
School Construction Assistance Program	450.0	0.0
College Partnership Lab Schools	150.0	0.0
Math Specialists Initiative	0.0	7.2
Retention Bonuses	<u>0.0</u>	<u>44.8</u>
Total	\$1,863.8	\$1,416.9
Categorical Programs		
Adult Education	\$1.1	\$1.1
Adult Literacy	2.5	2.5
American Indian Treaty Commitment	0.0	0.0

Appropriation Summary of Education Assistance Programs

(\$ in millions)

	<u>FY 2023</u>	<u>FY 2024</u>
School Lunch Program	5.8	5.8
Special Education - Homebound	4.3	4.4
Special Education - Jails	4.1	4.3
Special Education - State Operated Programs	<u>38.9</u>	<u>39.2</u>
Total	\$56.7	\$57.2
Lottery Funded Programs		
At-Risk Add-On (<i>split funded</i>)	\$171.4	\$141.1
Foster Care	11.5	12.9
Special Education - Regional Tuition	85.1	90.1
Early Reading Intervention	43.5	43.7
Mentor Teacher	1.0	1.0
K-3 Primary Class Size Reduction	137.3	143.0
School Breakfast Program	10.7	13.5
SOL Algebra Readiness	15.4	15.4
Infrastructure and Operations Per Pupil Funds	276.1	276.4
Regional Alternative Education	10.3	11.2
Individualized Student Alternative Education Program (ISAEP)	2.2	2.2
Career and Technical Education – Categorical	11.7	11.7
Project Graduation	1.4	1.4
Race to GED (NCLB/EFAL)	2.4	2.4
Path to Industry Certification (NCLB/EFAL)	1.8	1.8
Supplemental Basic Aid	1.2	1.2
Supplemental Support for Accomack and Northampton	<u>1.8</u>	<u>0.0</u>
Total	\$784.7	\$769.0
 TOTAL FUNDS	 \$9,938.6	 \$9,435.7
Literary Fund Programs		
Technology - VPSA	\$55.9	\$56.3
Security Equipment - VPSA	\$12.0	\$12.0

– **Department of Education**

- **Maintain Teacher Licensure System.** Proposes \$389,000 GF in FY 2024 to support ongoing maintenance of the Department’s new automated teacher licensure system.
- **Authorize Flexibility for Childcare Staff-to-Children Ratios.** Proposes language authorizing the Department to temporarily change child-to-staff ratios and group sizes for certain child day centers by increasing the number of children per staff by one child from birth to school age, and by two children for school age children through age 12. Centers using this flexibility would be required to notify families in writing of the temporary increases. The proposed authorization would expire June 30, 2024.

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

- **Salary Adjustments.** Proposes \$1.1 million GF and \$7,444 NGF the second year to supports salary adjustments to retain teachers and remain competitive with the local labor market, including local school divisions.

Higher Education

Governor's Proposed Amendments to Higher Education (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$2,858.7	\$10,474.3	\$2,989.2	\$10,584.1
Proposed Increases	0.5	118.2	45.3	122.1
Proposed Decreases	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
\$ Net Change	\$0.5	\$118.2	\$45.3	\$122.1
HB 1400/SB 800, as Introduced	\$2,859.2	\$10,592.5	\$3,034.5	\$10,706.2

The Governor's proposed amendments to higher education include \$45.8 million GF in new funding for the biennium and \$240.3 million in nongeneral fund spending. The following is a summary of the proposed amendments in GF for the biennium.

Summary of Higher Education Proposed Amendments (\$ in millions)		
Higher Education Spending Proposals	FY 2023	FY 2024
VCCS - Pilot Industry Credentials in High School	\$0.0	\$15.0
VCCS - Career Placement Centers	0.0	3.0
VCCS - Promote G3 & FastForward	0.0	3.0
Eastern Virginia Medical School - Merger with Old Dominion	0.0	10.0
SCHEV - Support Mental Health	0.0	9.0
Virginia Commonwealth University-Massey Cancer Center	0.0	5.0
University of Virginia – Wise - Explore Research Status	0.5	0.0
University of Virginia – Wise - Expand Teacher Excellence	<u>0.0</u>	<u>0.3</u>
Total	\$0.5	\$45.3

– Higher Education Institutional Spending Proposals

- **Virginia Community College System**

- **Pilot Programs to Increase Industry Credentials for High School Students.** Recommends \$15.0 million GF the second year for five pilot projects to increase industry credentials for high school students (\$5.0 million is designated as one-time). Requires coordination with the Virginia Office of Education Economics and annual reporting to the Secretary of Education, the Secretary of Labor, and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on program metrics.
- **Career Placement Centers.** Proposes \$3.0 million GF the second year to establish and expand career placement centers.
- **Awareness of Workforce Programs.** Recommends an additional \$3.0 million GF in one-time funds the second year to promote awareness of the Get Skilled, Get a Job, Give Back Program (G3) and FastForward programs. G3 provides grants of up to the amount necessary to pay the last dollar cost of an institution's tuition, mandatory fees, and textbook for student's tuition and mandatory fees for low-income students enrolled programs aligned with a high demand field. The FastForward program is part of the New Economy Workforce Credential Grant and supports noncredit training aligned to industry credentials in high demand fields.

- **Eastern Virginia Medical School (EVMS) – Merger with Old Dominion University.** Recommends \$10.0 million GF the second year for one-time costs associated with planning and initial integration activities for the Eastern Virginia Health Sciences Center at Old Dominion University (ODU). Budget language specifies five key deliverables by August 31, 2023 to include metrics related to improved healthcare and community outcomes, a comprehensive funding plan and a governance model. Language would allow a merger to completed by

July 1, 2024 upon approval of the deliverables by the Governor and Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

- **Virginia Commonwealth University**

- **Cancer Research.** Proposes an additional \$5.0 million GF the second year for research at the Massey Cancer Center to achieve comprehensive status as recognized by the National Cancer Institute. Chapter 2 (2022 Special Session 1) provided \$25.0 million GF in FY 2023 and \$20.0 million GF in FY 2024. This additional funding brings the total to \$25.0 million in FY 2024.
- **Health System Appointments.** Allows the president of the University to appoint joint or separate officers to serve in the roles of Vice President for Health Sciences of the University and Chief Executive Officer of the Health System Authority. The president shall report the appointment to the board of the university and the authority. The board of visitors of the university and the authority may confirm the appointment by a majority vote.

- **State Council of Higher Education for Virginia (SCHEV)**

- **Student Mental Health.** Proposes \$9.0 million GF the second year in one-time funds to support mental health services for K-12 and college students. Language requires coordination with the Secretary of Education and the Virginia Department of Education to pursue a common vendor and statewide contract to support mental health services at institutions of higher education and in local school divisions, including virtual care. Balances are allowed to carry over at the end of the year.
- **Tuition Assistance Grant (TAG).** Increases the award in the second year for those enrolled in online learning from 50 percent to 75 percent of the on-campus award (\$2,500 to \$3,750 for online learners). No additional funding is included, as the current year surpluses are projected to support this change.
- **Maximum Reimbursement for Workforce Credential Grant Program.** Proposes language, overriding the *Code of Virginia*, to increase the maximum reimbursement award from \$3,000 to \$4,000.

- **Process for Standardized Financial Reporting.** Proposes language to charge SCHEV with developing a process, in consultation with the Department of Accounts, to standardize annual reporting of financial data for all state and local funds that are not recorded in the state's central financial reporting system by September 30, 2023.
- **University of Virginia - Wise**
 - **Research University Feasibility Study.** Provides \$500,000 GF the first year to study the feasibility of becoming a research university. A report is due to the Governor and Chairs of the House Appropriations and Senate Finance and Appropriations Committees by June 30, 2024.
 - **University of Virginia-Wise – Center for Teacher Excellence.** Recommends an additional \$300,000 GF and three positions the second year for the Center for Teacher Excellence. The Center supports provisionally licensed teachers to meet the requirements for full licensure and supports professional development, workshops, and conferences for teachers. Funds would support a new director and new initiatives to meet program growth
- **University of Virginia – Capture Surplus Funds.** Reverts \$249,997 GF from surplus balances previously allocated for a helipad.
- **Central Accounts**
 - **Student Internships.** Recommends an additional \$5.0 million GF the second year to expand paid or credit-bearing student internships (funds are allocated to SCHEV).
 - **Tech Talent Investment Program – Align with Current Appropriations.** Reduces the Tech Talent funding by \$2.9 million GF each year to align current appropriation with funds amounts authorized in institutions' Memorandums of Understanding. Funding in this item are based on amounts previously agreed to for the Amazon - Tech Talent Partnership.
 - **Interest Earnings and Credit Card Rebates – Transfers Unappropriated Balances in Interest Escrow to GF.** Transfers

- \$4.8 million the first year to GF for William & Mary, University of Virginia and UVA - Wise, Virginia Commonwealth University, and Virginia Tech. This is based on the difference between the prorated amounts and actual interest earnings. All other institutions were provided funds based on a prorated amount in FY 2023.
- **Other central account items impacting higher education.** Two bonus actions (one for \$1,500 and one merit bonus of up to 10 percent) account for the comparable fund split for higher education. Also included in central accounts are adjustments to the health and line of duty premiums.
 - **Alternative Financing Arrangements for Capital Projects** – Clarifies language that any alternative financing with a public-private partnership or affiliated foundation must be approved by the Treasury Board and stipulates that prior to signing, all agreements shall be reviewed and approved by the responsible cabinet secretary, the Secretary of Finance and the Secretary of Administration.
- **Other Higher Education Related Spending Proposals**
- **Virginia Initiative for Growth and Opportunity – Regional Higher Education and Workforce Funding Initiatives.** Provides a total of \$30.0 million GF the second year to the Department of Housing and Community Development are to support workforce initiatives in specific regions of the state and through a competitive grant process. Language states that funds shall focus on business-education collaborations, align education and training curricula to workforce needs, incorporate work-based learning to the extent practicable, and provide students with opportunities for full-time employment. Funds are designated as follows:
 - Shipbuilding, Offshore Wind and Road and Tunnel Construction in Region 5 - \$2.5 million GF the second year;
 - Great Opportunities in Technology and Engineering Centers Program (GOTEC) in Region 3 - \$2.5 million GF the second year;

- Middle College Program Richard Bland College in Region 4 - \$2.5 million GF the second year;
- Nursing and Commercial Driver's License Credential Programs in Region 1 - \$2.5 million GF the second year; and,
- Competitive Grant Process – Talent Pathways - \$20.0 million GF the second year for talent pathways grants with priority given to traded sectors and the creation of new or enhanced job opportunities.
- **Department of Housing and Community Development – Agriculture and Technology Grants.** Recommends \$1.3 million GF the second year to award grants to certified regional councils to identify and address workforce needs in agricultural technology industries.

Other Education

Governor's Proposed Amendments to Other Education (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$88.4	\$59.3	\$80.2	\$59.3
Approved Increases	0.0	0.0	0.0	0.0
Approved Decreases	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
\$ Net Change	\$0.0	\$0.0	\$0.0	\$0.0
HB 1400/SB 800, as Introduced	\$88.4	\$59.3	\$80.2	\$59.3

There are no proposed operating adjustments other than technical adjustments.

– Capital Outlay

- **Science Museum - Maintenance Reserve.** Recommends language to allow up to 20.0 percent of the Science Museum’s annual maintenance reserve allocation to be used for the restoration, repair or renewal of exhibits, and improvements to the museum’s grounds.
- **Virginia Museum of Fine Arts - Transfer VPBA Bond Balances between Projects.** Proposes transferring \$952,659 the first year in unutilized VPBA bond authorization and appropriation from the Virginia Museum of Fine Arts Repair the Museum Building Envelope to the museum’s Replace Air Handling Units project.

Finance

Governor’s Proposed Amendments to Finance (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$3,211.9	\$750.5	\$2,115.3	\$753.6
Proposed Increases	252.4	0.0	414.1	2.1
Proposed Decreases	<u>(8.4)</u>	<u>0.0</u>	<u>(10.4)</u>	<u>0.0</u>
\$ Net Change	\$244.0	\$0.0	\$403.7	\$2.1
HB 1400/SB 800, as Introduced	\$3,455.9	\$750.5	\$2,519.0	\$755.8

– Department of Accounts

- **Expand the Quality Assurance Unit.** Proposes \$643,733 GF and 5.0 positions the second year to expand the agency’s Quality Assurance Unit. These positions

would enhance statewide oversight of internal controls for general ledger reporting, federal grant management and financial reporting.

- **Realign Support for the Statewide Single Vendor Database to the Cardinal Financials Internal Service Fund.** Proposes \$1.1 million NGF and 12.0 positions the second year to shift support for the Commonwealth Vendor Group to the Cardinal Financials Internal Service Fund. Revenues to support these payments are from central service charges assessed to participating state entities.
- **Extend Firewall Services for the Cardinal System.** Includes \$495,000 NGF the second year to support a short-term contract extension of SilverLine, the current firewall application used to protect sensitive data housed in the Cardinal System's Financials and Human Capital Resource Management applications. The Agency, in coordination with the Virginia Information Technologies Agency, is in the process of implementing a new firewall application.
- **Adjust Rates and Appropriation for the Payroll Service Bureau.** Recommends \$464,003 NGF the second year to align with projected annual operating costs following the adjustment of rates for services under the Payroll Service Bureau.

– **Department of Accounts Transfer Payments**

- **Mandatory Revenue Stabilization Fund Deposit.** Proposes \$406.0 million GF the second year to cover the net remaining mandatory deposit to the Revenue Stabilization Fund (Rainy Day Fund), based on actual revenue collections for the fiscal year ending on June 30, 2022, net the advance reservation of \$498.7 million deposited to the Revenue Reserve Fund in Chapter 1, 2022 Acts of Assembly, Special Session I. A separate proposed change would authorize the transfer of these funds to the Revenue Stabilization Fund.
- **Advance Reservation Deposit to the Revenue Reserve Fund.** Authorizes the transfer of the advance reservation of \$498.7 million in Fiscal Year 2022 from the Revenue Reserve Fund to the Revenue Stabilization Fund, as provided in

Chapter 1, 2022 Acts of Assembly, Special Session I, to meet any constitutionally required deposits to the Revenue Stabilization Fund.

- **One-Time Deposit to the Virginia Retirement System.** Includes the transfer of \$250.0 million GF the first year to the Virginia Retirement System to reduce unfunded liabilities, contingent upon actual revenue received during FY 2022, pursuant to Chapter 2, 2022 Acts of Assembly, Special Session I. This action supplements the \$750.0 million deposit already made in FY 2022.

– Department of Planning and Budget

- **Increase Staffing Levels.** Proposes \$274,911 GF the second year to support the cost of 3.0 additional full-time positions. No change in the agency's position level is required, as the agency would use vacant positions.
- **Replace Virginia Regulatory Town Hall.** Proposes language to authorize a working capital advance of up to \$3.0 million to contract the planning, development and implementation of an upgrade to the current Regulatory Town Hall, the system used to facilitate the process to review and revise statewide regulations. Repayment of the proposed working capital advance would come from charges paid by agencies using the system. The current system was developed in-house by agency staff and does not currently charge agencies to use the system.
- **Savings from Bond Defeasances.** Recommends savings of \$8.1 million GF the first year to reflect lower defeasance costs for paying off the bonds related to the Central Virginia Training Center and the Eastern Shore Farmer's Market. This item is included under the Treasury Board.

– Department of Taxation

- **Require Online Registration for New Businesses.** Proposes a savings of \$30,000 GF the second year by mandating use of the Business iReg application by new businesses submitting registration materials to the Commonwealth.
- **Review of the Integrated Revenue Management System.** Recommends \$250,000 GF the second year to support the review of recommendations to be proposed by a workgroup reviewing the Integrated Revenue Management System.

The workgroup is considering modernization of systems used to manage and implement the calculation, billing, and tracking of the state's tax administration programs.

– **Department of the Treasury**

- **Adjust Funding to Process Taxpayer Relief Checks.** Recommends \$499,469 GF the first year to cover costs incurred by the Department related to the processing and distribution of one-time taxpayer relief checks.
- **Information Technology Disaster Recovery Services.** Proposes \$41,266 GF and \$51,654 NGF the second year for subscription costs associated with meeting agency recovery time goals in the event of a disruption of essential agency functions. The Department would coordinate with the Virginia Information Technologies Agency to select and implement services.

– **Treasury Board**

- **Adjust Debt Service Appropriation.** Proposes \$1.3 million GF the first year and savings of \$3.2 million GF the second year to reflect updated costs associated with debt service payments on bonds issued by the Virginia Public Building Authority and the Virginia College Building Authority.
- **Local and Regional Jail Projects.** Proposes \$21.7 million in 9(d) tax supported VPBA bond proceeds to support the 25.0 percent state matching commitments for local and regional jail projects. This provides \$10.0 million to the Loudoun County Adult Detention Center expansion and renovation project and \$11.7 million to the Albemarle-Charlottesville Regional Jail renovation project. These are proposed to be funded with VPBA bond proceeds instead of general fund cash due to program parameters in §§53.1-80 through 53.1-82.2, Code of Virginia.
- **Savings from Bond Defeasances.** Recommends savings of \$8.1 million GF the first year to reflect lower defeasance costs for paying off the bonds related to the Central Virginia Training Center and the Eastern Shore Farmer's Market.

Health and Human Resources

Governor's Proposed Amendments to Health and Human Resources (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$8,147.0	\$18,217.0	\$8,659.2	\$18,150.8
Proposed Increases	21.6	1,743.1	404.3	2,843.1
Proposed Decreases	<u>(529.3)</u>	<u>(0.6)</u>	<u>(10.1)</u>	<u>(73.7)</u>
\$ Net Change	(507.7)	1742.5	394.2	2,769.5
HB 1400/SB 800, as Introduced	\$7,639.3	\$19,959.5	\$9,053.4	\$20,920.3

– Secretary of Health and Human Resources

- **Contractor to Implement Behavioral Health Transformation.** Proposes \$750,000 GF the second year to support the one-time cost of a vendor to assist with implementing a plan to transform the Department of Behavioral Health and Developmental Services. The 2022 Appropriation Act included language directing the Secretary of Health and Human Resources to evaluate the current structure of the Department of Behavioral Health and Developmental Services and make recommendations on modifications that improves the delivery of behavioral health and developmental disability services to the citizens of the Commonwealth. Funding of \$1.3 million from the Office of Transformation was provided to conduct the study. This proposal funds a contractor to implement the results of the study.
- **Develop a Statewide Strategic Plan for the Health Care Workforce.** Recommends \$250,000 GF the second year for a contractor to develop a statewide strategic plan on the Commonwealth's health care workforce needs.

- **Study on Statewide Coordination of Behavioral Health and Substance Use Programs with an Emphasis on Veterans.** Proposes \$250,000 GF the second year for a consultant to study the Commonwealth's coordination of behavioral health and substance use programs with an emphasis on veterans. The study would include state efforts to address substance use disorder, suicide, and post-traumatic stress disorder.
- **Conduct Campaign to Reduce Youth Fentanyl Poisoning.** Proposes \$5.0 million NGF the second year from opioid settlement funds to conduct a public awareness campaign aimed at reducing the number of incidents of fentanyl poisoning among youth. The funding may be used for landscape analysis, surveys, research, design, and the purchase of media. As part of the national opioid settlements, 15 percent of the funding is paid directly to the Commonwealth for initiatives related to opioid abuse, which is the source of this funding.

– **Children's Services Act**

- **Reflect Updated Forecast of Expenditures.** Recommends a reduction of \$6.9 million GF the first year to reflect the projected program spending level. After a decline of 1.1 percent in expenditures in FY 2022, the program is projected to grow by 2.6 percent in FY 2023 and 2.6 percent in FY 2024. Caseloads declined by 0.7 percent and the cost per child declined by 0.4 percent in FY 2022. Expenditures declined for congregate care and for private day special education. The caseload for private day special education, the highest cost service, is down from 4,251 in FY 2020 to 3,915 in FY 2022, a 7.9 percent decline. However, the cost per child is up from \$45,496 in FY 2020 to \$49,689, a 9.2 percent increase.
- **Revert FY 2022 Balance.** Includes language to revert the FY 2022 year-end \$29.2 million GF balance in the Children's Services Act. Expenditures in the program declined 1.1 percent over FY 2021. While the balance in the program would normally be needed to fully fund in the program in the following year, this balance is not needed to fund the program in FY 2023.

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

- **Shared Services Contract Costs.** Proposes \$4,998 GF the second year to fund the increased cost of administrative services being provided by the Department for Aging and Rehabilitative Services (DARS). Many of the administrative functions of the smaller disability services agencies are provided by DARS.

– **Department of Health**

Health Workforce Programs

- **Create Nursing Education Acceleration Program “Earn to Learn.”** Proposes one-time funding of \$30.0 million GF the second year for a new grant program to provide additional clinical training opportunities for nursing students with the goal of increasing the number of nurses in the health care workforce. The program would award grants for collaborative clinical training arrangements between high schools, colleges and universities, hospitals and health care providers to increase the number of nursing students earning certifications and gaining employment as nurses. The proposal includes mandatory carryforward language for any unexpended balances in the program fund at the end of the fiscal year.
- **Expand the Nurse Preceptor Incentive Program.** Recommends an additional \$10.0 million GF the second year for the Nurse Preceptor Incentive Program to increase the eligibility, number and amount of the awards provided through the program to increase the number of clinical preceptors from almost 500 slots to 2,600. Eligibility would be expanded to include registered nurses and licensed practical nurses and the amount of the awards would increase from \$1,000 to \$5,000 per semester. The proposal would also provide one additional position in the Health Department to assist in implementing the program. This amount would bring the total funding for the program to \$10.5 million.
- **Expand Nursing Scholarships and Loan Repayment Programs.** Proposes an additional \$1.0 million GF the second year to increase funding for nursing scholarships, loan repayment, and incentive programs to assist in recruiting and

retaining nurses and nursing faculty to address significant workforce shortages. This proposed funding would bring the total for the program to \$2.0 million annually.

- **Expand the Behavioral Health Loan Repayment Program.** Recommends an additional \$2.5 million GF the second year for the Behavioral Health Loan Repayment Program. Funding will increase loan repayment awards from \$30,000 to \$50,000 for child and adolescent psychiatrists, psychiatric nurse practitioners and psychiatrists. Practitioners may receive loan repayment for up to 25 percent of student loan debt for each year of health care service provided to the Commonwealth. This proposed funding would bring the total for the program to \$5.7 million for the biennium.
- **Create Psychiatric Nursing Graduate Education Loan Repayment Program.** Proposes \$5.0 million GF the second year to establish a loan repayment program for psychiatric registered nurses and psychiatric nurse practitioners who choose to work in Virginia over a four-year period.

Other General Fund Spending

- **Fund State Match for Federal Drinking Water Grants.** Adds \$3.4 million GF and \$91.9 million NGF from federal drinking water grant funds the second year for the Drinking Water State Revolving Fund. The general fund amount represents the Commonwealth's 10 percent match to receive additional federal funds from the recently passed federal Infrastructure Investment and Jobs Act. In FY 2022, the Office of Drinking Water received 131 applications seeking more than \$1.0 billion of drinking water infrastructure needs.
- **Backfill Federal Reversion of Funding for the Office of Drinking Water.** Proposes \$1.1 million GF the first year to backfill the loss of federal funding in the Office of Drinking Water from financial audit deficiencies associated with federal Environmental Protection Agency (EPA) grants dating back to October 2020.
- **Provide Salary Adjustments for the Office of the Chief Medical Examiner Staff.** Proposes \$1.5 million GF the second year for salary

adjustments for the Chief Medical Examiner, Assistant Chief Medical Examiners and nonphysician staff to retain and recruit staff, based on a market competitive analysis. Funding would provide salary adjustments between eight to 10 percent.

- **Reflect Rent Increases at Local Health Department Facilities.** Recommends \$943,856 GF and \$698,322 NGF the second year to support local health districts that are expecting significant cost increases due to moving to new facilities or rent increases in existing facilities. The funding would cover increases for the following health districts: Alleghany, Alexandria, Chesapeake, Blue Ridge, Rappahannock/Rapidan, Prince William, Norfolk, and Virginia Beach.
- **Convert Cybersecurity Threat Management from Contractor to Full-time Position.** Proposes \$163,918 GF and one full-time position to provide cybersecurity analysis for agency systems internally instead of through an outside contract.
- **Fund Sexual Assault Forensic Examiner Training for Emergency Department Staff.** Recommends \$125,000 GF the second year to fund sexual assault forensic examiner training for emergency department staff as required by the *Code of Virginia*. The training requirement becomes effective on July 1, 2023, in accordance with Chapter 725, 2020 Acts of Assembly.
- **Increase Funding for Drug-Susceptible Tuberculosis Funding.** Proposes \$50,000 GF the second year to cover additional costs associated with tuberculosis medication and treatment options.

Nongeneral Fund Spending

- **Increase Appropriation for Federal Epidemiology and Laboratory Capacity Grant.** Includes \$150.8 million NGF the second year for the Virginia Department of Health's federal Epidemiology and Laboratory Capacity (ELC) grant, which focuses on the prevention and control of emerging infectious diseases.
- **Provide Opioid Settlement Funds for Fentanyl Response Efforts.** Includes \$7.0 million NGF the second year from the Commonwealth Opioid Abatement and Remediation Fund to support costs of a statewide fentanyl

response strategy to be included in legislation introduced in the 2023 Session of the General Assembly.

Language

- **Extend Treasury Loan for COVID-19 Pandemic Responses.** Proposes language to extend the repayment term for any existing treasury loan for COVID-19 pandemic response activities to June 30, 2024. This affects two loans that were made to cover approved activities that were undertaken during the COVID-19 pandemic and are to be reimbursed by the Federal Emergency Management Agency (FEMA). However, full reimbursement of these activities is not expected to be received by the planned repayment date for these loans and this proposal provides additional time for repayment until the federal funds are received.
- **Modifies Language Restricting Abortion Services.** Proposes changes to language in Part 4, to restrict expenditures from general or nongeneral fund sources for abortion services, except as otherwise required by federal law (commonly termed the Hyde amendment). The current Appropriation Act permits expenditures for abortions in accordance with state law allowing abortions in the case of gross fetal abnormality. This proposal would prohibit such expenditures.

– Department of Health Professions

- **Improve Application Processing and Reduce Reliance on Wage Employees.** Recommends \$513,451 NGF and seven positions the second year to improve application processing and to reduce reliance on wage employees. Three positions are new and would increase application processing efficiency. The remaining four positions are for converting part-time to full-time employees.

– Department of Medical Assistance Services

Expenditure Forecasts

- **Medicaid Utilization and Inflation.** Proposes \$279.3 million GF in savings and an increase of \$1.5 billion NGF the first year and \$12.3 million GF and \$1.4 billion NGF the second year to fund the forecasted costs of utilization and inflation in Medicaid. Expenditures in the program are expected to increase

13.1 percent in FY 2023 and 3.2 percent in in FY 2024 as compared to 1.0 percent in FY 2023 and 5.4 percent in FY 2024 as projected the previous year. The high growth rate in FY 2023 is mainly due to the continued growth in enrollment resulting from the extension of the federal public health emergency (PHE) for COVID-19, delaying the disenrollment of no longer eligible individuals. During the public health emergency (PHE) the state cannot disenroll individuals, however when the PHE ends, a process to reevaluate eligibility will likely result in a decrease in enrollment, which is reflected in FY 2024 projections. The typical managed care rate increases and inflation for hospitals and nursing homes are reflected in the forecast as upward adjustments.

- **Additional Savings from Federal Match Rate Change.** Recommends \$157.8 million GF in savings and an increase of \$153.9 million NGF the first year and spending increases of \$53.4 million GF and \$1.1 billion NGF the second year because of the extension of the public health emergency (PHE). The federal PHE was extended until January 2023 and is expected to be extended one additional 90-day period, which would result in the temporary 6.2 percentage point increase in the federal match rate being continued until June 30, 2022. The forecast for Medicaid and the Children's Health Insurance programs captured the savings through the end of the March 31, 2023, quarter. This proposal picks up one additional quarter and reflects the savings from moving up one monthly managed care payment from FY 2024 to FY 2023 to capture additional savings. The NGF amounts reflect the higher federal match rate and the additional costs of continuous enrollment of members on Medicaid during the PHE.
- **Family Access to Medical Insurance Security (FAMIS) Program Utilization and Inflation.** Includes \$13.1 million GF savings and an increase of \$7.1 million NGF the first year and \$321,954 GF savings and an increase of \$5.3 million NGF the second year to fund the utilization and inflation costs of the FAMIS Program. Expenditures in the program are expected to increase 8.4 percent in FY 2023 and 6.5 percent in in FY 2024. The savings is due to the extension of the federal public health emergency which continues the enhanced

federal match rate for the program. FAMIS covers children ages 0 to 18 living in families with incomes between 133 and 200 percent of the federal poverty level.

- **Medicaid Children’s Health Insurance Program (CHIP) Utilization and Inflation.** Proposes \$5.9 million GF savings and an increase of \$16.5 million NGF the first year and \$2.8 million GF savings and an increase of \$634,327 NGF the second year to fund the utilization and inflation costs of the Medicaid CHIP program. The Medicaid CHIP program provides services for Medicaid-eligible low-income children, ages 6 to 18, living in families with incomes between 100 and 133 percent of the federal poverty level. Expenditures in the program are expected to increase 3.8 percent in FY 2023 and 4.1 percent in FY 2024. The savings is due to the extension of the federal public health emergency which continues the enhanced federal match rate for the program.
- **Adjust Health Care Fund Appropriation.** Includes a reduction of \$50.4 million GF the first year and an increase of \$67.7 million GF the second year with the equivalent offsetting changes in the NGF appropriation each year to reflect the latest revenue estimate for the Health Care Fund. Tobacco taxes are projected to decline by \$75.6 million over the biennium based on the Department of Taxation's revised forecast. Other repayments and the return of a federal disallowance result in a net increase in funds the first year. The fund is used as state match for Medicaid, so any change in revenue to the fund impacts general fund support for Medicaid.
- **Medical Services for Involuntary Mental Commitments.** Proposes a reduction of \$1.5 million GF the first year and \$250,000 GF the second year to reflect the estimated cost of hospital and physician services for persons subject to an involuntary mental commitment. Expenditures for these services increased 17.3 percent in FY 2021 and then declined 20.3 percent in FY 2022.

Provider Rates

- **Personal Care Services.** Proposes \$41.6 million GF and \$47.2 million NGF the second year to increase, on July 1, 2023, the Medicaid reimbursement rates for personal care, respite and companion services by 5.0 percent for consumer-

directed and agency-directed attendants. On July 1, 2022, these services were increased by 7.5 percent at a cost of \$85.9 million GF over the biennium.

- **Early Intervention Services.** Recommends \$1.1 million GF and \$1.2 million NGF to provide a 12.5 percent rate increase for Early Intervention services beginning July 1, 2023. The 2022 Appropriation Act (Chapter 2, 2022 Special Session I) continued funding for a 12.5 percent rate increase for all home and community-based services that had been temporarily increased in FY 2022. That action should have included early intervention services, however, due to an oversight these services were left out. This proposal corrects that oversight and continues the increase for early intervention services.

Policy Changes

- **Add 500 Developmental Disability Waiver Slots.** Proposes \$15.2 million GF and \$15.8 million NGF the second year to create 70 Community Living waiver and 430 Family and Individual Support waiver slots. The 2022 Appropriation Act (Chapter 2, 2022 Special Session I) funded 600 waiver slots in the second year and this action would bring the total to 1,100.
- **Add 20 Psychiatric Residency Slots.** Recommends \$1.0 million GF and \$1.0 million NGF the second year to fund 20 new psychiatric residency slots using Medicaid supplemental payments.
- **Outpatient Rehabilitation Reimbursement Methodology.** Proposes language directing the reimbursement methodology for outpatient rehabilitation services to use the Resource Based Relative Value Scale. This change would align Virginia's reimbursement methodology with Medicare and industry standards. Additional suggested language would require all changes to be budget neutral.
- **Peer Recovery Support Services.** Recommends language to increase the availability of peer recovery specialists in Medicaid by implementing measures that would reduce administrative barriers that limit access to services. Specifically, the language would permit specialists working on their required hours of supervision to qualify as a Medicaid provider and also adjusts the caseload limits.

- **Third-party Liability Recoveries.** Proposes 7.0 positions the second year to increase the amount of third-party liability recoveries. The costs of the positions are estimated at \$428,565 GF and \$428,565 NGF. It is expected that these positions will generate sufficient savings in the Medicaid program to offset the new administrative costs of these positions.
- **Telehealth Service Delivery Options for Developmental Disability Waivers.** Proposes includes language to implement telehealth service delivery options for developmental disability waiver services currently authorized by the Appropriation Act or Code of Virginia.

Administrative and Technical Adjustments

- **Costs Associated with Vendor Settlement.** Recommends \$2.3 million GF and \$462,689 NGF the first year for the one-time funding necessary to cover a required \$5.2 million GF settlement with the vendor for the Cover Virginia call center. The new vendor of the call center was not initially able to meet the performance standards of the contract, so the agency withheld payment. A settlement has been worked out with the vendor and this funding reflects the full costs of that settlement for the contract period prior to FY 2023. The agency is partially funding the settlement from agency turnover and vacancy savings.
- **Contract Cost Escalations.** Proposes \$2.4 million NGF each year to cover the anticipated cost of required contracts for claims processing, service authorizations, third-party auditors and other services required for the operation of agency medical assistance programs.
- **Reprocure Medicaid Managed Care Program.** Proposes \$1.7 million GF and \$2.6 million NGF the first year for the administrative costs to reprocure the Commonwealth's managed care service delivery system with an expected implementation date of July 1, 2024. The funding is for the one-time costs associated with information management systems, program design, requirements of the enrollment broker program and quality improvement programs, federal waiver submissions, managed care contracts, downstream impacts to existing

contracts and subcontracts, member and provider communications, and other related expenditures.

- **Salary Increases at Training Centers.** Recommends \$268,792 GF and \$280,632 NGF the second year for the Medicaid costs of salary increases for food services and environmental services staff at Southeastern Virginia Training Center and Hiram Davis Medical Center. A separate proposed action in the Department of Behavioral Health and Developmental Services authorizes an increase in salaries for these positions across their state-operated facilities.
- **Developmental Disability Waiver Responsibilities.** Recommends transferring \$85,000 GF, \$85,000 NGF, and one position from the Department of Behavioral Health and Developmental Services to support agency responsibilities associated with developmental disability waiver services that will be transferred effective July 1, 2023. This proposal also includes language designating the Department of Medical Assistance Services as the agency responsible for all financial analysis, rates, and budget work associated with Virginia's developmental disability waiver services.
- **Workgroup to Examine Inclusion of Residential Treatment Services in Managed Care.** Proposes language directing the Department to convene a workgroup to examine the impact of including residential treatment services in the managed care program. The workgroup must examine potential cost, program, and system of care impacts, including how local funding and the federally required independent assessment process for these services must be accounted for in managed care.
- **American Rescue Plan Act (ARPA) Funds for Medicaid Enrollment Redeterminations.** Proposes \$20.0 million the second year in federal American Rescue Plan Act funds under Central Appropriations for the agency to procure a vendor to assist with the eligibility redeterminations of Medicaid enrollees during the 12-month period after the end of the public health emergency. The Department has been provided \$15.0 million in ARPA funding to date for operational backlogs and to prepare for the enrollment redetermination process in Medicaid.

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

Mental Health and Substance Use Disorder Treatment Services

- **Fund Hospital-Based Psychiatric Emergency Alternatives.** Proposes \$20.0 million GF the second year for comprehensive psychiatric emergency programs, or similar psychiatric care in emergency departments, to redirect individuals needing emergency psychiatric care to the most appropriate setting. The programs may include public-private partnerships.
- **Expand School-Based Mental Health Pilot.** Recommends \$15.0 million GF the second year to continue providing grants to school-divisions and public or private community-based providers to contract for mental health services in schools. Proposed funding will allow the programs to be ongoing. This proposal increases the total funding for the pilots to \$17.5 million over the biennium.
- **Expand Housing Opportunities for Individuals with Serious Mental Illness.** Proposes \$8.0 million GF the second year for supervised residential care for patients with a Serious Mental Illness. Priority will be given to individuals on the state's extraordinary barriers list. Proposed language would allow for the use of sole source contracts with private entities to provide such services.
- **Provide Additional Funding for Naloxone.** Includes \$1.4 million NGF each year to purchase additional doses of naloxone to treat emergency cases of opioid overdoses. The proposed funding is provided from the settlement of legal claims against opioid manufacturers.
- **Modifies Language to Allow Flexible Use of Mental Health Pilot Program Funds.** Proposes language to reallocate a portion of the funding for existing pilot programs providing discharge assistance for individuals who are ready for discharge from state mental health facilities but face extraordinary barriers preventing community placements. The recommended language would allow \$1.5 million GF the second year to be used for discharge assistance for individuals in private hospitals who are at risk of being transferred to a state mental health hospital due to a lack of community services.

- **Amend Language to Allow Dementia Funds to be Used for Discharge and Diversion of Older Adults.** Proposes modifying existing language that earmarks \$1.7 million in funding for pilot programs for the discharge and diversion of individuals with dementia from state mental health hospitals. The proposed language would allow programs to serve all older adults who are at risk of being admitted to a state hospital.

Crisis Services

- **Increase Funding for Comprehensive Crisis Services System.** Recommends an additional \$58.3 million GF the second year to support crisis system transformation. The funding would support the enhancement and development of Crisis Receiving Centers and Crisis Stabilization Units. Out of this funding, \$845,204 GF the second year would be used to support the increased administrative costs of the expanded crisis system, including 5.0 additional administrative positions.
- **Provide One-Time Funds for Mobile Crisis Units.** Proposes \$20.0 million GF the second year for one-time contracts for additional mobile crisis units in underserved areas, which will provide rapid response, assessment, and early intervention to individuals experiencing crisis.
- **Create Off-Duty Officer Program for Alternative Transportation and Alternative Custody.** Proposes \$1.0 million GF the second year to contract with local law enforcement agencies to utilize off-duty officers to provide transportation services or take custody of an individual subject to a temporary detention order who is waiting for admission to a mental health facility or for whom a bed has not yet been identified.
- **Combine Earmarks for Alternative Transportation and Alternative Custody.** Proposes to modify existing budget language to merge the appropriations for alternative transportation and alternative custody to provide for greater flexibility to address the needs of specific communities.

Intellectual and Developmental Disability Services

- **Support Additional Waiver Slots with Two Additional Positions.** Recommends \$162,878 GF and \$23,268 NGF the second year and 2.0 FTEs to support the expected increase in administrative work if the budget request of 500 additional intellectual and developmental disability waiver slots are funded during the 2024 Session. The proposed funding would provide one service authorization position and one provider development position.
- **Transfer Developmental Disability Waiver Rate Responsibilities to the Department of Medical Assistance Services.** Transfers \$85,000 GF the second year from DBHDS to the Department of Medical Assistance Services (DMAS). Effective July 1, 2023, DMAS will take over agency responsibilities from DBHDS associated with the financial management of developmental disability waiver services and this technical change will support DMAS.
- **Upgrade Waiver Management System.** Proposes \$350,000 GF the second year to maintain and upgrade the Medicaid Waiver Management System (WaMS). This system allows authorized viewers to view their waiver eligibility options, apply for waivers online, and identify licensed service providers. Proposed funding will keep WaMS efficient and usable, as well as support interoperability with Community Service Boards.

Other Spending Increases

- **Fund Two Cybersecurity Positions.** Recommends \$261,164 GF and 2.0 positions the second year for additional cybersecurity positions in the agency's central office. The proposed positions will support the IT security of the state mental health facilities, as well as the state-operated behavioral health and intellectual disability system.
- **Provide Funds for Forensic Data Tracking and Analysis.** Proposes \$97,795 GF the second year to fund 1.0 position to track data related to restoration of competency court orders. Legislation from the 2022 Session requires DBHDS to receive and track court orders requiring an evaluation of a defendant's

competency to stand trial as of July 1, 2022. This new position will be solely responsible for tracking the forensic data.

State Facilities

- **Fund Three Additional Forensic Evaluators.** Proposes \$485,091 GF the second year to fund 3.0 positions for forensic evaluators at three state mental health hospitals to provide additional mental health treatment and to support the large forensic population. Funding will allow one position to go to Central State Hospital, one to Western State Hospital, and one to Eastern State Hospital.
- **Fund Salary Alignments for Critical Positions.** Proposes \$9.0 million GF and \$549,424 NGF the second year to provide targeted salary increases for food services and environmental services staff at state facilities to reduce turnover and staffing shortages. Out of this funding, \$8.7 million GF is for the state's mental health treatment centers, \$275,188 GF is for the Virginia Center for Behavioral Rehabilitation, and \$74,917 GF is for the intellectual disabilities training centers. Also out of this funding, \$549,424 NGF the second year is for the intellectual disabilities training centers for salaries, generated from increased Medicaid reimbursements.
- **Capital Funding.** Proposes \$16.9 million GF in Capital Outlay for renovations at Eastern State Hospital to improve safety and scrutiny. An additional project proposes \$4.0 million GF to begin installation of duress systems in state operated mental health facilities.

– Department for Aging and Rehabilitative Services (DARS)

- **Vocational Rehabilitation Services.** Proposes \$285,164 GF and \$2.2 million NGF the second year to ensure the agency fully accesses available federal vocational rehabilitation (VR) grant funding. The federal FY 2023 base funding for the VR grant was increased by 6.2 percent and this funding provides the state match and associated federal appropriation to access the additional funds. The proposed funds will allow the program to serve up to 500 additional individuals with disabilities.

- **Personal Care Services.** Proposes \$225,647 GF the second year to increase the rates for the Personal Assistance Services program to match the rates for Medicaid. There is a proposal that increases the rates for Medicaid personal care services.
- **Centers for Independent Living Salaries.** Recommends \$37,423 GF the second year to adjust the funding for the 17 Centers for Independent Living (CILs) to reflect a more accurate salary base. As state-supported local employees the CILs received the salary increases authorized in the 2022 Appropriation Act (Chapter 2, 2022, Special Session I). However, the base salary data used to calculate those costs was too low. In addition, there is proposed language to collect data on the operating budgets and personnel of the CILs.
- **Adjust Appropriation to Reflect Agency Operations.** Includes \$425,000 NGF each year to provide appropriation for the agency's special revenue fund. The increase in shared services costs that the other disability agencies pay to DARS are increased in separate amendments, and this action allows the agency to expend the additional revenues along with other miscellaneous revenues the agency receives.

– Department of Social Services

Child Welfare Programs and Services

- **Fund Child Protective Services Activities to Address Office of the State Inspector General Audit Recommendations.** Proposes \$8.3 million GF, \$28,853 NGF, and 18 positions the second year to implement recommendations of the State Inspector General to improve child protective services in the Commonwealth. Funding would be used to address high caseloads and ensure sufficient staffing at local agencies, provide additional staff for the state hotline, and increase supervision and support of local agencies.
- **Fund Foster Care and Adoption Forecast.** Recommends reductions of \$14.3 million GF the first year and \$5.6 million GF the second year and \$566,050 NGF the first year and \$5.9 million NGF the second year for forecast changes to the foster care and adoption programs, reflecting trends in expenditure growth,

changes in the number of children eligible for services under Title IV-E, and policy changes related to maintenance and special needs payments. The forecast reflects the additional quarters of the 6.2 percentage point enhanced federal medical assistance percentage in FY 2023 for Title IV-E foster care and adoption expenditures, which matches the Medicaid federal match rate which is enhanced during the public health emergency. For FY 2024, the forecast reflects the pre-pandemic normal state and federal matching rate for Title IV-E foster care and adoption as shown below:

Child Welfare Forecast FY 2022-2024			
Title IV-E Foster Care			
	GF	NGF	Total Changes
FY 2023	(\$5,368,420)	(\$5,631,580)	(\$11,000,000)
FY 2024	(\$5,256,036)	(\$9,369,522)	(\$14,625,558)
Title IV-E Adoption Subsidies			
FY 2023	(\$7,122,317)	\$5,035,530	(\$2,086,787)
FY 2024	\$3,458,357	\$3,484,856	\$6,943,213
Special Needs Adoptions Subsidies			
FY 2023	(\$1,848,211)	\$ -	(\$1,848,211)
FY 2024	(\$3,848,211)	\$ -	(\$3,848,211)
Child Welfare totals			
FY 2023	(\$14,338,948)	(\$596,050)	(\$14,984,998)
FY 2024	(\$5,645,890)	(\$5,884,666)	(\$11,530,556)
Note: The source of the nongeneral fund is federal matching Title IV-E funds. Fiscal year 2023 reflects the higher federal matching rate due to public health emergency.			

- **Provide Funds for a Cost-of-Living Adjustment for Foster Care and Adoption Subsidy Payments.** Proposes \$2.3 million GF and \$2.0 million NGF the second year to adjust foster family home rates and adoption assistance maintenance payments by five percent. The Appropriation Act requires that these rates be increased in the year following a salary increase provided for state employees. In FY 2023, state employees received a five percent salary adjustment. Federal Title IV-E grant funds provide the nongeneral portion of the amount.

- **Expand Kinship Navigator Program and Backfill Expiring Federal Funding.** Recommends \$935,196 GF the second year to expand the Kinship Navigator program from six to 12 programs and provides general fund dollars for all programs upon the expiration of federal grants. These programs were supported by a recently expired 2018 federal grant from the Children’s Bureau to develop Kinship Navigator services throughout the Commonwealth. The goal of the program is to provide services and supports to strengthen the kinship caregiver’s capacity to provide a safe, nurturing home and to help achieve permanency for the child, thus avoiding foster care placement. Additionally, language is proposed to require the agency to (i) continue applying for federal grants until funding is no longer available, (ii) demonstrate federal funding is unavailable prior to releasing state general fund dollars for existing and new programs, and (iii) report on the effectiveness of the kinship navigator programs by September 1st each year.

Supplemental Nutrition Assistance Program (SNAP)

- **Fund Improvements in Determining Supplemental Nutrition Assistance Program (SNAP) Payments.** Proposes \$6.1 million GF the first year to repay the federal government for the over payment of SNAP benefits in the fall of 2021. Recommends language to unallot the funding until the agency exhausts all appeals associated with the over issuance of benefits.
- **Convert Part-time SNAP Management Evaluation Reviewer Positions to Full-time.** Proposes \$110,854 GF, \$110,855 NGF, and five positions the second year to convert part-time SNAP management reviewer positions to full-time for more comprehensive monitoring and compliance with federal SNAP rules and regulations.

Information Technology System Increases

- **Adjust Funding to Replace the Child Support Information System.** Recommends an additional \$10.0 million NGF the second year to update the funding needed to replace the legacy system for the child support enforcement program based on the need to replace rather than re-platform the system.

Chapter 2 (2022 Special Session I) provided nongeneral funds from an increase in retained collections due to the economic impact (stimulus) payments authorized by the federal Coronavirus Aid, Relief, Economic Security (CARES) Act which can be used to support technology system design, development. These funds will be used as the 34 percent state share to draw down 66 percent of federal funds to fully fund this project.

- **Provide Authority for Mandatory Carryforward for Unspent Child Welfare Information System Funding.** Proposes language to allow for the mandatory carryforward of unspent funding for the Child Welfare Information System to avoid delays related to appropriation carryforward requests. Funding for the system was provided in Chapter 2 (2022 Special Session I). The new system would be used for foster care and adoption case management, investigations of abuse and neglect, to track and monitor preventive services to at risk families and provide for other record keeping needs.

Local DSS Staffing and Operations

- **Provide NGF Appropriation for Local DSS Staff and Operations.** Proposes \$14.4 million the first year and \$15.1 million the second year from nongeneral funds for salary increases for state supported local departments of social services. Chapter 2 (2022, Special Session I) provided the general fund component for the pass-through funds for the local salary increase, however, did not reflect the appropriation of matching federal funding, which includes funding from the Medicaid program and the Medicaid expansion coverage assessment fund.
- **Fund Local DSS Shared Site Technology Support.** Proposes \$3.8 million GF and \$3.8 million NGF to provide 40 local departments new shared site technology for their desktop computers and laptops that is used currently contain local software on the same device used for state systems. The current technology, known as shared support, is no longer compliant with federal and state security standards.

Temporary Assistance to Needy Families Block Grant Funding

- **Adjust Funding for TANF Unemployed Parents Program.** Proposes an increase of \$10.5 million GF the first year and \$5.2 million GF the second year and \$9.8 million NGF the first year and \$4.2 million NGF the second year in federal Temporary Assistance to Needy Families (TANF) to reflect the spending forecast for TANF income benefits, TANF VIEW childcare subsidies and TANF employment services. Several factors are influencing the increase in TANF spending. TANF cases have increased by about 15 percent over the past fiscal year, while the caseload of low-income unemployed two-parent families (TANF-UP) has nearly doubled. TANF-UP cases are funded entirely by the general fund. In addition, TANF benefit amounts increased on July 1, 2022, by five percent. Finally, the return to prepandemic mandatory participation in the Virginia Initiative for Employment and Work (VIEW) program for TANF recipients is expected to increase the utilization and expenditure of VIEW childcare subsidies and TANF employment services.

TANF Block Grant Funding FY 2023 and FY 2024		
	<u>FY 2023</u>	<u>FY 2024</u>
TANF Resources		
Annual TANF Block Grant Award	\$157,762,831	\$157,762,831
Carry-Forward From Prior Fiscal Year	<u>92,600,313</u>	<u>46,316,648</u>
Total TANF Resources Available	\$250,363,144	\$204,079,479
TANF Expenditures		
VIP/VIEW Core Benefits and Services		
TANF Income Benefits	\$51,573,422	\$46,573,422
VIEW Employment Services	9,000,000	9,000,000
VIEW Child Care Services	2,659,033	2,659,033
TANF Caseload Reserve	1,000,000	1,000,000
TANF Full Employment Program	2,499,652	2,499,652
TANF Individual Development Accounts	<u>2,120,420</u>	<u>2,120,420</u>
Subtotal VIP/VIEW Benefits and Services	\$68,852,527	\$63,852,527
Administration		
TANF State/Local Operations (cost allocated activities)	\$60,995,763	\$60,995,763
Local Staff and Operations Salary Increases	1,903,253	2,000,000
Local DSS Virtual Desktop Compliance	<u>0</u>	<u>750,979</u>
Subtotal Administration	\$62,889,016	\$63,746,742
TANF Programming		
Healthy Families/Healthy Start	\$9,035,501	\$9,035,501
Community Employment & Training Grants	9,000,000	9,000,000
Community Action Agencies (CAAs)	9,250,000	9,250,000
CAA Two Generation/Whole Family Pilot	1,125,000	1,125,000
Local Domestic Violence Prevention Grants	3,846,792	3,846,792
Long Acting Reversible Contraceptives	4,000,000	4,000,000
Federation of Virginia Food Banks	3,000,000	3,000,000
Families Forward Virginia (formerly CHIP of VA in VDH)	2,400,000	2,400,000
Virginia Early Childhood Foundation	1,250,000	1,250,000
Boys and Girls Clubs	2,000,000	2,000,000
Child Advocacy Centers	2,136,500	2,136,500

TANF Block Grant Funding FY 2023 and FY 2024		
	<u>FY 2023</u>	<u>FY 2024</u>
Northern Virginia Family Services	2,500,000	2,500,000
Resource Mothers	1,000,000	1,000,000
Early Impact Virginia (home visiting training, monitoring)	600,000	600,000
Laurel Center	1,250,000	1,250,000
Earned Income Tax Credit (EITC) Grants	185,725	185,725
FACETS	350,000	350,000
Visions of Truth STRIVE Program	150,000	150,000
Transit Passes	500,000	500,000
United Community	1,200,000	1,200,000
Good Shepard Housing and Family Services	200,000	200,000
TANF Programming (continued)		
Lighthouse Community Center	100,000	100,000
Cornerstones	750,000	750,000
Family Restoration Services in Hampton	125,000	125,000
Portsmouth Volunteers for the Homeless	250,000	250,000
Menchville House	125,000	125,000
Emergency and diversionary assistance	<u>139,935</u>	<u>139,935</u>
Subtotal TANF Programming	\$56,469,453	\$56,469,453
Transfers to other Block Grants/Cost Avoidance	\$15,825,500	\$15,825,500
Total TANF Expenditures & Transfers	\$204,046,496	\$199,894,222

– Virginia Board for People with Disabilities

- **Operating Costs.** Proposes \$22,800 GF the second year to cover increased operating costs to avoid reductions to core services. The Board is primarily supported with federal funding.
- **Shared Services Contract Costs.** Proposes \$4,581 GF the second year to fund the increased cost of administrative services being provided by the Department for Aging and Rehabilitative Services (DARS). Many of the administrative functions of the smaller disability services agencies are provided by DARS.

– **Department for the Blind and Vision Impaired**

- **Workforce Services for Vision Impaired Individuals.** Recommends \$632,738 GF and \$294,122 NGF the second year to increase support for vocational rehabilitation services to individuals who are blind and vision impaired. The funding would serve an additional 55 cases.
- **Shared Services Contract Costs.** Proposes \$160,371 GF the second year to fund the increased cost of administrative services being provided by the Department for Aging and Rehabilitative Services (DARS). Many of the administrative functions of the smaller disability services agencies are provided by DARS.
- **Adjust Appropriation to Reflect Current Services.** Recommends a technical adjustment of \$138,291 NGF the second year to support projected costs of grants and other expenses paid from the endowment of the Board for the Blind and Vision Impaired.

– **Opioid Abatement Authority**

- **Initial Appropriation for the Opioid Abatement Authority.** Proposes an initial appropriation of \$3.5 million NGF and five positions the second year for the newly created Opioid Abatement Authority. The Authority was created to receive a share of the national opioid settlements from various companies with the purpose of allocating the settlement funds to reduce the misuse of opioids and the associated public health impacts. The projected revenue of the Authority from the settlement is expected to reach hundreds of millions of dollars over the next 20 years and more.

Labor

Governor's Proposed Amendments to Labor (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$18.3	\$750.1	\$14.8	\$676.7
Proposed Increases	100.0	0.0	0.5	0.9
Proposed Decreases	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
\$ Net Change	\$100.0	\$0.0	\$0.5	\$0.9
HB 1400/SB 800, as Introduced	\$118.3	\$750.1	\$15.3	\$677.6

– Secretary of Labor

- **Additional Staffing.** Proposes \$399,950 GF in FY 2024 in ongoing support for two additional positions in the Office of the Secretary of Labor.

– Department of Labor and Industry

- **Pharmacy Student Learner Monitoring.** Recommends \$100,832 GF in FY 2024 to increase funding for the regulation of business practices. While no specific language is included, the narrative justification indicates the increased funding will be used to support an additional Child Labor Law compliance officer to ensure the safety of students in pharmacy education programs.
- **Revert Surplus Labor Law Program Balances.** Includes language directing the reversion of \$216,875 from surplus balances of the Labor Law Services program prior to the end of the biennium.

– **Department of Professional and Occupational Regulation**

- **Increase Nongeneral Fund Appropriation to Support Current Staffing and Operating Costs.** Recommends an additional \$856,300 NGF in FY 2024 to support recently filled vacancies and the expectation of a new information technology system.

– **Virginia Employment Commission (VEC)**

- **Unemployment Insurance Trust Fund.** Proposes a discretionary deposit of \$100.0 million GF to the Unemployment Insurance Trust Fund. This funding, in addition to the \$1.3 billion in federal pandemic response (CARES and ARPA) funding and \$18.7 million GF that has been added since FY 2021. The UI Trust Fund is currently at 55 percent solvency with a balance of \$1.46 billion. The proposed funding would bring total capitalization of the UI Trust Fund to \$1.6 billion.
- **Establish Unemployment Insurance Line of Credit.** A proposed amendment to Part 3 authorizes a \$30.0 million line of credit, upon approval of the Secretary of Labor in consultation with the Secretary of Finance, for VEC operational costs of the administration of the Unemployment Compensation program in periods of significant increases in unemployment.
- **Remove General Fund Position Authorization.** Recommends removing authorization for five general fund supported positions originally authorized and funded in Chapter 552, 2021 Special Session I. While the positions remain authorized, no ongoing general funding has been provided to support ongoing annual costs since FY 2022.
- **Continue Support for Additional Appeals Staff.** A separate action in Central Accounts proposes \$3.8 million NGF in FY 2023 and \$6.8 million NGF in FY 2024 from federal American Rescue Plan Act funds for continued contractor staffing support in the claims appeals process.
- **Continue ARPA Support for Customer Contact Centers.** A separate action in Central Accounts proposes a \$1.7 million NGF increase in FY 2024 from federal

American Rescue Plan Act funds to continue contract support for customer contact centers in addition to the \$17.6 million NGF currently authorized for this purpose.

Natural and Historic Resources

Governor's Proposed Amendments to Natural and Historic Resources (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$557.7	\$409.8	\$187.5	\$384.1
Proposed Increases	214.5	0.9	394.2	5.3
Proposed Decreases	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
\$ Net Change	\$214.5	\$0.9	\$394.2	\$5.3
HB 1400/SB 800, as Introduced	\$772.2	\$410.6	\$581.7	\$389.4

– Secretary of Natural and Historic Resources

- **Fund Strategies to Implement Flood Resistance.** Proposes \$500,000 GF in each year to develop strategies and improve interagency cooperation for flood resilience across the Commonwealth. This is a net zero transfer of an existing appropriation within the Secretary of Public Safety.

– Department of Conservation and Recreation

- **Water Quality Improvement Fund Deposit.** Recommends a total of \$137.1 million GF in FY 2024 for deposit to the Water Quality Improvement Fund. Of these amounts, \$87.1 million GF represents the allocation of statutorily dedicated prior year excess revenues and agency balances, and an additional

\$50.0 million GF is a supplemental appropriation to support the implementation of agricultural best management practices in accordance with a plan to be developed by the Secretary of Natural Resources.

A total \$131.0 million GF from excess FY 2022 general fund revenue collections and agency balances is statutorily designated for the Water Quality Improvement Fund. Of these amounts, \$87.1 million GF is provided to the Department of Conservation & Recreation (DCR) and \$43.9 million is provided to the Department of Environmental Quality (DEQ) for wastewater treatment plant projects funded under the Enhanced Nutrient Reduction Certainty program.

Of the \$87.1 million deposit to the WQIF managed by DCR, \$73.8 million is transferred to the Natural Resources Commitment Fund, a subfund of the WQIF, for investment in agricultural best management practices, to be distributed as follows:

- \$45.7 million for matching grants within the Chesapeake Bay watershed;
 - \$19.6 million for matching grants outside of the Chesapeake Bay watershed;
 - \$8.5 million for technical assistance; and
 - \$13.3 million for deposit to the WQIF Reserve Fund.
- **Provide Additional Funding for the Resilient Virginia Revolving Loan Fund.** Proposes \$200.0 million GF over the biennium for deposit to the Resilient Virginia Revolving Loan Fund. Of these amounts, \$100.0 million GF in FY 2024 is provided contingent upon FY 2023 revenues exceeding the official forecast. These funds would be in addition to \$25.0 million NGF in Regional Greenhouse Gas Initiative balance authorized for deposit to the Fund in Chapter 2, 2022 Special Session I.
 - **Support for Hayfields State Park Operations.** Recommends \$692,436 GF in FY 2024 and two positions to support operations of the new Hayfields State Park. The General Assembly directed the transfer of the property from the Virginia Outdoors Foundation to DCR for operation as a State Park in Chapter 56, 2020 Special Session I. Additional modifications to existing language remove the

requirement that an inholding parcel continue to be managed by the Virginia Outdoors Foundation.

- **Supplant Federally Funded Soil and Water Conservation Positions.** Proposes \$400,823 GF in the second year to continue soil and water conservation positions previously funded through federal grants.
- **Address Compression among Law Enforcement Personnel.** Recommends \$358,675 GF in FY 2024 to address compression across DCR law enforcement positions.
- **Increase Support for Dam Safety Regional Engineers.** Includes \$490,350 NGF in FY 2024 to provide for three regional dam engineering positions funded under the National Dam Safety Program in the Infrastructure Investment and Jobs Act.
- **Provide lifetime free admission to Virginia State Parks for the Virginia National Guard.** Proposes \$20,000 GF in FY 2024 and language authorizing lifetime free admission and parking to Virginia State Parks for members of the Virginia National Guard. Parking fees for Veterans are currently waived on Nov. 11.
- **Increase Flexibility of Water Quality Funding.** Proposes to amend existing Appropriation Act language to expand the use of water quality improvement funds for new and existing regulated municipal separate storm sewer system localities. Current language limits the use of this funding to only newly regulated localities.
- **Replace Underground Storage Tanks (Phase 1).** A capital outlay proposal recommends \$3.0 million GF in FY 2023 for the first phase of an ongoing effort to replace aging underground storage tanks across DCR maintained properties.
- **Soil and Water Conservation District Dam Projects.** Recommends language in the Capital Outlay section to authorize shifting prior capital outlay appropriations of \$45.5 million GF for Soil and Water Conservation District dam repairs to an operating appropriation for deposit to the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund.

This change will enable the capital projects to be managed by the Soil and Water Conservation Districts with reimbursements from the Fund managed by DCR.

– **Department of Environmental Quality**

- **Enhanced Nutrient Removal Certainty Program.** Recommends a total of \$237.1 million for deposit to the Enhanced Nutrient Removal Certainty Program to provide reimbursement of expenses incurred for nutrient reduction upgrades at identified wastewater treatment plants primarily managed by the Hampton Roads Sanitation District. Of these amounts:
 - \$107.1 million GF is a proposed discretionary appropriation;
 - \$43.9 million GF is designated from the statutory Water Quality Improvement Fund (WQIF) deposit; and
 - \$86.1 million NGF is proposed to be provided from the redistribution of federal American Rescue Plan Act funds.
- **Supplement Richmond Combined Sewer Overflow (CSO) Project.** Proposes \$100.0 million GF in FY 2023 in additional funding for the Richmond Combined Sewer Overflow project. This is in addition to \$150.0 million NGF in federal ARPA funding previously approved for this project.
- **Support Upgrades at Poor Creek Pump Station.** Recommends an additional \$5.5 million GF the first year in support of water and wastewater upgrades at the Poor Creek Pump Station in addition the current disbursement of \$29.5 million NGF in ARPA proceeds approved in Chapter 2, 2022 Special Session I.
- **Implement the Permit Evaluation and Enhancement Program (PEEP).** Proposes a one-time expenditure of \$3.5 million GF in FY 2023 for improvements to DEQ public-facing online resources for improved transparency and tracking of permitting steps across state agencies and for integration with localities.

- **Update Human Resources Software.** Recommends \$2.0 million GF in FY 2024 for DEQ to begin upgrading internal finance and human resources software applications to avoid security risks.
- **Align Nongeneral Fund Appropriations with Projected Expenditures.** A series of proposed technical amendments provides a net total increase of \$890,602 in each year from modifications to 12 different nongeneral funds maintained by DEQ. The largest increases are for Litter Control and Recycling Grants and the Water Facilities Revolving Loan Fund and the largest decreases are for the Waste Management Board Permit Program and federal funds for Land Protection and Compliance.

– Department of Wildlife Resources

- **Increase GF Transfer to Game Protection Fund.** Proposes to increase the annual general fund transfer to the Game Protection Fund by \$1.2 million in FY 2024. A corresponding amendment in Part 3 increases the transfer from \$11.5 to \$12.7 million. This additional funding is intended to address compression in the agency's law enforcement positions.
- **Adjust Federal Wildlife Restoration Funding.** Recommends an increase of \$2.7 million NGF in FY 2024 for anticipated increases in federal wildlife restoration funding.
- **Expand Authorization for Dam Safety Funding.** Proposes to modify an existing capital outlay authorization of \$9.7 million in bond proceeds included in Chapter 806, 2013 Acts of Assembly, to expand the authorization to include dams of both high and significant hazard.

– Department of Historic Resources

- **Deputy Director of Programs.** Recommends ongoing funding of \$175,000 GF beginning in FY 2024 to support an additional position to serve as the Deputy Director of Programs with responsibility for managing the agency's historic preservation programs.

- **Black, Indigenous, and People of Color (BIPOC) Preservation Fund.** Proposes an additional one-time deposit of \$5.0 million GF to the BIPOC Preservation Fund, bringing the total proposed funding to \$10.0 million in FY 2023. Additionally, proposed modifications to the Appropriation Act language ensures funding is used consistent with the statute adopted by the 2022 General Assembly.

– **Marine Resources Commission**

- **Provide Funding to address Salary Compression in Law Enforcement.** Recommends \$1.8 million GF in FY 2024 in base funding adjustments to address compression in the agency’s law enforcement positions.
- **Update Benchmark Stock Assessment for the Chesapeake Bay Blue Crab.** Proposes \$225,000 GF in FY 2024 to partially support the cost of an updated blue crab stock assessment in partnership with the Environmental Protection Agency and Maryland.

Transportation

Governor’s Proposed Amendments to Transportation (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$51.5	\$10,947.0	\$110.0	\$11,050.5
Proposed Increases	150.0	162.8	0.5	253.8
Proposed Decreases	<u>0.0</u>	<u>(8.1)</u>	<u>0.0</u>	<u>(154.1)</u>
\$ Net Change	\$150.0	\$154.7	\$0.5	\$99.7
HB 1400/SB 800, as Introduced	\$201.5	\$11,101.7	\$110.5	\$11,150.2

– **Secretary of Transportation**

- **Expand GARVEE Eligibility.** Language is proposed that would expand projects eligible for funding through the federal Grant Anticipation Revenue Vehicle (GARVEE) program to include the Interstate Operations and Enhancement Program.

– **Virginia Commercial Spaceflight Authority**

- **Rocket Lab Land Acquisition.** Proposes a one-time capital outlay authorization of \$3.1 million GF in FY 2023 for acquisition of land adjacent to the Mid-Atlantic Regional Spaceport to support an economic development initiative related to the Rocket Lab project approved by the 2022 General Assembly. This is in addition to \$30 million GF authorized in Chapter 1, 2022 Special Session 1, for general improvements to the Mid-Atlantic Regional Spaceport and a separate authorization of \$15 million GF authorized in Chapter 1 for expenses related to the construction of a 20,000 square foot shell building at the Wallops Island Flight Facility.

– **Department of Aviation**

- **State Plane Replacement.** Transfers \$8.1 million NGF funding authorized in Chapter 2, 2022 Special Session I, for replacement of one of the Commonwealth's 2007 King Air 350 aircraft, from the first year to the second year to reflect the delayed delivery of the new plane. It is anticipated that an additional appropriation of \$500,000 NGF would be required in the next biennium.
- **Update Appropriation to Reflect Forecast.** Proposes a net increase of \$4.6 million NGF in FY 2023 and \$4.9 million NGF in FY 2024 to reflect the November revisions to the Transportation Trust Fund and increased allocations for previously adopted salary increases.

– **Department of Transportation (VDOT)**

- **Appropriate Reserved Funding for I-64.** Appropriates \$150.0 million GF in FY 2023 to improve Interstate 64 between Exit 205 and Exit 234 from funding

which was reserved on the FY 2022 year-end balance sheet (contingent item in Chapter 2). In addition to these amounts, \$110.0 million GF is provided in FY 2024 that was previously appropriated in Chapter 2. Including \$210.0 million provided in FY 2022 (Chapter 1, 2022 Special Session I), \$470.0 million GF has been appropriated by the General Assembly for this project.

- **Update Revenues to Reflect Financial Plan.** Proposes several actions that provide a net increase in VDOT appropriations by \$124.3 million NGF in FY 2023 and a net reduction of \$47.5 million NGF in FY 2024 based on November revised revenue estimates and the financial plan adopted by the Commonwealth Transportation Board in July 2022.
 - **Increase Surface Transportation Block Grant.** Increases anticipated federal and state matching funding for the Surface Transportation Block Grant by \$30.5 million NGF in FY 2024.
 - **Increase local project participation.** Increases by \$113.0 million NGF in FY 2024 the anticipated revenues from localities and regional transportation authorities for participation in construction project managed by VDOT.
 - **CMAQ Reduction.** Reduces anticipated federal revenues for the Congestion Mitigation and Air Quality (CMAQ) program by \$131.8 million NGF in FY 2024.
 - **PROTECT Reduction.** Reduces second year funding from the Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) program by \$7.5 million NGF in the second year and eliminates the requirement that state matching funds are allocated to support the new federal program established under the Infrastructure Investment and Jobs Act.
 - **Reduce Carbon Reduction Program.** Reduces anticipated federal revenues for the Carbon Reduction Program established under the Infrastructure Investment and Jobs Act by \$2.3 million NGF in FY 2024 to reflect the spending plan adopted by the Commonwealth Transportation Board in November 2022.

- **Defer Route 58 Corridor Bond Proceeds.** Eliminates the planned appropriation of \$152.2 million in Route 58 Corridor Program bond proceeds to reflect the delayed anticipation of bond sales to FY 2025.
- **Virginia Transportation Infrastructure Bank (VTIB).** Recommends eliminating the appropriation of \$15.3 million NGF in each year from the statutory distribution of Commonwealth Transportation Funds to the Virginia Transportation Infrastructure Bank. It is anticipated that legislation to be considered by the 2023 General Assembly will modify the existing statutory distributions to provide additional funding for the Transportation Partnership Opportunity Fund (TPOF). Additional language directs the transfer of \$100.0 million NGF in uncommitted balances of the VTIB to the TPOF.
- **Transportation Partnership Opportunity Fund (TPOF).** Proposes to eliminate the appropriation of \$10.0 million NGF in each year from the statutory distribution of Commonwealth Transportation Funds to the TPOF, directs the transfer of \$100.0 million in balances of the Virginia Transportation Infrastructure Bank to the TPOF, and provides language directing the Commonwealth Transportation Board to allocate \$200.0 million to the TPOF from revised increased transportation revenues for FY 2024 through FY 2029.
- **Transportation Initiatives.** Proposes language directing that general fund appropriations for transportation initiatives, including \$260.0 million GF over the biennium for Interstate 64 and \$0.5 million GF in FY 2024 for studying the use of public-private partnerships for Interstate 81, are transferred to the appropriate nongeneral fund detail for expenditure. Additionally, language is proposed that would require VDOT to annually report on the allocation of funds from the 2022 Transportation Initiative to the Department of Planning and Budget. These projects include:
 - \$30.0 million for improvements to the Mid-Atlantic Regional Spaceport that enhance the capabilities of the Spaceport to support existing programs and provide access to space for new customers and programs;

- \$37.5 million for additional support of the planning, development, and construction of multi-use trails throughout the Commonwealth.
- \$210.0 million to improve Interstate 64 between exit 205 and exit 234; and
- \$10.0 million to support the extension of the Nimmo Parkway.
- **Increase Pass-Through Funding to Regional Transportation Authorities.** Increases the total amount of funding from state-imposed taxes that are passed-through to regional transportation authorities by \$26.4 million NGF in FY 2023 and \$129.4 million NGF in FY 2024.
- **VDOT Capital Outlay.** Proposes to increase the VDOT capital outlay authorization for design, construction, and renovation of VDOT facilities from \$40.0 million NGF to \$60.0 million NGF in FY 2024.

– **Virginia Port Authority (VPA)**

- **Increase debt service.** Proposes a technical amendment to increase debt service appropriations in the second year from \$7.0 million NGF to \$14.5 million NGF for debt previously authorized to finance improvements at Norfolk International Terminals. A corresponding reduction to the appropriation for the maintenance and operations of port facilities effectuates this net zero transfer.
- **Rent Increase.** Includes funding to increase rent and lease payments for Virginia International Terminals by \$3.5 million NGF in FY 2023 and \$3.7 million NGF in FY 2024.
- **Port Opportunity Fund.** Recommends a technical amendment to establish an appropriation of \$4.0 million NGF in each year of the biennium for the VPA allocation to the Port Opportunity Fund. The allocations of revenue for this activity have been previously handled administratively.

Public Safety and Homeland Security

Governor’s Proposed Amendments to Public Safety and Homeland Security (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$2,445.8	\$1,429.9	\$2,451.8	\$1,484.5
Proposed Increases	26.5	0.0	131.3	2.4
Proposed Decreases	<u>(26.5)</u>	<u>0.0</u>	<u>(26.3)</u>	<u>0.0</u>
\$ Net Change	\$0.0	\$0.0	\$105.0	\$2.4
HB 1400/SB 800, as Introduced	\$2,445.8	\$1,429.9	\$2,556.9	\$1,486.9

– Secretary of Public Safety and Homeland Security

- **Transfer Flood Control Study Funding.** Proposes transferring \$500,000 GF each year that was previously appropriated for the nonfederal cost share of a flood control study conducted through the U.S. Corp of Engineers. A corresponding action provides \$500,000 GF each year to the Secretary of Natural and Historic Resources to assess strategies for improving intergovernmental coordination and maximizing federal funding related to flood resiliency.

– Commonwealth’s Attorneys Services Council

- **Acquire a Data File Sharing Program.** Proposes \$15,937 GF the first year and \$8,602 GF the second year for a new data file sharing and cloud storage program for the agency’s training programming to address security concerns with the current program.

– **Virginia Alcoholic Beverage Control Authority**

- **Increase Transfer of Net Profits.** Language in Part 3 increases by \$19.3 million the first year the transfer of net profits to the general fund, for a total transfer of \$131.4 million in FY 2023 and nearly \$116.0 million in FY 2024.

– **Department of Corrections**

- **Increase Salaries for Vacant Positions.** Recommends \$8.6 million GF the second year to fund recently enacted salary increases for vacant positions, including \$8.3 million for security positions and \$242,251 for probation and parole positions. Chapter 2, 2022 Special Session I Acts of Assembly, increased compensation for probation, parole, and security positions and provided funding to cover those increases for filled positions. The proposed funding would cover those increases for some of the Department’s vacant positions, including 57 probation and parole positions, 811 correctional officer positions, and 37 security supervisor positions (position numbers based on the Department’s 2018 vacancy rate).
- **Continue Lawrenceville Correctional Center Contract.** Recommends \$5.3 million GF the second year for a stated one-time appropriation to extend DOC’s contract for management of Lawrenceville Correctional Center. The adjustment is based on the consumer price index, as established by the contract.
- **Adjust Inmate Medical Funding.** Proposes a net-zero transfer of funds between service areas within the medical program. This redistribution of existing funds adjusts for a later transition from vendor-provided healthcare to direct DOC-provision of healthcare (“in-house” model) at 12 correctional centers. The proposal also adds 17.0 positions to accommodate positions currently included in the comprehensive healthcare contract, including 11 health service unit monitors and six registered nurses.
 - DOC plans to transition two facilities to “in-house” in July 2023 and the remaining ten facilities in October 2023, which is later than the timeline envisioned in Chapter 2, 2022 Special Session I Acts of Assembly. After the

transition, DOC employees will be the primary healthcare provider at all DOC facilities.

- **Provide 24-Hour Nursing.** Proposes \$3.8 million GF the second year for 37 registered nurses at eight correctional centers. The amount is sufficient to support 24-hour medical coverage at all facilities with healthcare managed directly by DOC; the vendor-managed sites transitioned to 24-hour medical coverage earlier this year. Funding is prorated to cover 10 months of costs.
- **Backfill Drug Offender Assessment Fund Shortfall.** Proposes \$1.3 million GF the second year to account for declining revenues in the Drug Offender Assessment Treatment Fund, which consists of fees imposed on certain drug offenses. This amount is sufficient to continue 30 probation and parole positions and evidence-based practices that are currently covered by the Fund.
- **Prison Bedspace Impact of Legislation.** Pursuant to § 30-19.1:4, Code of Virginia (Woodrum impact), proposes a deposit of \$550,000 GF in FY 2024 into the Corrections Special Reserve Fund for the estimated prison bedspace impact of 11 pieces of potential legislation to be considered in the 2023 Session of the General Assembly.
- **Renovate Franklin County Jail.** Includes \$32,401 GF the second year for Franklin County Jail to upgrade its security systems. This state share represents 25.0 percent of the total renovation cost.
- **Local and Regional Jail Project (Treasury Board).** Proposes under the Treasury Board the authorization of 9(d) tax supported VPBA bonds of nearly \$10.0 million for expansion and renovation of the Loudoun County Adult Detention Center and \$11.7 million for renovation of the Albemarle-Charlottesville Regional Jail. This represents the state's 25.0 percent share of the total cost.
- **Expand Reentry Seminar.** Recommends \$100,000 NGF the second year to expand a reentry seminar entitled "Are You Ready: Overcoming Obstacles of Reentry" from ten to 25 correctional facilities. The proposed funding source is commissary sales revenue.

– Department of Criminal Justice Services

- **Law Enforcement Recruitment Grant Fund.** Proposes \$30.0 million GF the second year for the Operation Bold Blue Line initiative to support law enforcement hiring and training. Budget language designates this as a one-time appropriation that could support: 1) grants to state and local law enforcement agencies for recruitment and training efforts, including sign-on bonuses and relocation expenses; 2) accelerated lateral training programs for law enforcement, including out-of-state officers relocating to the Commonwealth; and 3) centralized recruitment efforts, including marketing and advertisements. The proposed amount includes \$121,040 for one position to coordinate the Operation Bold Blue Line initiatives.
- **Increase Operation Ceasefire Grants.** Recommends \$20.0 million GF the second year for a stated one-time deposit to the Operation Ceasefire Grant Fund. The Fund supports group violence intervention efforts including violent crime reduction strategies, law enforcement equipment and training, and grants to state and local agencies.
- **Establish the Virginia Mass Violence Care Fund.** Proposes \$10.0 million GF the second year to establish the Virginia Mass Violence Care Fund. Budget language establishes the non-reverting Fund to assist victims of mass violence in Virginia beginning three years after the mass violence event. Eligible expenses include, but are not limited to, out-of-pocket expenses not covered by insurance. The Administration states this would be a one-time appropriation and that interest earned on the Fund is to be used.
- **Develop a New Credentialing Management System.** Recommends \$500,000 GF the first year to develop the framework for a new credentialing management system for private security services, special conservators of the peace, bail bondsmen, bail enforcement agents, and tow truck drivers. This one-time funding would support planning for system replacement.

- **Law Enforcement Hiring Coordinator.** Recommends \$100,328 GF the second year for 1.0 position to coordinate efforts to assist military members who may wish to pursue a law enforcement career after they leave the military.
- **Southern Internet Crimes Against Children Task Force.** Proposes \$100,000 GF the second year for the Southern Virginia Internet Crimes Against Children Task Force to account for declining revenues from court fees.
- **Backfill Victim-Witness Program.** Increases by \$1.3 million NGF the second year the special revenue appropriation for victim witness services to account for anticipated declines in federal Victims of Crime Act (VOCA) grant funding. The source of this funding is the Virginia Crime Victim-Witness Fund, which consists of state court fees. The Department states that they will ensure ongoing revenue is sufficient to support the increase before withdrawing from the Fund.
- **Remove Local Match for Body Worn Camera Grant Program.** Proposes removing the 50 percent local match requirement for the Body Worn Camera Grant Program, which provides one-time grants to Virginia law enforcement agencies to purchase, operate, and maintain body worn cameras. The Department believes this will enable additional localities to access approximately \$5.1 million in remaining balances from the \$6.4 million GF appropriation adopted during the 2020 Special Session I of the General Assembly.

– **Department of Emergency Management**

- **Continue Disaster Logistics Warehouse Funding.** Proposes \$1.1 million GF the second year to continue funding for the disaster supplies warehouse. The Administration states this would be a one-time appropriation. Operational expenses for the warehouse are currently covered by an expiring COVID-specific general fund appropriation.

– **Department of Fire Programs**

- **Increase Funding for Fire Inspections.** Proposes \$455,894 GF the second year, an increase of 16.1 percent in the general fund appropriation for the

Department's regulation of structure safety program, to address an increase in fire inspection request workloads and a decrease in nongeneral fund revenues.

– **Department of Forensic Science**

- **Increase Positions to Address Workloads.** Recommends \$314,637 GF the second year for four biologist positions to help address a 26 percent increase in DNA cases between 2017 and 2021. In addition, proposes funding of \$49,167 GF the second year to convert an evidence receiving technician in the Western Lab from part- to full-time, which the Department believes will alleviate workload and retention challenges.
- **Continue Cell Phone Software Subscriptions.** Proposes \$107,770 GF the second year to support software to unlock cell phones with potential evidence for criminal investigations.
- **THC Edible Analysis.** Proposes \$85,247 GF the second year for a lab specialist position to analyze tetrahydrocannabinol (THC) edibles, pursuant to potential legislation to be considered during the 2023 Session of the General Assembly.
- **Backfill PERK Coordinator Funding.** Recommends \$77,585 GF the second year to continue the Physical Evidence Recovery Kit (PERK) coordinator position, who manages software that tracks PERK samples. The position is currently covered by a federal grant that is expiring in 2023.

– **Department of Juvenile Justice**

- **Juvenile Detention Center Leases.** Recommends \$2.9 million GF the second year to house state-responsible juveniles at local juvenile detention centers. The funds would support four months of staffing and operational costs, as well as leasing agreements, for approximately 30 beds. The Department anticipates a need for additional capacity, in part due to guidelines to lengthen the average time juveniles spend in state custody.
- **Juvenile Correctional Center Capacity.** Proposes \$764,839 GF the second year for two months of staffing (59 positions) and other operational costs to increase capacity at Bon Air Juvenile Correctional Center (JCC). The Department

anticipates a need for additional capacity, in part due to guidelines to lengthen the average time juveniles spend in state custody.

- A corresponding proposed capital outlay change would transfer \$2.6 million in bond authorizations from the Department of Corrections to the Department of Juvenile Justice for Bon Air JCC renovations.
- The proposed operational and capital outlay changes would increase Bon Air JCC capacity to approximately 350 beds.
- **Increase Resident Specialist Signing Bonuses.** Recommends \$267,500 GF the second year to support signing bonuses to help address vacancy rates for residential specialists, positions that provide direct care and security at Bon Air JCC. This funding would enable the Department to raise its signing bonuses from \$5,000 to \$7,500 per residential specialist hire. The Administration states this would be a one-time appropriation.

– **Department of State Police**

- **Phase Two VITA Transformation.** Recommends \$9.4 million GF the second year for phase two of the Department's transition to the Commonwealth's information technology environment through the Virginia Information Technologies Agency (VITA).
- **New Sworn Positions.** Proposes \$3.3 million GF the second year and 46.0 positions for sworn officers to address workload issues and expand public safety services. This funding would cover four positions in the Executive Protection Unit, six investigators for firearms and sex offender crimes, five drug enforcement agents, one high tech crimes surveillance agent, and eight agents for a proposed human trafficking division. The proposed changes also provide an adjustment for 8.0 GF positions for gaming enforcement that were previously funded to support legislation enacted during the 2022 Session of the General Assembly, as well as 14.0 NGF positions in anticipation of privately funded troopers for expanded express lanes. Funding is prorated to cover 10 months of costs.

- **New Civilian Positions.** Recommends \$2.0 million GF the second year and 21.0 civilian positions to address workload issues. This proposal would cover four field analytical support positions, two behavioral threat assessment positions, six fusion center analysts, two human trafficking analysts, and a human trafficking victim coordinator. It also would include an aviation safety officer and four aviation division pilots to address issues related to pilot fatigue and an adjustment for 1.0 position to account for a previously funded gaming enforcement analyst. Funding is prorated to cover 10 months of costs.
- **Address Salary Compression.** Proposes \$2.0 million GF the second year to help address salary compression. Pursuant to Chapter 2, 2022 Special Session I Acts of Assembly, employees who received a targeted salary increase of 7.5 percent or greater also received a 2.5 percent salary increase in FY 2023, while other state employees received a 5.0 percent salary increase in FY 2023. This proposal would provide a targeted salary increase of 1.4 percent to individuals who received the 2.5 percent salary increase to help align all employees with the Department's pay structure.
- **Replace VCIN.** Proposes \$1.4 million GF and \$1.0 million NGF the second year for initial costs of replacing the server for the Virginia Criminal Information Network (VCIN), which contains criminal records and other public safety information. This proposal is a short-term solution until a modern, cloud-based solution is implemented in FY 2027 (VSP believes with federal funds). The proposal represents the first installment for the short-term solution, with average annual costs estimated at \$1.9 million over the next four fiscal years.
- **Organized Retail Crime Task Force.** Proposes \$772,760 GF the second year and 5.0 positions to support software tracking of organized retail crime, as part of a proposed organized retail crime task force. This is related to potential legislation to be introduced during session.
 - A companion proposal for the task force would provide \$414,105 GF the second year and 3.0 investigative/prosecutorial positions to the Office of the Attorney General to help address the increasing incidence of organized retail crime.

- **Northern Internet Crimes Against Children Task Force.** Recommends \$517,000 GF the second year for the Northern Virginia Internet Crimes Against Children Task Force to account for declining revenues from court fees.
- **Replace Two Helicopters.** Recommends \$203,000 GF the second year to acquire two replacement helicopters using Virginia's Master Equipment Leasing Program (MELP). One Airbus helicopter suffered an on-the-ground, total-loss crash in March 2022 and one previously damaged helicopter should be replaced because it requires frequent repairs. The proposal includes \$2.1 million in annual debt service payments, which are offset by the helicopters' trade-in values, insurance settlement proceeds, and available MELP funding in the Department's base budget.

Veterans and Defense Affairs

Governor's Proposed Amendments to Veterans and Defense Affairs (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$58.5	\$171.8	\$52.4	\$171.8
Proposed Increases	0.0	0.0	4.1	22.0
Proposed Decreases	<u>0.0</u>	<u>0.0</u>	<u>(2.2)</u>	<u>(1.5)</u>
\$ Net Change	\$0.0	\$0.0	\$1.9	\$20.5
HB 1400/SB 800, as Introduced	\$58.5	\$171.8	\$54.3	\$192.3

– Department of Veterans Services

- **Increase V3 Grant Awards.** Recommends \$900,000 GF the second year for the Virginia Values Veterans (V3) program to increase its grant award from

\$1,000 to \$5,000 per hire. The V3 program incentivizes small businesses to employ members transitioning out of the service by awarding a grant for each hired veteran, with a maximum of 10 awards per business per fiscal year.

- **Reduce Cemetery Burial Fees.** Recommends \$400,000 GF the second year to enable the Department to eliminate veteran cemetery burial fees for members of the National Guard, members of the Military Reserve, and spouses and dependents of veterans. Burial fees are currently \$400 for veteran spouses and dependents and between \$1,700 and \$2,000 for Guardsmen and Military Reservists.
- **New Positions for PACT Act Caseloads.** Proposes \$416,667 GF the second year and 5.0 positions for veterans services representatives to assist with an anticipated increase in U.S. Department of Veterans Affairs claims due to the U.S. Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act. The federal PACT Act was enacted in August 2022 and expands healthcare and benefits for veterans exposed to burn pits, Agent Orange, and other toxic substances. Funding is prorated to cover 10 months of costs.
- **Hire Vets Now Fellowship Coordinator.** Proposes \$96,250 GF the second year for 1.0 position to support the expansion of the Hire Vets Now SkillBridge Fellowship program, which connects members transitioning out of military service to internship, apprenticeship, and job training opportunities. Funding is prorated to cover 10 months of costs.
- **Increase Available Funding for New Veterans Care Centers.** Recommends increasing the existing NGF appropriation and working capital advance to support start-up costs for two new veterans care centers. The proposal would increase the veterans care centers appropriation by \$20.5 million NGF the second year, including \$14.0 million in the Department of Veterans Services Special Revenue Fund and \$6.5 million in federal funds, to account for anticipated revenue from health insurance reimbursements and care center operations. In addition, the proposal would increase the existing working capital advance for the two new centers by \$17.0 million beginning in FY 2024, for a total of \$33.0 million.

The Jones and Cabacoy Veterans Care Center in Virginia Beach is expected to open in February 2023 and the Puller Veterans Care Center in Fauquier County is expected to open in May 2023.

- **Replace and Renovate Existing Veterans Care Centers (Capital Outlay):** Recommends three capital outlay proposals for the veterans care centers in Roanoke and Richmond. Language would authorize the Department to request federal funds to renovate the Sitter and Barfoot Veterans Care Center in Richmond and to construct a replacement veterans care center in Roanoke. After the U.S. Department of Veterans Affairs has determined that federal funds will be allocated for the project, the Director, Department of Planning and Budget, can approve a short-term, interest-free treasury loan of \$4.8 million to renovate the Sitter and Barfoot Veterans Care Center and \$57.3 million to construct the replacement veterans care center in Roanoke. In addition, proposes \$244,519 GF and \$454,106 NGF the first year to replace the fire alarm systems at the Sitter and Barfoot Veterans Care Center.

– **Veterans Services Foundation**

- **Establish Finance Manager Position.** Recommends \$109,079 GF the second year and 1.0 position for a new finance manager position. The foundation would assume financial management of its donations from the Department of Veterans Services. Funding is prorated to cover 10 months of costs.

Central Appropriations

Governor's Proposed Amendments to Central Appropriations (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$451.1	\$1,128.5	\$732.5	\$222.0
Proposed Increases	0.4	15.4	234.4	0.0
Proposed Decreases	<u>(10.0)</u>	<u>(2.9)</u>	<u>(7.9)</u>	<u>0.0</u>
\$ Net Change	(\$9.6)	\$12.5	\$226.5	\$0.0
HB 1400/SB 800, as Introduced	\$441.5	\$1,141.0	\$959.1	\$222.0

– Compensation Supplements

- **One-Time Bonuses for State Employees.** Proposes \$99.8 million GF the second year to provide a one-time bonus of \$1,500 to full-time state employees, on December 1, 2023. All classified employees of the Executive Branch and other full-time employees of the Commonwealth, except elected officials, employed on or before August 10, 2023, who remain employed through at least November 10, 2023, are eligible for the bonus.
- **Merit-Based Bonuses for State Employees.** Recommends a separate funding pool of \$100.0 million GF the second year to provide one-time, merit-based bonuses of up to 10.0 percent of base salary to qualifying state employees on December 1, 2023. Employees subject to the Virginia Personnel Act would have to receive an equivalent rating of at least “Extraordinary Contributor” on performance evaluations conducted within the previous twelve months to qualify. The Governor or his designee would determine eligibility for individual gubernatorial appointees. Actual bonus amounts would depend upon the costs for

the total number of state employees identified as eligible, based on a report due to the Department of Human Resource Management by October 10, 2023. If additional funds remain, they would be reappropriated in the next fiscal year for additional bonus payments.

Proposed GF Compensation Adjustments (\$ in millions)	
	<u>FY 2024</u>
<u>One-Time Actions</u>	
Merit Bonus, Full-Time State Employees (Contingent)	\$100.0
Flat-Rate Bonus (\$1,500), All State Employees	99.8
Direct Aid K-12 Instructional Staff, Merit Bonus	50.0
Direct Aid K-12 Instructional and Support Staff, Retention Bonus	45.2
Direct Aid K-12 Recruitment Incentive, Hard-to-Staff Positions	<u>10.0</u>
Subtotal	\$305.0
<u>Targeted Salary Adjustments.</u>	
Compensation Board: Deputy Sheriffs, Regional Jail Officers	\$13.9
Behavioral Health Food Service and Housekeeping	9.0
Department of Corrections: Vacant Corrections, Parole, Probation Officers	8.6
Indigent Defense Commission: Public Defenders	7.4
State Police: Salary Compression for Sworn Positions	2.0
Marine Resources Commission: Law Enforcement Compression	1.8
Va. School for the Deaf and the Blind: Salary Adjustment	1.1
Conservation and Recreation: Law Enforcement Compression	0.4
Wildlife Resources: Law Enforcement Compression	1.2
Department of Health: Chief Medical Examiner's Office	1.5
Office of the Attorney General: Non-Attorney Staff	0.5
Virginia Criminal Sentencing Commission: Salary Adjustment	<u>0.1</u>
Subtotal	\$47.5
Total	\$352.5

- **Targeted Salary Adjustments.** Includes \$47.5 million GF and \$830,056 NGF the second year in targeted salary adjustments for a variety of state and

state-supported local employees, including sworn law enforcement personnel, constitutional officers, public defenders, specialized educators and support staff, staff with the Virginia Criminal Sentencing Commission, non-attorney staff in the Office of the Attorney General, and critical food service and housekeeping positions at state-operated behavioral health and intellectual disability facilities.

- **Adjust Funding for State Health Insurance Premiums.** Recommends a reduction of \$2.0 million GF the second year for the state share of employee health insurance premiums. The current budget assumes a 4.5 percent increase in rates; however, the actuarially determined rates were lower, at 4.1 percent.

– **Distributed Agency Support**

- **Adjust Funding for Agency Rent Costs.** Proposes \$893,421 GF the second year to reflect changes in the cost of rent for space occupied by state agencies, reflecting increases in total square footage occupancy.
- **Adjust Funding for Line of Duty Act Premiums.** Recommends \$395,094 GF the first year and \$850,819 GF the second year to reflect the latest employee enrollment data provided by the Virginia Retirement System (VRS), as well as an increased rate of \$830 per eligible employee beginning in FY 2024, an amount certified by the VRS Board of Trustees.
- **Adjust Funding for Workers' Compensation Premiums.** Proposes to capture \$2.6 million GF the second year from agencies for workers' compensation premiums, reflecting data from the latest actuarial report.
- **Provide General Fund Support to Agencies for Updated Cardinal Financial System Charges.** Recommends \$269,708 GF the second year to address changes in the general fund share of Cardinal Financials system charges.
- **Increase Funding for the Innovative Internship Program and Fund.** Proposes an increase of \$5.0 million GF the second year for the Virginia Talent + Opportunity Partnership (V-TOP). While V-TOP is typically funded within the budget of the State Council of Higher Education for Virginia, a larger item under Central Appropriations within Chapter 2, 2022 Acts of Assembly,

Special Session I lays out a separate allocation of \$10.0 million GF the second year to expand existing programming. The proposed additional \$5.0 million GF is added to the second year within this Central Appropriations item.

- **Revert Surplus General Fund Balance.** Includes language directing the Director of the Department of Planning and Budget to revert \$6.6 million GF of surplus general fund balances in Central Appropriations.
- **Align Tech Talent Investment Fund Appropriation to Match Institutions' Authorized Memoranda of Understanding.** Proposes to remove \$2.9 million GF each year to align appropriations for the Tech Talent Investment Fund with institutions' current authorized memoranda of understanding and the amounts to be distributed.
- **Reflect One-Time Savings in Higher Education Credit Card Rebates and Interest Earnings.** Recommends the one-time removal of \$4.8 million GF the first year and \$2.9 million NGF the first year to reflect updated estimated total payment to individual institutions of higher education on interest earnings and credit card rebates. Rebates and interest earnings were lower than anticipated in FY 2022.

2022-24 Proposed Central Appropriations Adjustments (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
Virginia Talent + Opportunity Partnership	\$0.0	\$0.0	\$5.0	\$0.0
IT Adjustments	(2.3)	0.0	\$4.8	0.0
Line of Duty Act Premiums	0.4	0.0	0.9	0.0
Agency Rent Costs	0.0	0.0	0.8	0.0
Cardinal Financial System	0.0	0.0	0.3	0.0
Workers' Compensation Premiums	0.0	0.0	(2.6)	0.0
Tech Talent Alignment with MOUs	(2.9)	0.0	(2.9)	0.0
Revert GF Surplus Balance	0.0	0.0	(6.6)	0.0
Higher Education Interest, Rebates	<u>(4.8)</u>	<u>(2.9)</u>	<u>0.0</u>	<u>0.0</u>
Total	(\$9.6)	(\$2.9)	(\$0.3)	\$0.0

– **Funding for Information Technology Applications**

- **Adjust Funding for Changes in Agency Information Technology Costs.** Removes \$2.3 million GF the first year and \$446,357 GF the second year to reflect updated utilization rates by agencies of services provided by the Virginia Information Technologies Agency.
- **Provide Funding for Statewide Network Transformation.** Includes \$5.2 million GF the second year to support deployment of a software-defined wide area network (SD-WAN) solution to all client agency locations for network connectivity and resiliency.

– **Special Expenditures**

- **Provide Funding for Reimbursement of Presidential Primary Expenses.** Includes \$5.9 million GF the second year to reimburse the Department of Elections and localities for the expenses of the 2024 presidential primary.
- **Provide Reimbursement for State-Issued Fines for COVID-19 Related Violations.** Recommends \$1.0 million GF the second year to reimburse fines, fees, or interest paid by individuals in connection with violations of COVID-related restrictions. Language requires all agencies to report revenues collected from COVID-19 fines to the Secretary of Finance, who would then work with impacted cabinet secretaries to develop a reimbursement plan.
- **Develop Plan for Relocation of Washington Commanders.** Proposes \$500,000 GF the second year to support planning and evaluation of potential economic incentives by the Secretary of Finance for the potential relocation of the Washington Commanders to Virginia. Language notes the need for any such plan, including one for the establishment of a potential Stadium Authority, to serve the best interest of Virginia taxpayers.
- **Provide Additional Funding for Transformation Initiatives.** Recommends \$15.0 million GF the second year in additional funding to support new transformation initiatives, as identified by the Chief Transformation Officer.

The position of Chief Transformation Officer was established in January 2022 and \$10.0 million GF was previously provided for FY 2023.

- **Contingent Appropriations.** The introduced budget includes \$1.1 billion in contingent spending items and tax policy actions that can be unallotted and reverted to the general fund to offset the impact of any revenue shortfall. These policies are contingent on FY 2023 revenues meeting the forecast assumed in the budget. If revenues do not meet the FY 2023 forecast, the reduction in the top marginal individual income tax rate will not take effect in tax year 2024 and \$750.0 million in spending items will be unallotted by the Director of Planning and Budget. The Governor may restore within available resources, the reduction to the individual income tax rate and the spending allotments in the priority order listed in the budget (table lists contingent items or policies in priority order).

Contingent Policies in Introduced Budget (\$ in millions)	
Listed in Priority Order	<u>FY 2024</u>
Reduce Individual Income Tax Rate from 5.75% to 5.5%	\$333.3
Additional funding for Site Development	250.0
Additional funding for the Resilient Virginia Revolving Loan Fund	100.0
Employee Performance Bonus	100.0
Capital Cost Overruns	<u>300.0</u>
Total Contingent Policies	\$1,083.3

– **Disaster Planning, Operations, and Pandemic Response Funding**

- **Adjust Appropriation for American Rescue Plan Act State and Local Fiscal Recovery Fund Allocations.** Allocates the remaining \$15.4 million NGF and reallocates \$114.4 million NGF from previously authorized projects that are no longer needed for those purposes from federal funds received under the State

and Local Recovery Fund (SLRF) pursuant to the American Rescue Plan Act of 2021 (ARPA).

Proposed ARPA Reallocations and New Allocations		
(\$ in millions)		
Reallocations from Projects Authorized in Chapter 1, 2021 Special Session 1:		
<u>Agency</u>	<u>Project</u>	<u>Amount</u>
Department of Elections	Early voting / Sunday voting support	\$2.9
Department of Elections	Voter education	0.1
Compensation Board	Hazard pay for sworn officers	5.2
Department of General Services	Legal and real estate transaction support for agencies that own property to support broadband expansion	0.5
Department of Small Business and Supplier Diversity	RebuildVA	14.2
Office of the Governor	Contractor for language access translation services planning	0.2
Department of Medical Assistance Services	Increase per diem funding for long term care facilities from \$15 to \$20	4.9
Department of Behavioral Health and Developmental Services	Bonus payments for direct care staff	17.5
Department of Behavioral Health and Developmental Services	Purchase personal protective equipment at state facilities	0.5
State Corporation Commission	Utility assistance	2.8
Department of Juvenile Justice	Facility improvements for Central Infirmary	<0.1
Department of Juvenile Justice	Large tents for outdoor visitation	<0.1
Department of Juvenile Justice	Provide hazard pay for Probation and Security staff	0.1
Department of Juvenile Justice	Vaccination clinic costs	<0.1
Department of Forensic Science	Add equipment for three (3) additional firearms forensic scientists	<u>0.1</u>
Subtotal		\$48.9
Reallocations from Projects Authorized in Chapter 2, 2022 Special Session 1:		
Department of General Services	Legal and real estate transaction support for agencies that own property to support broadband expansion	1.5
Department of Housing and Community Development	Removal or Rehabilitation of Derelict Structures Fund program	0.3
Mental Health Treatment Centers	Salary adjustments for direct care staff	19.3
Intellectual Disabilities Training Centers	Salary adjustments for direct care staff	2.5

Proposed ARPA Reallocations and New Allocations

(\$ in millions)

Virginia Center for Behavioral Rehabilitation	Salary adjustments for direct care staff	1.8
Department of Behavioral Health and Developmental Services	Personal protective equipment	1.2
Department of General Services	Customer support upgrades and Laboratory Information Management System infrastructure, development, and improvement	<0.1
Department of Criminal Justice Services	Services to victims of crime	<0.1
Department of Emergency Management	Virginia Emergency Support Team COVID-19 recovery activities and support staff	0.8
Department of Medical Assistance Services	Continue a 12.5 percent increase in rates for certain Medicaid home and community-based services	<u>38.1</u>
Subtotal		\$65.5
New Proposed Allocations:		
Virginia Employment Commission	Continuation of funding for information technology modernization, call center improvements, security, and claims adjudication	1.7
Virginia Employment Commission	Support current appeals staffing levels	10.6
Department of Housing and Community Development	Award to an eligible grantee for a community revitalization project in the Crater Planning District	0.3
Department of Environmental Quality	Enhanced Nutrient Removal Certainty Program	86.1
Department of Medical Assistance Services	Procure a one-time vendor to assist in the redetermination of Medicaid enrollees	20.0
Department of Social Services	Overtime pay available to local department of social services eligibility staff	10.0
Department of Accounts	ARPA reporting requirements	1.1
Direct Aid to Public Education	One-time pandemic bonus (Technical Correction)	<u><0.1</u>
Total		\$129.8

Independent Agencies

Governor's Proposed Amendments to Independent Agencies (\$ in millions)				
	FY 2023		FY 2024	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2022-24 Current Budget				
(Ch. 2, 2022 Special Session I)	\$6.8	\$1,156.7	\$26.8	\$1,161.7
Proposed Increases	0.0	0.0	0.0	50.3
Proposed Decreases	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
\$ Net Change	\$0.0	\$0.0	\$0.0	\$50.3
HB 1400/SB 800, as Introduced	\$6.8	\$1,156.7	\$26.8	\$1,212.0

– State Corporation Commission

- **State Health Benefit Exchange.** Proposes \$10.0 million NGF the second year for the information technology costs of the State Health Benefit Exchange. The start-up and implementation costs of the state-based health benefit exchange are supported through a working capital advance, which will be repaid from the collection of fees from the insurers that offer health plans on the exchange.
- **Revert General Fund Balance.** Includes language directing the reversion of a \$372,869 GF balance that had accumulated over time from lower costs for plan management activities on the federal health benefit exchange.

– Virginia Lottery

- **Casino Payments to Localities.** Proposes \$40.3 million NGF the second year for the Virginia Lottery to distribute casino gaming tax revenues to localities on a quarterly basis. The first-year payments have been authorized administratively by the Department of Planning and Budget. Under § 58.1-4125 of the *Code of*

Virginia, the host locality receives an amount equal to six percent tax on the first \$200.0 million of adjusted gross receipts, an amount equal to seven percent tax on adjusted gross receipts greater than \$200.0 million but less than \$400.0 million, and an amount equal to eight percent tax on adjusted gross receipts exceeding \$400.0 million.

– **Virginia Workers’ Compensation Commission**

- **Revert General Fund Balance.** Includes language directing the reversion of a \$650,576 GF balance that had accumulated over time in the Sexual Assault Forensic Exam program.

Capital Outlay

Governor’s Proposed Amendments to Capital Outlay (\$ in millions)			
<u>Fund Type</u>	Chapter 2	Gov. Amend.	HB 1400 / SB 800
General Fund	\$2,149.2	\$604.5	\$2,753.7
VPBA/VCBA Tax-Supported Bond	0.0	0.0	0.0
9(c) Revenue Bonds	100.9	0.0	100.9
9(d) Revenue Bonds	56.4	98.4	154.8
Nongeneral Fund Cash	<u>977.7</u>	<u>211.7</u>	<u>1,189.4</u>
Total	\$3,284.2	\$914.6	\$4,198.8

The Governor’s proposed capital outlay amendments to the FY 2022-24 biennial budget total \$914.6 million from all funds, including \$604.5 million in general fund cash, \$211.7 million in nongeneral fund cash, and \$98.4 million in 9(d) nongeneral fund revenue bonds. The proposed amendments for additional projects or existing projects can be organized into the following categories:

Capital Outlay Funding Categories (\$ in millions)				
Major Category	GF Cash	NGF Cash	NGF Supported Bonds	Total
Supplements	\$406.9	\$0.0	\$0.0	\$406.9
Maintenance Reserve	16.0	20.0	0.0	36.0
New Construction & Improvements	137.9	183.3	98.4	419.7
Equipment	34.1	0.9	0.0	35.0
Planning / Acquisition	<u>9.6</u>	<u>7.4</u>	<u>0.0</u>	<u>17.0</u>
Total	\$604.5	\$211.7	\$98.4	\$914.6
*Totals may not sum due to rounding.				

Central Capital

– Supplements

- **2022 Capital Supplement Pool.** Includes \$100.0 million GF the first year and \$300.0 million GF the second year to supplement previously authorized capital projects and central capital construction pools for inflation and cost overruns. The proposed first year amount represents the contingent allocation pursuant to Item 485 L., Chapter 2, 2022 Acts of Assembly, Special Session I, based upon 2022 revenue conditions being met. The second-year appropriation is contingent upon 2023 revenue collections meeting the official forecast assumed in the proposed budget. If revenues are less than the revenue estimate, the \$300.0 million is to be unallotted and made unavailable for spending until the Governor determines the resources are available to allot the funds.

– Capital Pools

- **2022 Public Educational Institution Construction Pool.** Includes \$34.8 million in 9(d) revenue bonds and \$7.8 million NGF the first year to reflect expected nongeneral fund contributions from higher education institutions for the

following projects in the 2022 Public Educational Institution Construction Pool:
Virginia Commonwealth University - New Arts and Innovation Building and Virginia Tech - Replace Randolph Hall.

- **2022 State Agency Construction Pool.** Recommends \$3.5 million GF the first year in additional funding to supplement the existing *Renovate Eastern State Hospital* project for inflation. Additionally, proposes a scope change to the *Department of State Police - Construct an Area office in Lexington* project to include demolition of an existing building.
- **2023 Capital Construction Pool.** Proposes \$19.1 million GF the first year to fund the following projects in a pool:

2023 Capital Construction Pool	
Agency	Project Title
Longwood University	Replace Chillers in Four Campus Buildings
Virginia Institute of Marine Science	Replace Andrews Hall Roof
Department of Corrections	Construct Chesterfield Probation & Parole Office

- **High Performance Data Facility Thomas Jefferson National Accelerator Facility.** Proposes \$43.3 million GF the first year for a high-performance data facility at Jefferson Lab. The funding will remain unallotted until the Governor certifies that the U.S. Department of Energy has approved a project to establish a high-performance data facility at this location.
- **Virginia Military Institute - Renovate and Expand Engineering and Lab Facilities (language only).** Includes a scope change for the *Virginia Military Institute Renovate and Expand Engineering and Lab Facilities* project, authorized in Item C-68, Chapter 1289, 2020 Acts of Assembly, to remove the demolition of the existing Cocke Hall Annex Swimming Pool portion of the project. The new facility will be constructed as a connected annex to the existing engineering facilities with no change in project cost.

– **Maintenance Reserve**

- **Maintenance Reserve - Virginia State University.** Proposes \$8.0 million GF the second year to provide additional maintenance reserve funds to Virginia State University.
- **Maintenance Reserve - Norfolk State University.** Proposes \$8.0 million GF the second year to provide additional maintenance reserve funds to Norfolk State University.
- **Maintenance Reserve - Science Museum.** Recommends language to allow up to 20.0 percent of the Science Museum’s annual maintenance reserve allocation to be used for the restoration, repair or renewal of exhibits, and improvements to the museum’s grounds. This language is like existing language for other museums.

– **Capital Equipment**

- **Equipment for Projects Nearing Completion.** Includes \$34.1 million GF and \$893,160 NGF the first year to purchase furnishings and equipment for projects scheduled to come online in the next 18 months, bringing total equipment funding to \$65.1 million GF and \$893,160 NGF for the biennium. The table below lists the additional projects that would be eligible for these funds:

Equipment for Projects Nearing Completion	
Agency	Project Title
William and Mary University of Virginia	Construct Integrated Science Center, Phase IV
	Renovate Physics Building
	Alderman Library Renewal
UVA – Wise	Renovate/Convert Wyllie Library
Virginia Community College System	Construct Advanced Technical Training Center, Piedmont Virginia
Virginia Tech	Construct Undergraduate Lab Building
Department for the Blind and Vision Impaired	Renovate the Library and Resource Center
Department of Conservation and Recreation	Renovate Various Campgrounds
Department of Military Affairs	Construct Roanoke Readiness Center and Combined Support Maintenance Shop

– Central Capital Planning

- **Detailed Planning Pool.** Proposes \$5.9 million GF the first year to authorize detailed planning for the following projects:

Detail Planning Pool Authorizations	
Agency	Project Title
Department of State Police	Construct Division Six Headquarters (authorized for detail planning in Chapter 759 and 768, 2016 Acts of Assembly)
Wilson Workforce and Rehabilitation Center	Construct a new Postsecondary Education Rehabilitation Transition Facility to replace the Mary Switzer building
Virginia State University	Renovate Virginia Hall

Recommends a scope change and additional planning funding to the *State Police's Construct Division Six Headquarters* project, originally authorized in § 1 A, Chapters 759 and 769, 2016 Acts of Assembly, to include a surface parking lot, an administrative and operations building, and a garage and warehouse building to be constructed on land provided to the Department at no cost.

- **Department of General Services - Preplanning State Laboratory Replacement.** Proposes \$250,000 GF from the Central Capital Planning Fund for the pre-planning of a new State Laboratory. The scope of the pre-planning will explore potential options, including a facility constructed as part of a public-private partnership, the facility's inclusion in an existing or proposed technology/business park, and the possibility to develop the state-owned property at 26317 W. Washington Street in Petersburg, Virginia, for multi-use, including housing and commercial entities. The Department will submit its preplanning documents, with identified options, to the Six-Year Capital Outlay Plan Advisory Committee no later than November 1, 2023.
- **Virginia Commonwealth University – Preplanning School of Dentistry Facility.** Proposes authorizing pre-planning for a new facility to house the School of Dentistry at Virginia Commonwealth University and includes language allowing

the Director of the Department of Planning and Budget to appropriate \$250,000 NGF from the university's funds for pre-planning.

– Revenue Supported Projects

- **Projects Supported with 9(d) Revenue Bonds.** Recommends a total of \$98.4 million for the following list of projects supported by 9(d) revenue bonds:

9(d) Revenue Bonds (\$ in millions)		
Agency	Project Title	Amount
William and Mary	Improve Auxiliary Facilities	\$20.0
Virginia Tech	Replace Randolph Hall	16.8
	Improve Building Envelopes	33.6
Old Dominion University	Renovate Baseball Stadium	10.0
Virginia Commonwealth University	New Arts and Innovation Building	<u>18.0</u>
Total 9(d) Revenue Bonds		\$98.4

– Language Only

- **Alternative Financing Approval Requirements.** Proposes language in Sections 2-0 and 4-4.01 to require approval of the responsible Cabinet Secretary, the Secretary of Finance, and the Secretary of Administration for alternative financing arrangements. Language in Section 4-4.01 also requires Treasury Board approval of financing arrangements for capital projects executed by private foundations in instances where an institution of higher education has agreed to provide financial or non-financial types of support related to the project.

Currently, alternative financing arrangements only have to comply with the guidelines of the Department of General Services and the Department of Treasury and be submitted for comment to the Six-Year Capital Outlay Plan Advisory Committee.

- **Six-Year Capital Outlay Plan Advisory Committee Meeting.** Recommends language overriding the tenth enactment of Chapters 759 and 769, 2016 Acts of Assembly, Item C-39.40 of Chapter 806, 2013 Acts of Assembly, § 2-o P. of Chapter 552, 2021 Acts of Assembly, Special Session I, to allow the Six-Year Capital Outlay Plan Advisory Committee to review the progress of capital construction pools, including those with annual issuance limits, electronically and at a frequency determined by the Committee.
- **Redirect Excess Bond Balances.** Includes language directing the Director of the Department of Planning and Budget to redirect excess and unutilized bond authorization from projects ready to be closed out, those projects that experienced unexpected savings, or those projects that no longer make sense to complete, to the 2016 VCBA Capital Construction Pool and the 2016 VPBA Capital Construction Pool. The following table lists the transfer of \$186,326 in VCBA bond proceeds to the 2016 VCBA Construction Pool and \$541,478 in VPBA bond proceeds to the 2016 VPBA Construction Pool:

Redirect Excess Bond Balances	
Initial Authorization	Amount
Virginia College Building Authority	
Item C-46.15, Chapter 665, 2015 Acts of Assembly, and amended in C-49.20, Chapter 836, 2017 Acts of Assembly	\$12,254.38
Enactment 2, Section 3, Chapter 1, 2008 Acts of Assembly, Special Session I	284.00
Item C-46.15, Chapter 665, 2015 Acts of Assembly, and amended in C-52.40, Chapter 836, 2017 Acts of Assembly	<u>173,787.64</u>
Transfer to 2016 VCBA Capital Construction Pool (Chapters 759 and 769, 2016 Acts of Assembly)	\$186,326.02
Virginia Public Building Authority	
Chapter 855, 2002 Acts of Assembly	\$74,151.09
C-22, Chapter 2, 2018 Acts of Assembly, Special Session I	2,130.08
C-139, Chapter 879, 2008 Acts of Assembly	25,134.58
C-122.75, Chapter 1042, 2003 Acts of Assembly	23,980.47
C-164.10, Chapter 951, 2005 Acts of Assembly, and amended in C-181.10, Chapter 781, 2009 Acts of Assembly	<u>416,081.92</u>
Transfer to 2016 VPBA Capital Construction Pool (Chapters 759 and 769, 2016 Acts of Assembly)	\$541,478.14

- **Transfer VPBA Bond Balances between Virginia Museum of Fine Arts Projects.** Proposes transferring \$952,659 the first year in unutilized VPBA bond authorization and appropriation from the *Virginia Museum of Fine Arts Repair the Museum Building Envelope* to the museum's *Replace Air Handling Units* project.
- **Rescinds Wilson Workforce and Rehabilitation Center Emergency Replacement of HVAC System Mary Switzer Building.** Recommends language to rescind the *Wilson Workforce and Rehabilitation Center Emergency Replacement of HVAC System Mary Switzer Building*, authorized in Item C-68.50 of Chapter 552, 2021 Acts of Assembly, Special Session I, and transfers the \$1.5 million in VPBA authorization and appropriation to the 2016 VPBA Capital Construction Pool, Chapters 759 and 769, 2016 Acts of Assembly. The introduced budget proposes planning funding, from the detailed planning pool, to *construct a new Postsecondary Education Rehabilitation Transition Facility to replace the Mary Switzer building*.
- **Enhanced Nutrient Removal Certainty Program.** Recommends language to allow for funding, authorized in Item C-70.50 of Chapter 552, 2021 Acts of Assembly, Special Session I, to align with the allowable reimbursements for the Nutrient Removal Certainty Program, as provided for in § 62.1-44.19:14, *Code of Virginia*. This language appears duplicative to the existing capital appropriation.
- **Beaumont Correctional Center – Department of Juvenile Justice (language only).** Includes language to extend the workgroup established pursuant to Item C-66, paragraph H. of Chapter 1, 2022 Acts of Assembly, Special Session I, to provide recommendations for future utilization of the Beaumont property, the medical facility at Deerfield Correctional Facility, and Powhatan Infirmary. The workgroup will report its recommendations to the Governor and Chairs of the House Committee on Appropriations and Senate Committee on Finance and Appropriations by October 1, 2023. It further ceases planning at the *Deerfield Correctional Center Expansion or Powhatan Infirmary Replacement projects*.

Stand Alone Projects

– Department of General Services

- **Construct Commonwealth Courts Building.** Proposes \$16.0 million GF the first year to demolish sections of the existing Pocahontas Building for the new Supreme Court building. Of this amount, \$12.0 million supports demolition and site preparation and \$4.0 million supports working drawings. This brings total appropriated funding for this project to \$38.5 million GF.
- **New State Office Building.** Recommends \$6.0 million GF the first year for site stabilization after demolition of the former Virginia Employment Commission building as a part of a larger project to construct a new state office building and parking deck at 7th and Main Street, bringing total appropriated funding to \$16.8 million GF.
- **Replace Fire Alarms at DBHDS Facilities.** Includes \$3.4 million GF the first year to supplement the replacement of fire alarms at Department of Behavioral and Developmental Services facilities, bringing total funding to \$10.2 million GF the first year.
- **Improve and Convey Property in Clarke County.** Proposes \$4.1 million GF the first year to improve parcel 27-a-10-a in Clarke County and then transfer the property at fair market value to Clarke County with the proceeds deposited to the general fund.

– Department of Forestry

- **Acquire Tharpe Tract to Expand Charlotte State Forest.** Recommends \$640,000 NGF the second year to acquire the Tharpe Tract adjacent to Charlotte State Forest with \$160,000 from the Virginia Forest Mitigation Acquisition Fund and \$480,000 from federal grants.

– College of William and Mary

- **Improve Auxiliary Facilities.** Recommends \$20.0 million in 9(d) revenue bond proceeds the second year for improvements to William and Mary's auxiliary

services facilities (dining, parking, recreation, student services, etc.) and associated administrative facilities.

- **Renovate Historic Campus.** Proposes \$8.0 million GF the first year for necessary repairs to the historic campus of William and Mary. This would include repairs such as brick masonry repairs, drainage systems, and repair of deteriorated interior finishes and windows to the university's three oldest buildings.

– **Old Dominion University**

- **Renovate Baseball Stadium.** Recommends \$20.7 million NGF the first year for improvements to Old Dominion's baseball stadium with \$10.7 million supported by private donations and \$10.0 million from 9(d) revenue bond proceeds.
- **Address Deferred Maintenance.** Includes \$20.0 million NGF the first year for an umbrella project to address immediate and ongoing maintenance needs within Auxiliary and Educational and General buildings.

– **Virginia Community College System**

- **Upgrade ADA Accessibility, Tidewater Community College.** Recommends \$4.0 million GF and \$4.0 million NGF from higher education operating funds the first year for corrective actions to address identified accessibility deficiencies at multiple locations at Tidewater Community College.

– **Virginia Tech**

- **Improve Building Envelopes.** Recommends \$47.2 million NGF the second year to support maintenance reserve work on the building envelopes of Lane Stadium, Hahn Hall, Torgersen Hall, and the Inn at Virginia Tech, which require a construction contractor due to complexity and the height of the structures. The project will be funded by \$13.6 million in private donations and \$33.6 million in 9(d) revenue bond proceeds.
- **Expand Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute - Detailed Planning.** Proposes \$6.0 million NGF the second year for detailed planning for an expansion at the

Virginia Tech - Carilion School of Medicine and the renovation of vacated space to create research laboratory and computation/data analytics capacity for the Fralin Biomedical Research Institute.

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

- **Improve Safety and Security at Eastern State Hospital.** Proposes \$16.9 million GF the first year for renovations at Eastern State Hospital to harden the exterior of two facilities at Eastern State Hospital, including removing existing exterior walls and replacement of patient room windows.
- **Install Duress Systems at Mental Health Facilities Phase I.** Recommends \$4.0 million GF the first year to begin the installation of duress systems at state-operated mental health facilities. Duress systems notify security, emergency responders, and other personnel with real-time alerts when an incident arises and improve patient and staff safety.

– **Department of Conservation and Recreation**

- **Replace Underground Storage Tanks Phase I.** Proposes \$3.0 million the first year for replacement of underground fuel storage tanks across the state park system.
- **Authorize Transfer of Capital Funds to Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund (language only).** Proposes language to authorize the Director of the Department of Planning and Budget to transfer the existing \$45.0 million GF capital appropriation for soil and water conservation district dam repairs to an operating appropriation to be deposited to the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund. This transfers the responsibility for procuring all services, including engineering, construction, and legal services, required to complete the projects from the Department of Conservation and Recreation to the Soil and Water Conservation Districts. The Virginia Soil and Water Conservation Board would approve all projects under the existing procedures for the Fund.

– Department of Wildlife Resources

- **Expand Dam Safety Funding Authorization (language only).** Includes language to allow funding authorized for the *Repair and Replacement of High Hazard Dams* (Item C-33.20, Chapter 806, 2013) to include dams classified as having significant hazard status as well as high hazard status. Failure of a high hazard dam would cause probable loss of life or serious economic damage while failure of a significant hazard dam might cause loss of life or appreciable economic damage.

– Department of Corrections

- **Capital Infrastructure Fund.** Proposes \$10.0 million GF the second year for the Department of Correction's Capital Infrastructure Fund to fund repairs, renovations, and other necessary improvements to correctional facilities. This is in addition to \$10.0 million the first year provided in Chapter 2. The Department has used these funds for improvements to door controls, fire alarm replacements, and replacement of water and sewer lines.

– Department of Juvenile Justice

- **Remove and Replace Compromised Fire Protection Tank.** Proposes \$250,000 GF the first year to reflect a scope change to renovate the existing water tank rather than replace a water tank at the former Barrett Juvenile Correctional Center in Hanover.
- **Transfer Unused VPBA Bond Authorization from DOC to DJJ (language only).** Recommends language for a new project to perform renovations at the Bon Air Juvenile Correctional Center and authorizes the transfer of \$2.6 million in VPBA bond authorization and appropriation to the project from the *Department of Corrections' Equip Correctional Center in Culpeper County* project that is no longer needed. The DOC project was originally authorized in Item C-33, Chapter 780, 2016 Acts of Assembly.

– **Virginia Commercial Space Flight Authority**

- **Acquire Land for Expansion of Rocket Lab Facilities.** Proposes \$3.1 million GF the first year to acquire land surrounding the Mid-Atlantic Regional Spaceport to support Rocket Lab's current Virginia operations. This related to a MEI project approval.

– **Department of Transportation**

- **Acquire, Design, Construct and Renovate Agency Facilities.** Includes \$20.0 million NGF the second year to acquire, design, construct, and renovate facilities and land, including district facilities, residency offices, and area headquarters, to support the agency's capital needs.

– **Department of Veterans Services**

- **Replace fire alarm system at Sitter and Barfoot Veterans Care Center.** Includes \$244,519 GF and \$454,106 NGF from federal funds the first year to replace fire alarm systems at Sitter and Barfoot Veterans Care Center in Richmond.
- **Renovation of Sitter and Barfoot Veterans Care Center (language only).** Proposes language authorizing the Department of Veterans Services to request federal funds to renovate the Sitter and Barfoot Veterans Care Center in Richmond. After the United States Department of Veterans Affairs has determined that federal funds will be allocated for the project, the Director, Department of Planning and Budget, can approve a short-term, interest-free treasury loan of \$4.8 million to the Department of Veterans Services for the state share of the construction cost, so the project may proceed without further action by the Commonwealth. The treasury loan will be repaid with funding as determined by the Governor and General Assembly. The Director, Department of Planning and Budget, is also authorized to sign and certify any federal documents or forms to acknowledge that the state share of funding for the Sitter and Barfoot Veterans Care Center renovation is available without further action by the Commonwealth.
- **Construct replacement Veterans Care Center Facility in Roanoke (language only).** Proposes language authorizing the Department of Veterans

Services to request federal funds to construct a new veterans care center with up to 192 beds in the Roanoke area of Virginia. After the United States Department of Veterans Affairs has determined that federal funds will be allocated for the new center, the Director, Department of Planning and Budget, can approve a short-term, interest-free treasury loan of \$57.3 million to the Department of Veterans Services for the state share of the construction cost, so that the project may proceed without further action by the Commonwealth. The treasury loan will be repaid with funding as determined by the Governor and General Assembly. The Director, Department of Planning and Budget, is authorized to sign and certify any federal documents or forms to acknowledge that the state share of funding for the Roanoke Veterans Care Center is available without further action by the Commonwealth.

– **Department of Military Affairs**

- **Improve Readiness Centers.** Proposes \$3.0 million GF the second year for the state match to federal funding that may become available for repair, improvement, or modernization projects at readiness centers.
- **Construct the Army Aviation Support Facility.** Recommends \$126.8 million NGF the second year from federal funds to construct a new Army Aviation Support Facility (AASF) in Sandston, Virginia, for the Virginia Army National Guard.
- **Renovate Facilities at Camp Pendleton to House Job ChalleNGe Program.** Proposes \$90,000 GF the first year to plan and design the renovation of facilities at the State Military Reserve to house the National Guard Job ChalleNGe program that assists high school dropouts aged 16-18 in obtaining their high school diploma or GED.
- **Planning to Prepare for Federal Project Funding.** Proposes \$250,000 GF and \$750,000 NGF the first year for planning and design of projects that will allow the Department of Military Affairs to compete for federal funds for construction projects.

– **Local and Regional Jail Projects**

- **Local and Regional Jail Projects.** Proposes \$21.7 million in 9(d) tax supported VPBA bond proceeds to support the 25.0 percent state matching commitments for local and regional jail projects under the Treasury Board item. This provides \$10.0 million to the Loudoun County Adult Detention Center expansion and renovation project and \$11.7 million to the Albemarle-Charlottesville Regional Jail renovation project. These projects are proposed to be funded with VPBA bond proceeds instead of general fund cash due to program parameters in §§ 53.1-80 through 53.1-82.2, *Code of Virginia*.

SB 800 Appendices

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HB 1400/SB 800

APPENDIX A

Direct Aid to Public Education
2022-23 Summary

HB 1400/SB 800, As Introduced: 2022-2023 Direct Aid to Public Education Estimated Distribution - FY 2023

School Division	Key Data Elements			FY 2023 Total Allocation Reflected in Base Budget (Chapter 2)	Technical Updates						FY 2023 Total Estimated Distribution (HB 1400/ SB 800)
	2022-24 Comp. Index	FY 2023 Projected Unadtd ADM (Ch. 2)	FY 2023 Projected Unadtd ADM (HB 1400/ SB 800)		Update Sales Tax & School Age Pop. Estimates	Update Incentive, Categorical, and Lottery-Funded Program Data	Update Remedial Summer School Participation	Update English Learner Enrollment	Update Average Daily Membership Projections	Correct AYGS Salary Increase	
ACCOMACK	0.3413	4,694	4,540	\$45,426,327	\$253,944	(\$114,013)	\$6,540	(\$40,744)	(\$125,394)	\$0	\$45,406,660
ALBEMARLE	0.6387	13,639	13,416	72,390,861	1,553,840	436,894	9,495	44,122	(271,687)	0	74,163,525
ALLEGHANY*	0.2900	2,616	2,702	28,892,197	134,547	(683,511)	(4,561)	32,656	890,736	2,573	29,264,636
AMELIA	0.3652	1,494	1,590	14,390,217	110,256	107,523	41,892	(2,013)	469,108	0	15,116,983
AMHERST	0.3048	3,990	3,771	37,932,723	210,282	(337,081)	123,829	3,308	(523,617)	0	37,409,444
APPOMATTOX	0.2960	2,219	2,270	21,421,052	109,417	6,971	43,169	(4,466)	124,037	0	21,700,180
ARLINGTON	0.8000	26,470	26,518	100,106,421	3,639,692	1,296,603	97,761	152,221	805,682	0	106,098,379
AUGUSTA	0.3751	9,753	9,674	76,406,160	614,783	1,016,756	(24,816)	3,964	1,450,346	43,925	79,511,118
BATH	0.8000	485	469	3,208,147	59,842	10,560	(3,738)	0	(2,257)	0	3,272,553
BEDFORD	0.3132	8,842	8,775	74,244,463	563,722	(483,820)	20,456	7,625	1,007,258	0	75,359,705
BLAND	0.3531	630	784	7,066,627	40,140	137,081	0	0	730,003	0	7,973,851
BOTETOURT	0.4091	4,334	4,364	32,759,057	310,164	(96,026)	69,708	(10,309)	207,581	0	33,240,176
BRUNSWICK	0.4314	1,330	1,353	16,393,246	125,593	(2,156,387)	25,569	1,804	180,239	0	14,570,064
BUCHANAN	0.2850	2,231	2,338	23,384,696	122,975	(111,336)	162,848	0	1,149,736	0	24,708,919
BUCKINGHAM	0.3273	1,936	1,861	18,575,264	110,992	242,949	12,571	2,134	340,873	0	19,284,782
CAMPBELL	0.2913	7,423	7,434	65,661,520	356,900	751,172	129,959	17,985	338,116	0	67,255,652
CAROLINE	0.3613	4,087	4,125	34,878,252	261,361	671,761	28,721	(1,013)	231,715	0	36,070,798
CARROLL	0.2696	3,300	3,303	33,587,186	156,699	170,597	63,556	(8,108)	83,168	0	34,053,098
CHARLES CITY	0.5852	524	511	4,923,588	68,477	122,130	20,833	(658)	153,333	0	5,287,703
CHARLOTTE	0.2551	1,569	1,577	17,279,441	71,583	67,135	(7,396)	(2,363)	(5,126)	0	17,403,275
CHESTERFIELD	0.3546	61,679	62,840	474,614,880	3,350,658	(4,030,023)	1,354,627	369,520	4,799,396	84,634	480,543,692
CLARKE	0.5728	1,688	1,854	11,563,297	189,100	12,668	(8,233)	8,314	347,328	0	12,112,474
CRAIG	0.3362	490	444	6,385,213	35,329	(48,850)	20,158	0	(259,215)	0	6,132,634
CULPEPER	0.3594	8,257	8,139	67,559,253	512,549	(243,329)	(230,826)	(115,333)	(825,466)	0	66,656,848
CUMBERLAND	0.3060	1,137	1,168	14,750,219	65,489	(219,601)	(34,451)	0	613,533	34,285	15,209,473
DICKENSON	0.2301	1,918	1,852	21,197,328	72,628	142,708	(9,892)	0	(264,351)	0	21,138,421
DINWIDDIE	0.2912	4,121	4,129	39,511,093	190,737	103,660	(128,321)	13,489	531,134	0	40,221,792
ESSEX	0.4675	1,155	1,131	12,544,924	101,311	(427,223)	26,744	(4,223)	(1,344,737)	0	10,896,797
FAIRFAX	0.6532	173,206	171,944	921,005,026	19,053,886	3,519,078	(1,286,883)	(92,983)	5,235,945	245,349	947,679,418
FAUQUIER	0.5824	10,297	10,578	64,198,573	1,082,999	(217,526)	(13,657)	29,802	(231,006)	32,198	64,881,383
FLOYD	0.3513	1,678	1,681	15,488,644	118,725	(14,218)	(9,850)	(1,029)	274,267	0	15,856,538

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FLUVANNA	0.4027	3,183	3,359	26,779,857	237,677	(36,142)	29,650	28,420	963,776	54,752	28,057,990
FRANKLIN	0.3982	5,956	5,869	50,184,735	473,415	(139,121)	(29,873)	2,864	166,321	0	50,658,340
FREDERICK	0.4141	13,653	13,700	104,083,619	953,235	(1,749,122)	(37,638)	15,205	(207,139)	0	103,058,160
GILES	0.2791	2,169	3,358	32,083,528	107,000	(217,786)	(7,579)	(4,573)	(265,968)	0	31,694,623
GLOUCESTER	0.3975	4,758	4,889	36,921,383	332,021	138,323	40,112	955	621,890	0	38,054,684
GOOCHLAND	0.8000	2,501	2,535	10,455,183	392,412	74,539	3,154	(1,268)	83,752	0	11,007,773
GRAYSON	0.3526	1,477	1,492	15,428,881	101,250	(25,882)	56,334	5,134	172,450	0	15,738,167
GREENE	0.3505	2,837	2,739	24,449,737	190,364	(17,995)	(8,345)	(23,693)	(319,999)	0	24,270,068
GREENSVILLE	0.4067	1,159	1,086	10,885,888	85,892	(125,501)	84,197	(941)	45,794	0	10,975,329
HALIFAX	0.3038	4,262	4,227	45,174,482	239,178	454,910	33,746	(2,761)	366,340	0	46,265,894
HANOVER	0.4741	15,958	16,611	107,635,984	1,326,095	(374,682)	182,432	0	1,202,471	0	109,972,301
HENRICO	0.4297	49,109	49,021	357,028,641	3,470,196	(1,780,576)	472,939	492,046	2,196,821	0	361,880,067
HENRY	0.2179	6,724	6,612	71,719,956	251,706	(384,966)	282,269	3,721	(396,987)	33,173	71,508,873
HIGHLAND	0.7745	179	190	3,106,729	11,646	9,946	(1,976)	0	187,270	0	3,313,615
ISLE OF WIGHT	0.3880	5,530	5,461	43,370,327	351,367	(704,781)	(1,430)	21,873	(663,127)	0	42,374,229
JAMES CITY	0.5331	9,753	10,129	61,036,616	917,929	309,551	150,786	38,506	1,172,288	0	63,625,676
KING GEORGE	0.3805	4,274	4,330	33,546,476	268,220	1,295	24,240	(19,651)	(104,489)	0	33,716,092
KING & QUEEN	0.4075	605	790	9,002,317	55,579	(183,064)	5,190	0	(81,802)	0	8,798,220
KING WILLIAM	0.3063	1,996	2,033	18,200,913	100,059	91,849	1,621	(2,200)	531,415	0	18,923,657
LANCASTER	0.8000	906	945	5,313,839	154,379	309,457	7,592	318	119,014	0	5,904,599
LEE	0.1714	2,817	2,744	33,246,782	84,954	(284,437)	0	(1,314)	(221,134)	0	32,824,851
LOUDOUN	0.5450	84,331	81,355	485,895,802	7,081,713	(2,667,629)	213,108	(218,799)	(4,858,666)	0	485,445,529
LOUISA	0.5263	4,869	4,930	33,616,464	416,173	48,882	15,491	11,268	(298,932)	0	33,809,346
LUNENBURG	0.2604	1,590	1,484	17,092,555	63,949	116,229	(19,005)	(16,421)	(375,437)	0	16,861,871
MADISON	0.4624	1,596	1,619	12,445,037	136,872	(7,752)	24,488	(19,611)	103,577	0	12,682,610
MATHEWS	0.5453	844	867	7,134,121	83,259	36,148	(1,858)	(707)	179,475	0	7,430,437
MECKLENBURG	0.4050	3,822	3,691	34,915,011	256,027	110,607	(2,085)	(1,887)	(2,866,272)	0	32,411,401
MIDDLESEX	0.6324	1,044	1,157	8,231,804	119,521	80,479	0	(2,916)	287,532	34,850	8,751,270
MONTGOMERY	0.4214	9,672	9,491	70,569,575	731,760	72,585	0	31,201	(358,601)	0	71,046,521
NELSON	0.5888	1,374	1,404	10,134,059	171,491	174,661	13,207	(8,477)	131,130	0	10,616,072
NEW KENT	0.4244	3,105	3,374	23,070,611	219,773	(13,995)	0	(1,826)	669,476	0	23,944,039

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NORTHAMPTON	0.4793	1,257	1,275	12,712,672	120,103	(1,845)	0	1,652	355,943	0	13,188,525
NORTHUMBERLAND	0.6971	1,185	1,139	7,153,680	137,562	13,050	(16,097)	1,441	79,367	0	7,369,003
NOTTOWAY	0.2660	1,740	1,695	19,258,868	88,089	(126,861)	41,151	(10,478)	5,163	0	19,255,932
ORANGE	0.4115	4,754	4,726	37,651,951	329,354	43,142	6,874	0	(225,176)	0	37,806,145
PAGE	0.3163	3,079	2,887	28,917,397	165,783	25,327	(39,129)	(1,084)	(755,481)	0	28,312,814
PATRICK	0.2511	2,025	2,363	24,500,168	90,596	181,806	(8,310)	(11,878)	216,987	0	24,969,370
PITTSYLVANIA	0.2511	7,642	7,533	75,169,625	330,779	818,326	153,512	(38,008)	828,390	0	77,262,625
POWHATAN	0.5146	4,128	4,090	26,645,413	335,085	248,665	54,711	4,618	(410,410)	0	26,878,082
PRINCE EDWARD	0.3644	1,846	1,765	18,215,488	148,120	236,991	11,878	13,105	(141,496)	0	18,484,086
PRINCE GEORGE	0.2404	5,948	5,903	54,395,580	218,412	114,000	45,691	2,410	(454,189)	0	54,321,905
PRINCE WILLIAM	0.3739	90,511	88,718	736,876,663	5,087,615	(7,727,991)	1,076,816	541,507	(2,357,536)	30,843	733,527,917
PULASKI	0.3366	3,801	3,787	35,256,817	225,226	123,013	218,895	(2,104)	(322,103)	20,469	35,520,213
RAPPAHANNOCK	0.8000	694	688	4,316,487	136,646	53,219	(3,388)	0	(4,255)	0	4,498,709
RICHMOND	0.3050	1,230	1,288	13,064,012	55,099	78,818	(29,630)	(19,841)	171,759	0	13,320,217
ROANOKE	0.3643	13,092	13,359	101,076,053	784,986	333,148	3,713	47,386	1,397,460	0	103,642,746
ROCKBRIDGE	0.4530	2,389	2,215	18,518,110	200,756	325,294	(31,945)	12,146	(511,001)	0	18,513,360
ROCKINGHAM	0.3679	10,986	11,000	88,546,273	747,002	871,620	100,039	0	938,549	0	91,203,484
RUSSELL	0.2329	3,367	3,188	35,903,891	133,217	643,795	200,697	(8,516)	(638,475)	0	36,234,608
SCOTT	0.1893	3,357	3,777	39,749,896	93,365	140,180	61,074	33,430	4,475,333	0	44,553,278
SHENANDOAH	0.3852	5,477	5,344	46,018,839	378,140	(357,380)	34,468	(50,704)	(295,610)	15,016	45,742,769
SMYTH	0.2184	3,844	3,761	41,770,741	143,781	6,754	(12,781)	(12,396)	(334,143)	0	41,561,956
SOUTHAMPTON	0.2965	2,446	2,400	24,958,689	114,813	(80,066)	37,387	13,388	(276,037)	0	24,768,173
SPOTSYLVANIA	0.3661	22,777	23,587	190,319,938	1,409,141	(1,537,350)	(110,318)	84,310	2,121,080	68,995	192,355,797
STAFFORD	0.3411	30,108	30,453	236,026,540	1,546,272	(1,671,849)	442,518	(69,467)	590,816	0	236,864,830
SURRY	0.8000	602	635	4,236,277	99,464	22,782	5,489	316	79,322	0	4,443,650
SUSSEX	0.3476	1,003	957	11,821,706	67,122	(142,549)	0	12,416	193,149	0	11,951,844
TAZEWELL	0.2564	5,240	5,236	51,713,121	230,844	(83,970)	26,056	4,718	210,800	0	52,101,569
WARREN	0.4387	5,020	4,955	38,279,202	415,631	265,134	26,880	(14,566)	(203,681)	0	38,768,600
WASHINGTON	0.3402	6,455	6,420	55,793,853	367,051	155,963	(12,331)	7,325	234,878	68,268	56,615,007
WESTMORELAND	0.4768	1,435	1,457	15,161,886	131,163	(16,678)	15,889	2,488	290,998	0	15,585,746
WISE	0.2347	5,018	5,443	53,136,202	194,022	792,444	39,331	(3,642)	1,333,664	0	55,492,021

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WYTHE	0.3277	3,594	3,699	32,938,380	205,395	64,872	45,937	(2,133)	633,857	0	33,886,308
YORK	0.3699	12,642	12,700	91,672,388	709,250	300,611	182,149	(19,487)	158,003	0	93,002,914
ALEXANDRIA	0.8000	15,774	15,275	65,009,542	2,157,189	(1,115,260)	(128,013)	107,592	176,256	0	66,207,306
BRISTOL	0.3058	2,105	2,086	22,934,092	121,632	48,386	(59,190)	7,707	(82,053)	0	22,970,573
BUENA VISTA	0.1942	788	822	10,084,706	26,536	78,015	18,824	0	351,176	0	10,559,258
CHARLOTTESVILLE	0.6952	3,958	4,178	23,763,585	549,642	672,428	27,768	63,811	703,566	0	25,780,800
COLONIAL HEIGHTS	0.4160	2,704	2,709	22,616,189	181,957	(86,041)	41,609	(9,262)	241,438	0	22,985,890
COVINGTON*	0.0000	0	0	0	0	0	0	0	0	0	0
DANVILLE	0.2524	5,393	5,355	60,277,104	242,366	834,434	126,177	(23,715)	(907,082)	0	60,549,284
FALLS CHURCH	0.8000	2,457	2,434	10,138,163	326,206	(28,735)	(935)	346	(7,429)	0	10,427,616
FREDERICKSBURG	0.5808	3,523	3,542	23,956,541	347,787	(223,623)	78,340	24,479	219,468	0	24,402,992
GALAX	0.2619	1,304	1,316	13,357,872	48,422	18,201	(3,448)	(7,024)	136,347	0	13,550,370
HAMPTON	0.2731	19,017	18,911	172,193,491	841,952	137,678	850,717	36,892	283,067	33,538	174,377,335
HARRISONBURG	0.3459	6,336	6,230	61,597,472	315,594	(489,243)	92,824	(171,171)	(404,041)	0	60,941,435
HOPEWELL	0.2022	3,866	3,640	40,499,019	125,723	49,730	0	17,715	(564,841)	0	40,127,346
LYNCHBURG	0.3760	7,482	7,411	68,780,878	602,992	513,283	99,486	29,690	183,824	29,807	70,239,959
MARTINSVILLE	0.2223	1,738	1,671	19,678,417	79,407	323,981	37,243	20,969	13,721	0	20,153,738
NEWPORT NEWS	0.2808	25,908	25,191	245,832,125	1,217,653	990,954	1,053,812	160,831	(1,146,931)	0	248,108,444
NORFOLK	0.3064	25,937	25,437	240,004,331	1,448,607	4,378,322	212,658	57,202	674,464	88,297	246,863,881
NORTON	0.2655	835	772	8,691,178	28,853	74,508	(20,160)	1,165	(191,910)	0	8,583,634
PETERSBURG	0.2410	3,753	3,893	45,108,077	153,465	401,341	147,161	108,339	512,073	0	46,430,456
PORTSMOUTH	0.2413	12,890	12,601	129,456,483	541,930	3,678,627	415,167	(54,148)	(1,413,280)	0	132,624,778
RADFORD	0.2395	1,766	3,529	20,804,663	58,416	121,920	(1,776)	0	6,905,362	0	27,888,586
RICHMOND CITY	0.5139	20,822	20,007	165,823,942	1,926,602	(615,983)	175,724	390,873	1,487,108	154,891	169,343,157
ROANOKE CITY	0.3387	13,176	12,850	132,786,761	789,099	(605,133)	468,073	32,514	(2,089,947)	28,188	131,409,555
STAUNTON	0.3967	2,530	2,497	24,491,100	200,390	(129,509)	(18,321)	11,482	(508,826)	0	24,046,317
SUFFOLK	0.3514	13,577	13,914	110,779,027	880,953	720,436	96,968	(11,315)	2,141,424	0	114,607,493
VIRGINIA BEACH	0.4059	63,787	63,437	459,002,015	4,382,442	(2,881,637)	113,107	(187,506)	355,191	0	460,783,611
WAYNESBORO	0.3685	2,694	2,795	25,173,851	198,722	461,298	3,687	(12,019)	62,746	0	25,888,285
WILLIAMSBURG	0.7217	1,040	1,030	7,576,676	138,527	(52,264)	(54,447)	14,566	205,393	0	7,828,451
WINCHESTER	0.4172	4,201	4,039	34,392,486	277,550	(569,951)	148,736	65,225	284,855	0	34,598,901

HB 1400/SB 800, As Introduced: 2022-2023 Direct Aid to Public Education Estimated Distribution - FY 2023

School Division	Key Data Elements			FY 2023 Total Allocation Reflected in Base Budget (Chapter 2)	Technical Updates						FY 2023 Total Estimated Distribution (HB 1400/ SB 800)
	2022-24 Comp. Index	FY 2023 Projected Unadtd ADM (Ch. 2)	FY 2023 Projected Unadtd ADM (HB 1400/ SB 800)		Update Sales Tax & School Age Pop. Estimates	Update Incentive, Categorical, and Lottery-Funded Program Data	Update Remedial Summer School Participation	Update English Learner Enrollment	Update Average Daily Membership Projections	Correct AYGS Salary Increase	
FAIRFAX CITY	0.8000	2,805	2,838	11,864,286	427,003	106,866	(7,124)	2,768	52,809	0	12,446,608
FRANKLIN CITY	0.2858	978	965	11,685,642	62,705	224,758	0	(3,398)	269,757	0	12,239,463
CHESAPEAKE	0.3403	39,950	39,807	329,946,265	2,281,941	(2,558,015)	541,297	(127,646)	(1,568,221)	0	328,515,620
LEXINGTON	0.3939	612	642	5,505,461	38,057	(53,203)	0	6,729	94,001	0	5,591,045
EMPORIA	0.2388	722	819	9,131,251	37,533	443,693	0	8,451	508,646	0	10,129,575
SALEM	0.3713	3,650	3,606	28,507,986	209,093	232,563	(36,716)	26,922	(206,264)	0	28,733,583
POQUOSON	0.3641	2,078	2,032	16,074,628	124,639	(164,625)	15,969	6,052	(70,867)	0	15,985,797
MANASSAS CITY	0.3562	7,449	7,365	68,674,971	416,032	(1,276,093)	9,775	201,568	1,186,095	0	69,212,347
MANASSAS PARK	0.2733	3,318	3,232	35,804,450	136,267	64,177	82,332	115,646	(609,766)	0	35,593,106
COLONIAL BEACH	0.3368	570	527	7,062,798	29,471	(4,079)	3,873	(9,467)	(417,470)	0	6,665,126
WEST POINT	0.2555	793	782	8,184,716	27,439	(45,883)	14,783	(2,361)	(149,080)	0	8,029,614
TOTAL:		1,220,221	1,217,246	\$ 9,249,535,849	\$ 90,474,414	\$ (9,261,929)	\$ 9,139,785	\$ 2,147,022	\$ 28,389,621	\$ 1,104,051	\$ 9,371,528,813

* Effective July 1, 2022, the City of Covington and Alleghany County school divisions consolidated into a single school division.

Note: This analysis includes state funds for the Standards of Quality, Incentive, Categorical, and School Facilities service areas. Federal funds are not included in this analysis.

HB 1400/SB 800

APPENDIX B

Direct Aid to Public Education
2023-24 Summary

HB 1400/SB 800, As Introduced: 2023-2024 Direct Aid to Public Education Estimated Distribution - FY 2024

School Division	Key Data Elements			FY 2024 Total Allocation Reflected in Base Budget (Chapter 2)	Technical Updates						Proposed Policy Changes			FY 2024 Total Estimated Distribution (HB 1400/ SB 800)
	2022-24 Comp. Index	FY 2024 Projected Unadtd ADM (Ch. 2)	FY 2024 Projected Unadtd ADM (HB1400/ SB800)		Update Sales Tax & School Age Pop. Estimates	Update Incentive, Categorical, and Lottery-Funded Program Data	Update Remedial Summer School Participation	Update English Learner Enrollment	Update Average Daily Membership Projections	Correct AYGS Salary Increase	Reading Specialists 1:550 in 4th & 5th Grades	Math Specialists	1% Retention Bonus	
ACCOMACK	0.3413	4,692	4,482	\$43,457,198	\$122,721	(\$51,937)	\$6,540	(\$49,360)	(\$600,695)	\$0	\$75,561	\$0	\$207,962	\$43,167,990
ALBEMARLE	0.6387	13,928	13,539	73,361,704	1,799,415	239,945	9,495	96,264	(819,714)	0	114,490	0	311,104	75,112,703
ALLEGHANY*	0.2900	2,525	2,690	27,589,632	77,217	(409,973)	(4,561)	37,835	1,389,976	3,813	42,740	0	134,856	28,861,535
AMELIA	0.3652	1,459	1,604	13,255,620	68,004	98,869	41,892	(5,285)	853,169	0	25,033	0	68,851	14,406,153
AMHERST	0.3048	4,034	3,751	37,696,257	192,219	(387,732)	123,829	9,262	(1,048,300)	0	61,253	0	175,449	36,822,236
APPOMATTOX	0.2960	2,223	2,308	20,662,583	106,818	(5,691)	43,169	(12,896)	388,130	0	39,571	0	102,765	21,324,449
ARLINGTON	0.8000	26,746	26,916	101,809,178	1,506,197	272,202	97,761	194,763	1,094,938	0	143,329	17,713	390,669	105,526,749
AUGUSTA	0.3751	9,731	9,845	76,019,087	790,101	482,238	(24,816)	10,405	2,837,380	44,792	132,949	0	392,462	80,684,598
BATH	0.8000	478	461	2,222,656	71,049	11,947	(3,738)	0	(2,689)	0	2,362	0	7,759	2,309,346
BEDFORD	0.3132	8,766	8,755	73,339,076	517,097	(396,610)	20,456	18,299	1,436,327	0	129,958	0	374,133	75,438,736
BLAND	0.3531	628	822	6,056,564	1,137	86,927	0	0	1,144,146	0	11,085	0	39,881	7,339,740
BOTETOURT	0.4091	4,329	4,374	32,070,317	306,127	115,457	69,708	(9,840)	309,356	0	51,973	0	168,768	33,081,866
BRUNSWICK	0.4314	1,297	1,347	15,282,295	43,339	(56,232)	25,569	946	510,194	0	19,752	94,686	67,574	15,988,123
BUCHANAN	0.2850	2,141	2,331	21,796,509	14,093	(50,152)	162,848	1,190	1,914,293	0	48,534	0	120,050	24,007,365
BUCKINGHAM	0.3273	1,961	1,902	17,915,569	113,923	82,199	12,571	2,241	551,246	0	33,833	0	84,770	18,796,352
CAMPBELL	0.2913	7,402	7,418	65,085,379	386,038	171,147	129,959	37,764	389,851	0	122,246	0	333,816	66,656,201
CAROLINE	0.3613	4,108	4,202	34,320,013	364,200	75,635	28,721	21,272	641,959	0	68,714	51,857	167,846	35,740,217
CARROLL	0.2696	3,269	3,291	32,606,215	171,075	(138,603)	63,556	(18,244)	303,120	0	54,195	0	165,329	33,206,643
CHARLES CITY	0.5852	511	508	3,919,523	19,812	99,152	20,833	(690)	212,663	0	5,233	35,396	17,265	4,329,187
CHARLOTTE	0.2551	1,542	1,541	16,067,491	25,622	55,529	(7,396)	(2,481)	8,577	0	27,097	0	81,626	16,256,065
CHESTERFIELD	0.3546	62,422	64,317	483,515,382	4,103,306	635,616	1,354,627	986,619	9,506,769	86,850	1,025,075	104,801	2,530,148	503,849,193
CLARKE	0.5728	1,679	1,903	10,627,630	223,230	24,179	(8,233)	21,100	670,404	0	18,746	0	54,482	11,631,538
CRAIG	0.3362	479	416	5,356,777	24,639	(17,168)	20,158	0	(427,993)	0	6,131	0	22,902	4,985,447
CULPEPER	0.3594	8,451	8,137	68,773,947	384,911	(129,849)	(230,826)	(283,673)	(2,037,797)	0	125,853	0	331,948	66,934,514
CUMBERLAND	0.3060	1,135	1,240	13,914,512	51,935	74,374	(34,451)	(1,155)	1,366,847	37,494	21,551	0	69,701	15,500,809
DICKENSON	0.2301	1,923	1,841	20,445,840	42,370	98,417	(9,892)	0	(424,552)	0	33,926	0	99,253	20,285,363
DINWIDDIE	0.2912	4,110	4,191	38,828,367	166,178	136,410	(128,321)	15,345	1,119,422	0	73,069	0	194,216	40,404,686
ESSEX	0.4675	1,143	1,119	11,591,842	83,448	(197,530)	26,744	(4,434)	(1,394,598)	0	13,399	43,234	43,770	10,205,876
FAIRFAX	0.6532	173,193	172,382	937,568,714	15,321,897	1,321,821	(1,286,883)	(722,063)	6,632,494	246,001	1,470,372	460,720	4,383,022	965,396,095
FAUQUIER	0.5824	10,301	10,651	64,066,645	1,186,235	(10,031)	(13,657)	68,279	84,444	32,409	103,209	0	299,890	65,817,423
FLOYD	0.3513	1,629	1,675	14,256,090	79,670	(19,191)	(9,850)	(1,080)	607,116	0	25,074	0	76,392	15,014,221
FLUVANNA	0.4027	3,159	3,486	26,001,019	227,887	37,395	29,650	59,679	1,968,197	59,573	46,554	0	148,971	28,578,925
FRANKLIN	0.3982	5,858	5,793	48,920,192	237,665	(183,731)	(29,873)	10,022	304,815	0	85,487	0	227,686	49,572,262
FREDERICK	0.4141	13,784	13,726	105,406,566	1,105,444	(870,959)	(37,638)	36,921	(1,015,103)	0	197,284	0	510,526	105,333,041
GILES	0.2791	2,138	3,596	30,940,671	70,304	(81,312)	(7,579)	(4,803)	2,053,403	0	53,978	0	173,779	33,198,441
GLOUCESTER	0.3975	4,687	4,898	35,705,268	357,595	13,332	40,112	3,009	1,149,913	0	69,992	0	180,461	37,519,682
GOOCHLAND	0.8000	2,499	2,632	9,599,223	375,718	22,445	3,154	(665)	307,214	0	12,250	0	34,910	10,354,249
GRAYSON	0.3526	1,490	1,516	14,718,176	51,829	37,593	56,334	5,391	285,125	0	27,204	0	71,793	15,253,445
GREENE	0.3505	2,824	2,660	23,624,033	112,980	(6,973)	(8,345)	(40,017)	(812,686)	0	37,533	0	117,262	23,023,787
GREENSVILLE	0.4067	1,190	1,073	10,075,587	(11,475)	(25,997)	84,197	(1,975)	(144,252)	0	18,084	0	44,800	10,038,969
HALIFAX	0.3038	4,188	4,204	43,932,730	95,511	(37,580)	33,746	(5,796)	812,469	0	70,414	56,525	205,478	45,163,496

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School Division	Key Data Elements			FY 2024 Total Allocation Reflected in Base Budget (Chapter 2)	Technical Updates						Proposed Policy Changes			FY 2024 Total Estimated Distribution (HB 1400/ SB 800)
	2022-24 Comp. Index	FY 2024 Projected Unadtd ADM (Ch. 2)	FY 2024 Projected Unadtd ADM (HB1400/ SB800)		Update Sales Tax & School Age Pop. Estimates	Update Incentive, Categorical, and Lottery-Funded Program Data	Update Remedial Summer School Participation	Update English Learner Enrollment	Update Average Daily Membership Projections	Correct AYGS Salary Increase	Reading Specialists 1:550 in 4th & 5th Grades	Math Specialists	1% Retention Bonus	
HANOVER	0.4741	15,793	16,798	106,757,571	1,072,158	70,887	182,432	0	3,195,744	0	204,612	0	552,207	112,035,611
HENRICO	0.4297	49,099	49,212	359,998,797	3,315,424	(150,537)	472,939	1,034,211	3,210,260	0	645,988	794,241	1,787,139	371,108,462
HENRY	0.2179	6,697	6,562	71,108,402	101,480	(367,176)	282,269	37,769	(612,663)	34,405	123,760	63,499	352,882	71,124,627
HIGHLAND	0.7745	184	195	2,176,090	20,989	9,953	(1,976)	0	206,655	0	2,355	0	5,670	2,419,736
ISLE OF WIGHT	0.3880	5,629	5,510	43,468,874	442,891	(132,057)	(1,430)	39,747	(1,033,495)	0	79,128	0	209,895	43,073,554
JAMES CITY	0.5331	9,727	10,249	60,587,048	915,515	257,721	150,786	80,861	1,942,213	0	112,508	0	300,609	64,347,261
KING GEORGE	0.3805	4,309	4,364	33,099,519	421,952	135,607	24,240	(43,328)	(111,942)	0	57,551	0	162,838	33,746,437
KING & QUEEN	0.4075	615	781	8,186,437	(1,370)	(17,718)	5,190	0	(230,500)	0	8,463	0	35,757	7,986,259
KING WILLIAM	0.3063	1,988	2,103	17,360,997	137,186	(79,130)	1,621	(1,155)	1,131,673	0	34,607	0	102,734	18,688,533
LANCASTER	0.8000	880	986	4,311,298	(9,208)	(10,618)	7,592	334	294,635	0	5,524	17,067	14,602	4,631,225
LEE	0.1714	2,778	2,694	32,178,555	52,032	(113,096)	0	(1,380)	(351,751)	0	54,585	0	167,481	31,986,427
LOUDOUN	0.5450	86,034	81,998	499,953,503	6,388,430	(149,688)	213,108	(368,687)	(9,919,557)	0	1,018,546	42,367	2,472,767	499,650,790
LOUISA	0.5263	4,887	4,863	33,174,135	621,707	136,350	15,491	23,665	(834,754)	0	52,757	0	148,713	33,338,064
LUNENBURG	0.2604	1,618	1,421	16,497,185	79,380	(8,517)	(19,005)	(36,949)	(1,133,895)	0	24,455	63,112	69,641	15,535,407
MADISON	0.4624	1,581	1,642	11,506,930	224,035	(15,681)	24,488	(56,400)	330,716	0	21,081	0	56,809	12,091,977
MATHEWS	0.5453	817	863	6,152,766	66,819	23,580	(1,858)	(757)	245,210	0	9,441	0	31,076	6,526,278
MECKLENBURG	0.4050	3,781	3,628	33,927,812	86,074	(26,359)	(2,085)	1,982	(3,139,261)	0	56,792	0	142,964	31,047,919
MIDDLESEX	0.6324	1,025	1,252	7,267,585	795	15,594	0	(3,061)	787,711	36,272	12,007	0	38,808	8,155,712
MONTGOMERY	0.4214	9,765	9,524	70,852,624	818,422	(91,316)	0	37,577	(722,972)	0	124,259	0	344,560	71,363,154
NELSON	0.5888	1,290	1,341	8,810,517	54,572	(45,524)	13,207	(8,217)	240,703	0	12,289	0	38,373	9,115,920
NEW KENT	0.4244	3,147	3,540	22,543,734	228,566	39,243	0	(959)	1,422,423	0	45,106	0	124,537	24,402,650
NORTHAMPTON	0.4793	1,212	1,316	11,217,929	50,819	9,191	0	2,601	998,371	0	22,336	0	57,431	12,358,677
NORTHUMBERLAND	0.6971	1,183	1,171	6,232,008	54,667	2,943	(16,097)	2,522	206,613	0	8,509	0	24,953	6,516,118
NOTTOWAY	0.2660	1,720	1,671	18,235,846	29,629	(68,282)	41,151	(4,889)	22,763	0	28,008	0	90,669	18,374,895
ORANGE	0.4115	4,798	4,673	37,239,099	374,687	(74,554)	6,874	980	(785,253)	0	66,952	0	175,401	37,004,186
PAGE	0.3163	3,077	2,821	28,156,084	107,768	(128,734)	(39,129)	(2,277)	(1,260,290)	0	38,613	0	127,751	26,999,787
PATRICK	0.2511	1,982	2,341	23,297,726	65,775	70,062	(8,310)	(8,730)	410,115	0	37,166	0	119,719	23,983,523
PITTSYLVANIA	0.2511	7,515	7,451	73,691,406	275,815	(64,354)	153,512	(41,155)	1,216,892	0	126,427	0	367,770	75,726,313
POWHATAN	0.5146	4,136	4,029	25,978,911	564,943	2,699	54,711	5,659	(794,255)	0	44,763	0	124,267	25,981,698
PRINCE EDWARD	0.3644	1,832	1,725	17,285,117	18,144	20,254	11,878	14,818	(364,099)	0	27,494	54,238	71,815	17,139,659
PRINCE GEORGE	0.2404	5,936	5,831	53,694,456	273,051	56,075	45,691	(1,265)	(966,675)	0	95,966	0	271,245	53,468,544
PRINCE WILLIAM	0.3739	91,855	89,532	756,742,581	5,715,002	(2,558,070)	1,076,816	1,238,746	(5,902,972)	31,679	1,461,510	110,902	3,924,289	761,840,482
PULASKI	0.3366	3,768	3,688	34,318,196	154,365	(139,156)	218,895	3,315	(834,860)	21,123	54,824	0	161,062	33,957,764
RAPPAHANNOCK	0.8000	677	666	3,328,596	124,000	(19,915)	(3,388)	(333)	(7,660)	0	914	0	9,576	3,431,790
RICHMOND	0.3050	1,209	1,297	12,019,805	31,424	(42,015)	(29,630)	(37,036)	419,589	0	21,635	0	60,025	12,443,798
ROANOKE	0.3643	13,038	13,612	100,420,592	945,361	(66,763)	3,713	113,269	3,605,126	0	193,466	0	542,027	105,756,791
ROCKBRIDGE	0.4530	2,386	2,145	17,647,734	249,153	(5,773)	(31,945)	21,862	(909,562)	0	24,209	0	79,068	17,074,746
ROCKINGHAM	0.3679	11,026	11,123	88,830,453	641,298	(195,710)	100,039	0	1,536,049	0	159,454	102,642	449,180	91,623,405
RUSSELL	0.2329	3,355	3,124	35,213,387	59,155	(46,643)	200,697	(8,942)	(1,122,296)	0	55,225	0	175,290	34,525,873
SCOTT	0.1893	3,354	3,940	38,903,855	27,933	93,236	61,074	39,150	6,413,451	0	86,417	0	252,616	45,877,732
SHENANDOAH	0.3852	5,449	5,284	45,276,836	469,076	(595,326)	34,468	(53,236)	(528,716)	14,723	75,163	0	214,991	44,907,979

HB 1400/SB 800, As Introduced: 2023-2024 Direct Aid to Public Education Estimated Distribution - FY 2024

School Division	Key Data Elements			FY 2024 Total Allocation Reflected in Base Budget (Chapter 2)	Technical Updates						Proposed Policy Changes			FY 2024 Total Estimated Distribution (HB 1400/ SB 800)
	2022-24 Comp. Index	FY 2024 Projected Unadtd ADM (Ch. 2)	FY 2024 Projected Unadtd ADM (HB1400/ SB800)		Update Sales Tax & School Age Pop. Estimates	Update Incentive, Categorical, and Lottery-Funded Program Data	Update Remedial Summer School Participation	Update English Learner Enrollment	Update Average Daily Membership Projections	Correct AYGS Salary Increase	Reading Specialists 1:550 in 4th & 5th Grades	Math Specialists	1% Retention Bonus	
SMYTH	0.2184	3,788	3,652	40,636,325	120,511	(87,223)	(12,781)	(14,317)	(861,895)	0	68,261	0	200,121	40,049,002
SOUTHAMPTON	0.2965	2,434	2,368	24,104,446	97,233	(317,250)	37,387	15,230	(481,393)	0	40,221	0	108,517	23,604,391
SPOTSYLVANIA	0.3661	22,785	24,020	192,251,876	1,417,078	(406,636)	(110,318)	217,007	4,752,171	70,799	360,692	0	983,634	199,536,303
STAFFORD	0.3411	30,584	31,166	241,605,258	2,162,713	202,911	442,518	(143,644)	1,884,093	0	503,469	0	1,291,422	247,948,740
SURRY	0.8000	588	667	3,251,675	42,284	10,669	5,489	333	219,696	0	3,069	0	12,140	3,545,355
SUSSEX	0.3476	1,009	954	10,984,411	(11,400)	(101,246)	0	14,122	150,561	0	16,407	0	46,300	11,099,156
TAZEWELL	0.2564	5,203	5,284	50,857,112	54,476	(44,196)	26,056	6,192	966,052	0	89,004	0	259,390	52,214,087
WARREN	0.4387	5,040	4,920	37,881,187	433,084	(16,773)	26,880	(33,459)	(567,367)	0	63,210	0	181,109	37,967,871
WASHINGTON	0.3402	6,411	6,394	55,037,370	439,124	75,223	(12,331)	8,789	369,923	65,658	94,045	0	286,544	56,364,345
WESTMORELAND	0.4768	1,430	1,515	14,344,755	150,548	41,821	15,889	6,099	808,718	0	19,267	0	60,579	15,447,676
WISE	0.2347	4,903	5,502	51,485,338	76,769	(88,518)	39,331	(3,824)	2,946,034	0	104,511	0	279,116	54,838,756
WYTHE	0.3277	3,522	3,775	31,660,509	140,969	72,263	45,937	(2,239)	1,768,500	0	58,421	0	167,038	33,911,397
YORK	0.3699	12,835	12,881	92,585,841	678,741	143,086	182,149	(22,033)	166,606	0	179,245	0	490,259	94,403,894
ALEXANDRIA	0.8000	16,098	15,474	66,019,417	2,167,372	(370,909)	(128,013)	249,267	(99,506)	0	84,910	71,763	224,399	68,218,700
BRISTOL	0.3058	2,098	2,071	22,145,465	75,856	(85,208)	(59,190)	11,560	(155,607)	0	35,014	0	104,582	22,072,473
BUENA VISTA	0.1942	751	809	8,793,999	28,671	17,731	18,824	0	616,173	0	13,942	0	50,942	9,540,282
CHARLOTTESVILLE	0.6952	3,952	4,306	23,028,076	645,909	(58,217)	27,768	120,293	1,184,699	0	34,019	24,747	86,049	25,093,342
COLONIAL HEIGHTS	0.4160	2,714	2,752	21,937,033	139,455	(52,354)	41,609	(18,478)	492,406	0	38,096	0	107,772	22,685,539
COVINGTON*	0.0000	0	0	0	0	0	0	0	0	0	0	0	0	0
DANVILLE	0.2524	5,410	5,336	59,988,609	249,897	(90,940)	126,177	0	(1,286,201)	0	106,888	367,287	274,135	59,735,852
FALLS CHURCH	0.8000	2,471	2,438	9,335,466	268,379	(46,685)	(935)	(1,089)	(33,795)	0	11,774	0	32,616	9,565,731
FREDERICKSBURG	0.5808	3,591	3,637	23,599,494	171,631	(26,038)	78,340	40,696	384,093	0	34,678	36,588	98,964	24,418,445
GALAX	0.2619	1,322	1,347	12,631,304	16,618	(48,204)	(3,448)	(14,749)	266,997	0	26,496	0	64,079	12,939,092
HAMPTON	0.2731	19,129	19,036	173,541,731	419,603	(214,826)	850,717	76,259	392,638	34,416	345,252	0	854,604	176,300,394
HARRISONBURG	0.3459	6,513	6,269	62,871,233	542,967	(487,227)	92,824	(107,835)	(1,482,348)	0	106,159	159,321	278,952	61,974,045
HOPEWELL	0.2022	3,863	3,548	39,808,345	54,821	(251,478)	0	17,271	(1,429,713)	0	74,460	262,401	186,221	38,722,328
LYNCHBURG	0.3760	7,419	7,364	67,965,763	300,076	251,497	99,486	37,408	291,612	30,528	111,545	101,326	297,808	69,487,049
MARTINSVILLE	0.2223	1,712	1,640	18,559,604	(13,417)	(14,820)	37,243	47,916	(46,022)	0	36,112	63,142	80,921	18,750,679
NEWPORT NEWS	0.2808	25,945	25,081	247,326,993	770,008	1,293,148	1,053,812	410,791	(2,366,296)	0	457,253	700,711	1,157,827	250,804,248
NORFOLK	0.3064	25,646	25,090	238,829,607	429,612	734,913	212,658	276,048	169,254	82,163	505,115	1,140,646	1,137,476	243,517,493
NORTON	0.2655	857	754	7,877,613	17,484	21,507	(20,160)	1,224	(460,597)	0	14,503	0	36,113	7,487,686
PETERSBURG	0.2410	3,748	3,953	44,376,704	129,351	216,582	147,161	192,116	1,272,653	0	94,359	249,640	201,248	46,879,815
PORTSMOUTH	0.2413	12,856	12,484	129,279,461	377,919	621,651	415,167	(109,918)	(2,195,121)	0	274,714	431,197	598,775	129,693,845
RADFORD	0.2395	1,780	3,985	19,962,018	71,901	92,776	(1,776)	0	10,594,904	0	66,464	0	166,842	30,953,129
RICHMOND CITY	0.5139	20,852	20,106	167,294,623	1,490,777	(76,298)	175,724	743,099	1,662,162	158,170	289,435	913,780	687,202	173,338,674
ROANOKE CITY	0.3387	13,274	12,575	134,329,878	269,363	(854,222)	468,073	91,401	(5,306,071)	29,316	230,792	163,814	553,015	129,975,358
STAUNTON	0.3967	2,554	2,378	23,941,026	169,237	(326,500)	(18,321)	26,121	(1,513,273)	0	38,008	0	91,590	22,407,889
SUFFOLK	0.3514	13,574	14,147	110,727,147	476,892	(211,663)	96,968	(23,761)	3,838,894	0	221,782	55,347	560,966	115,742,573
VIRGINIA BEACH	0.4059	63,701	63,222	461,833,901	3,647,844	(500,026)	113,107	(443,216)	(470,175)	0	850,284	0	2,275,980	467,307,699
WAYNESBORO	0.3685	2,655	2,780	24,475,990	46,389	326	3,687	(31,548)	239,391	0	44,869	0	119,610	24,898,713
WILLIAMSBURG	0.7217	1,040	1,090	6,670,570	(4,803)	(163,420)	(54,447)	22,245	381,407	0	7,446	0	19,237	6,878,236

HB 1400/SB 800, As Introduced: 2023-2024 Direct Aid to Public Education Estimated Distribution - FY 2024

School Division	Key Data Elements			FY 2024 Total Allocation Reflected in Base Budget (Chapter 2)	Technical Updates						Proposed Policy Changes			FY 2024 Total Estimated Distribution (HB 1400/ SB 800)
	2022-24 Comp. Index	FY 2024 Projected Unadtd ADM (Ch. 2)	FY 2024 Projected Unadtd ADM (HB1400/ SB800)		Update Sales Tax & School Age Pop. Estimates	Update Incentive, Categorical, and Lottery-Funded Program Data	Update Remedial Summer School Participation	Update English Learner Enrollment	Update Average Daily Membership Projections	Correct AYGS Salary Increase	Reading Specialists 1:550 in 4th & 5th Grades	Math Specialists	1% Retention Bonus	
WINCHESTER	0.4172	4,249	4,074	34,088,250	76,971	(151,291)	148,736	136,979	227,433	0	62,682	0	159,318	34,749,077
FAIRFAX CITY	0.8000	2,774	2,825	11,010,832	(63,761)	27,570	(7,124)	1,090	98,147	0	15,015	0	41,618	11,123,387
FRANKLIN CITY	0.2858	979	976	10,850,178	(1,153)	122,693	0	(3,568)	377,600	0	19,641	118,931	52,428	11,536,749
CHESAPEAKE	0.3403	40,354	39,970	335,545,845	1,833,160	(610,478)	541,297	(266,951)	(3,759,242)	0	624,140	56,294	1,619,692	335,583,757
LEXINGTON	0.3939	620	677	4,574,132	17,054	(2,363)	0	16,149	278,189	0	10,914	0	26,234	4,920,309
EMPORIA	0.2388	661	808	7,631,927	6,687	62,708	0	16,479	1,024,631	0	15,243	0	43,116	8,800,791
SALEM	0.3713	3,626	3,562	27,585,128	114,820	(98,174)	(36,716)	38,738	(348,236)	0	50,293	0	136,164	27,442,018
POQUOSON	0.3641	2,081	2,027	15,204,913	93,601	(88,969)	15,969	7,414	(125,688)	0	26,961	0	79,995	15,214,196
MANASSAS CITY	0.3562	7,485	7,419	69,147,911	202,993	(114,394)	9,775	437,456	1,178,129	0	125,389	171,056	353,338	71,511,654
MANASSAS PARK	0.2733	3,274	3,164	34,915,819	83,571	(130,838)	82,332	122,786	(812,931)	0	63,565	0	168,699	34,493,002
COLONIAL BEACH	0.3368	555	503	6,014,623	12,656	(18,839)	3,873	(9,940)	(527,647)	0	9,304	0	26,761	5,510,791
WEST POINT	0.2555	792	769	7,242,546	18,017	(9,661)	14,783	(2,479)	(243,182)	0	11,573	0	37,281	7,068,878
TOTAL:		1,224,705	1,224,046	\$ 9,247,702,348	\$ 77,413,948	\$ (5,310,542)	\$ 9,139,785	\$ 4,647,991	\$ 42,826,522	\$ 1,120,184	\$ 16,868,869	\$ 7,200,991	\$ 45,152,270	\$ 9,446,762,366

* Effective July 1, 2022, the City of Covington and Alleghany County school divisions consolidated into a single school division.

Note: This analysis includes state funds for the Standards of Quality, Incentive, Categorical, and School Facilities service areas. The proposed teacher performance bonus and hiring incentives and Federal funds are not included in this analysis.

HB 1400/SB 800

APPENDIX C

Summary of Detailed Actions
in Budget

Appendix C: Summary of Detailed Budget Actions in SB 800

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Administration				
Compensation Board				
Provide a compression adjustment for sworn deputy sheriffs and regional jail officers	\$0	\$13,894,938	\$0	\$0
Provide resources for court ordered transportations in temporary detention order and emergency custody order cases	\$0	\$4,074,631	\$0	\$0
Transfer existing appropriation from the first year to the second year for behavioral health and medical treatment positions	(\$557,863)	\$557,863	\$0	\$0
Adjust salary of constitutional officers based on increase in locality population	\$123,634	\$134,874	\$0	\$0
Fund participation in career development programs	\$0	\$76,275	\$0	\$0
Provide funding for the increased cost of the maintenance contract to support the LIDS-CORIS system	\$5,024	\$5,024	\$0	\$0
Adjust Circuit Court clerk salary table	\$0	\$0	\$0	\$0
Adjust position count table	\$0	\$0	\$0	\$0
Compensation Board - Proposed Budget Changes	(\$429,205)	\$18,743,605	\$0	\$0
Department of General Services				
Establish general fund support for tuberculosis testing staff	\$0	\$1,115,093	\$0	\$0
Provide funding to update Capitol Square site plan	\$0	\$500,000	\$0	\$0
Department of General Services - Proposed Budget Changes	\$0	\$1,615,093	\$0	\$0
Department of Human Resource Management				
Provide general fund support for human resource service center	\$145,963	\$357,425	\$0	\$0
Increase employment dispute resolution hearing officer fee	\$0	\$0	\$0	\$0
Department of Human Resource Management - Proposed Budget Changes	\$145,963	\$357,425	\$0	\$0
Office of Data Governance and Analytics				
Establish Office of Data Governance and Analytics as an agency	\$0	\$251,279	\$0	\$5,252,000
Expand Office of Data Governance and Analytics	\$0	\$0	\$0	\$3,448,000
Office of Data Governance and Analytics - Proposed Budget Changes	\$0	\$251,279	\$0	\$8,700,000
Secretary of Administration				
Transfer Office of Data Governance and Analytics to new agency	\$0	(\$251,279)	\$0	(\$5,252,000)
Secretary of Administration - Proposed Budget Changes	\$0	(\$251,279)	\$0	(\$5,252,000)
Virginia Information Technologies Agency				
Increase appropriation for a statewide permit evaluation application	\$0	\$896,365	\$0	\$0

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Adjust funding for the creation of a central portal for government services	\$0	\$500,000	\$0	\$0
Adjust appropriation for internal service fund updates	\$0	\$0	\$0	(\$31,897,426)
Adjust funding for enterprise wide Microsoft platform services	\$0	\$0	\$0	\$349,200
Increase funding for platform sourcing and contract management	\$0	\$0	\$0	\$440,000
Adjust funding for robotic process automation service	\$0	\$0	\$0	\$617,542
Adjust funding for enterprise content management service	\$0	\$0	\$0	\$679,072
Adjust funding for maintenance of electronic signature service	\$0	\$0	\$0	\$747,552
Increase funding for the implementation of an interactive data sharing service	\$0	\$0	\$0	\$840,000
Adjust funding to maintain Governor's office information technology support	\$0	\$0	\$0	\$3,039,298
Increase funding for mainframe services	\$0	\$0	\$0	\$3,051,288
Adjust funding for the low code application platform service	\$0	\$0	\$0	\$8,973,790
Virginia Information Technologies Agency - Proposed Budget Changes	\$0	\$1,396,365	\$0	(\$13,159,684)

Administration - Proposed Budget Changes	(\$283,242)	\$22,112,488	\$0	(\$9,711,684)
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Agriculture and Forestry

Department of Agriculture and Consumer Services

Establish hemp registration and inspection program	\$0	\$2,172,909	\$0	\$0
Increase support for the Governor's Agriculture and Forestry Industries Development Fund for agricultural technology	\$1,250,000	\$1,250,000	\$0	\$0
Specify deposit to the Spirits Promotion Fund	\$0	\$1,066,985	\$0	\$0
Provide funding for agricultural technology research grants	\$0	\$1,000,000	\$0	\$0
Transfer nongeneral fund positions to provide support for grading and certification of Virginia products	\$0	\$0	\$0	\$0
Provide funding for commodity grading and inspection service nongeneral fund positions to meet market demands	\$0	\$0	\$0	\$590,043
Decrease deposit to Wine Promotion Fund	\$0	(\$159,035)	\$0	\$0
Department of Agriculture and Consumer Services - Proposed Budget Changes	\$1,250,000	\$5,330,859	\$0	\$590,043

Virginia Racing Commission

Increase the amount of appropriation for the Virginia Breeders Fund	\$0	\$0	\$1,500,000	\$1,500,000
Virginia Racing Commission - Proposed Budget Changes	\$0	\$0	\$1,500,000	\$1,500,000

Agriculture and Forestry - Proposed Budget Changes	\$1,250,000	\$5,330,859	\$1,500,000	\$2,090,043
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Central Appropriations

Central Appropriations

Provide funding for merit bonus payment for state employees	\$0	\$100,000,000	\$0	\$0
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	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Provide one-time bonus payments to state employees	\$0	\$99,775,661	\$0	\$0
Provide additional funding for transformation initiatives	\$0	\$15,000,000	\$0	\$0
Provide funding for reimbursement of presidential primary expenses	\$0	\$5,898,901	\$0	\$0
Provide funding for statewide network transformation	\$0	\$5,249,993	\$0	\$0
Increase funding for the Innovative Internship Fund and Program	\$0	\$5,000,000	\$0	\$0
Provide reimbursement for state-issued fines for COVID-19 related violation	\$0	\$1,000,000	\$0	\$0
Adjust funding for changes in agency rent costs	\$0	\$893,421	\$0	\$0
Adjust funding for Line of Duty Act premiums	\$395,094	\$850,819	\$0	\$0
Develop plan for relocation of Washington Commanders	\$0	\$500,000	\$0	\$0
Provide general fund support to agencies for updated Cardinal Financial system charges	\$0	\$269,708	\$0	\$0
Revert surplus general fund balance	\$0	\$0	\$0	\$0
Adjust appropriation for American Rescue Plan Act State and Local Fiscal Recovery Fund allocations	\$0	\$0	\$15,439,647	\$0
Reflect one-time savings in higher education credit card rebates and interest earnings	(\$4,772,723)	\$0	(\$2,923,551)	\$0
Adjust funding for changes in agency information technology costs	(\$2,312,643)	(\$446,357)	\$0	\$0
Adjust funding for agency health insurance premium costs	\$0	(\$2,015,713)	\$0	\$0
Adjust funding for state workers' compensation premiums	\$0	(\$2,603,179)	\$0	\$0
Align Tech Talent Investment Fund appropriation to match institutions' authorized memorandums of understanding	(\$2,869,546)	(\$2,869,546)	\$0	\$0
Central Appropriations - Proposed Budget Changes	(\$9,559,818)	\$226,503,708	\$12,516,096	\$0
Central Appropriations - Proposed Budget Changes	(\$9,559,818)	\$226,503,708	\$12,516,096	\$0

Commerce and Trade

Department of Energy

Establish and capitalize the Virginia Power Innovation Fund	\$0	\$10,000,000	\$0	\$0
Provide funding for positions tied to the Virginia Energy Plan	\$0	\$649,560	\$0	\$0
Align federal appropriation with anticipated expenditures in energy programs	\$0	\$0	\$4,847,363	\$2,847,178
Align federal appropriation with anticipated mineral management expenditures	\$0	\$0	\$36,290,000	\$38,140,000
Department of Energy - Proposed Budget Changes	\$0	\$10,649,560	\$41,137,363	\$40,987,178

Department of Housing and Community Development

Increase support for the Go Virginia Talent Pathways	\$0	\$24,500,000	\$0	\$0
Support local housing inspection programs	\$0	\$10,000,000	\$0	\$0
Provide additional workforce funding for Go Virginia	\$0	\$10,000,000	\$0	\$0
Expand the Virginia Main Street program	\$0	\$2,000,000	\$0	\$0
Support workforce needs in agricultural technology industries	\$0	\$1,300,000	\$0	\$0
Support an economic development project in Petersburg	\$0	\$0	\$0	\$0

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Revert surplus general fund balance	\$0	\$0	\$0	\$0
Adjust special fund appropriation between programs	\$0	\$0	\$0	\$0
Relief for flood damage in Buchanan and Tazewell Counties	\$0	\$0	\$0	\$11,400,000
Department of Housing and Community Development - Proposed Budget Changes	\$0	\$47,800,000	\$0	\$11,400,000
Department of Small Business and Supplier Diversity				
Reflect Virginia Small Business Financing Authority anticipated expenditures	\$0	\$0	\$0	\$527,306
Department of Small Business and Supplier Diversity - Proposed Budget Changes	\$0	\$0	\$0	\$527,306
Economic Development Incentive Payments				
Invest in site development	\$200,000,000	\$250,000,000	\$0	\$0
Provide additional appropriation for the Virginia Economic Development Incentive Grant	\$660,000	\$1,060,000	\$1,000,000	\$0
Appropriate surplus funds for Business Ready Sites Fund	\$50,000,000	\$0	\$0	\$0
Appropriate contingent balance to the Major Headquarters Workforce Grant Fund	\$35,500,000	\$0	\$0	\$0
Adjust the Virginia Investment Performance grant schedule	\$0	(\$180,000)	\$0	\$0
Economic Development Incentive Payments - Proposed Budget Changes	\$286,160,000	\$250,880,000	\$1,000,000	\$0
Fort Monroe Authority				
Provide funding for marketing initiatives	\$0	\$211,000	\$0	\$0
Fort Monroe Authority - Proposed Budget Changes	\$0	\$211,000	\$0	\$0
Virginia Economic Development Partnership				
Fund a study on airline service expansion	\$0	\$1,200,000	\$0	\$0
Market Virginia's agricultural technology capacity	\$0	\$200,000	\$0	\$0
Virginia Economic Development Partnership - Proposed Budget Changes	\$0	\$1,400,000	\$0	\$0
Commerce and Trade - Proposed Budget Changes	\$286,160,000	\$310,940,560	\$42,137,363	\$52,914,484
Education				
Department of Education, Central Office Operations				
Maintain teacher licensure system	\$0	\$389,000	\$0	\$0
Provide flexibility for childcare staff-to-children ratios	\$0	\$0	\$0	\$0
Transfer appropriation between programs	\$0	\$0	\$0	\$0

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Department of Education, Central Office Operations - Proposed Budget Changes	\$0	\$389,000	\$0	\$0
Direct Aid to Public Education				
Update sales tax revenue for public education	\$90,474,422	\$77,507,889	\$0	\$0
Support performance pay for top performing teachers	\$0	\$50,000,000	\$0	\$0
Provide retention bonus for instructional and support positions	\$0	\$45,152,262	\$0	\$0
Update Average Daily Membership projections based on actual Fall Membership	\$28,389,627	\$42,826,514	\$0	\$0
Provide targeted support for early childhood education through Mixed Delivery programming	\$0	\$20,000,000	\$0	\$0
Expand reading specialist staffing standard to 4th and 5th grades	\$0	\$16,868,870	\$0	\$0
Support teacher recruitment incentives for hard-to-fill positions and hard-to-staff schools	\$0	\$10,000,000	\$0	\$0
Update program participation for Remedial Summer School	\$9,139,785	\$9,139,785	\$0	\$0
Support math specialists for grades kindergarten through eight	\$0	\$7,200,991	\$0	\$0
Update the state cost for English as a Second Language	\$2,147,022	\$4,647,991	\$0	\$0
Update costs of Categorical programs	\$1,233,501	\$1,241,783	\$0	\$0
Update Academic Year Governor's School per pupil amounts	\$1,104,051	\$1,120,184	\$0	\$0
Update Fall Membership data in Direct Aid program formulas	\$97,384	\$214,336	\$0	\$0
Increase funding for college partnership laboratory schools	\$50,000,000	\$0	\$0	\$0
Increase support for Communities in Schools	\$1,000,000	\$0	\$0	\$0
Update total ARPA bonus amount for school division instructional and support staff	\$0	\$0	\$0	\$0
Revise teacher requirements for Virginia Preschool Initiative community provider programs	\$0	\$0	\$0	\$0
Increase flexibility for teacher scholarship funds supporting dual enrollment credentialing	\$0	\$0	\$0	\$0
Increase nongeneral fund appropriation for Summer Residential Governor's World Language Academies	\$0	\$0	\$110,000	\$125,000
Update the cost of Lottery-funded programs	(\$104,903)	\$0	\$0	\$0
Update Supplemental Education accounts	(\$335,000)	\$0	\$0	\$0
Use Lottery fund balances to support existing appropriation	(\$9,499,465)	\$0	\$9,499,462	\$0
Update sales tax distribution for school age population	\$0	(\$93,912)	\$0	\$0
Update Lottery proceeds for public education	\$9,499,460	(\$4,337,838)	(\$9,499,462)	\$4,337,830
Update costs of Incentive programs	(\$16,271,483)	(\$6,450,403)	\$0	\$0
Direct Aid to Public Education - Proposed Budget Changes	\$166,874,401	\$275,038,452	\$110,000	\$4,462,830
Eastern Virginia Medical School				
Support one-time costs for Eastern Virginia Medical School and Old Dominion University merger	\$0	\$10,000,000	\$0	\$0
Eastern Virginia Medical School - Proposed Budget Changes	\$0	\$10,000,000	\$0	\$0
Secretary of Education				
Add positions to support the Secretary of Education's office	\$0	\$438,000	\$0	\$0

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Secretary of Education - Proposed Budget Changes	\$0	\$438,000	\$0	\$0
State Council of Higher Education for Virginia				
Support student mental health services	\$0	\$9,000,000	\$0	\$0
Increase state maximum per-credential investment in Workforce Credential Grant	\$0	\$0	\$0	\$0
Establish process for higher education financial reporting	\$0	\$0	\$0	\$0
Increase Tuition Assistance Grant (TAG) award for online students	\$0	\$0	\$0	\$0
State Council of Higher Education for Virginia - Proposed Budget Changes	\$0	\$9,000,000	\$0	\$0
University of Virginia Medical Center				
Revert surplus general fund balance	\$0	\$0	\$0	\$0
Increase nongeneral fund appropriation	\$0	\$0	\$78,521,197	\$82,368,735
University of Virginia Medical Center - Proposed Budget Changes	\$0	\$0	\$78,521,197	\$82,368,735
University of Virginia's College at Wise				
Support expansion of the Center for Teaching Excellence	\$0	\$300,000	\$0	\$0
Provide funding to explore research university status	\$500,000	\$0	\$0	\$0
Increase maximum employment level for previously funded positions	\$0	\$0	\$0	\$0
University of Virginia's College at Wise - Proposed Budget Changes	\$500,000	\$300,000	\$0	\$0
Virginia Commonwealth University				
Pursue Massey Cancer Center Comprehensive status	\$0	\$5,000,000	\$0	\$0
Provide authority for University and Health System Authority appointments	\$0	\$0	\$0	\$0
Transfer nongeneral fund appropriation between programs	\$0	\$0	\$0	\$0
Virginia Commonwealth University - Proposed Budget Changes	\$0	\$5,000,000	\$0	\$0
Virginia Community College System				
Increase availability of industry recognized credentials to high school students	\$0	\$15,000,000	\$0	\$0
Establish or expand career placement centers	\$0	\$3,000,000	\$0	\$0
Promote awareness of G3 and FastForward	\$0	\$3,000,000	\$0	\$0
Virginia Community College System - Proposed Budget Changes	\$0	\$21,000,000	\$0	\$0
Virginia Museum of Fine Arts				
Realign appropriation to accurate program and subobject codes	\$0	\$0	\$0	\$0
Virginia Museum of Fine Arts - Proposed Budget Changes	\$0	\$0	\$0	\$0

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Virginia Polytechnic Institute and State University				
Align nongeneral fund appropriation for Sponsored Program activity	\$0	\$0	\$9,906,602	\$9,906,602
Increase nongeneral fund appropriation to reflect fall 2022 enrollment and approved tuition rates	\$0	\$0	\$29,802,041	\$29,802,041
Virginia Polytechnic Institute and State University - Proposed Budget Changes	\$0	\$0	\$39,708,643	\$39,708,643
Virginia School for the Deaf and the Blind				
Adjust salaries to remain competitive and retain employees	\$0	\$1,101,877	\$0	\$7,444
Virginia School for the Deaf and the Blind - Proposed Budget Changes	\$0	\$1,101,877	\$0	\$7,444
Education - Proposed Budget Changes	\$167,374,401	\$322,267,329	\$118,339,840	\$126,547,652
Executive Offices				
Attorney General and Department of Law				
Provide support for witness protection program	\$0	\$2,500,000	\$0	\$0
Increase salary for non-attorney staff	\$0	\$575,561	\$0	\$0
Provide funding for cannabis consumer protection enforcement investigators	\$0	\$513,374	\$0	\$0
Provide funding for organized retail crime task force	\$0	\$414,105	\$0	\$0
Provide funding for hemp legislation	\$0	\$371,780	\$0	\$0
Provide additional support for ratepayer advocacy	\$0	\$253,902	\$0	\$0
Establish fund for the Commonwealth's share of opioid settlement funds	\$0	\$0	\$0	\$0
Attorney General and Department of Law - Proposed Budget Changes	\$0	\$4,628,722	\$0	\$0
Lieutenant Governor				
Provide funding for security services	\$0	\$500,000	\$0	\$0
Add positions to support the Office of the Lieutenant Governor	\$0	\$229,570	\$0	\$0
Lieutenant Governor - Proposed Budget Changes	\$0	\$729,570	\$0	\$0
Executive Offices - Proposed Budget Changes	\$0	\$5,358,292	\$0	\$0
Finance				
Department of Accounts				
Increase appropriation to expand Quality Assurance Unit	\$0	\$643,733	\$0	\$0
Adjust rates and appropriation for the Payroll Service Bureau	\$0	\$0	\$0	\$464,003
Increase appropriation for SilverLine Web Application Firewall	\$0	\$0	\$0	\$495,000
Increase appropriation for Commonwealth Vendor Group functionality	\$0	\$0	\$0	\$1,138,676

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Department of Accounts - Proposed Budget Changes	\$0	\$643,733	\$0	\$2,097,679
Department of Accounts Transfer Payments				
Appropriate mandatory Revenue Stabilization Fund deposit	\$0	\$405,952,425	\$0	\$0
Appropriate Virginia Retirement System deposit contingent on fiscal year 2022 revenue collection	\$250,000,000	\$0	\$0	\$0
Authorize transfer of funds deposited to Revenue Reserve Fund as advanced reservation	\$0	\$0	\$0	\$0
Department of Accounts Transfer Payments - Proposed Budget Changes	\$250,000,000	\$405,952,425	\$0	\$0
Department of Planning and Budget				
Provide general fund support for additional staff	\$0	\$274,911	\$0	\$0
Modernize the Regulatory Town Hall	\$0	\$0	\$0	\$0
Department of Planning and Budget - Proposed Budget Changes	\$0	\$274,911	\$0	\$0
Department of Taxation				
Increase funding for review of the revenue management system	\$250,000	\$0	\$0	\$0
Mandate online registration for new businesses	\$0	(\$30,000)	\$0	\$0
Department of Taxation - Proposed Budget Changes	\$250,000	(\$30,000)	\$0	\$0
Department of the Treasury				
Fund information technology disaster recovery services	\$0	\$41,266	\$0	\$51,654
Adjust funding to process taxpayer refund checks	\$499,469	\$0	\$0	\$0
Department of the Treasury - Proposed Budget Changes	\$499,469	\$41,266	\$0	\$51,654
Treasury Board				
Adjust funding for bond defeasance costs	(\$8,075,000)	\$0	\$0	\$0
Adjust funding for debt service	\$1,325,162	(\$3,180,195)	\$0	\$0
Treasury Board - Proposed Budget Changes	(\$6,749,838)	(\$3,180,195)	\$0	\$0
Finance - Proposed Budget Changes	\$243,999,631	\$403,702,140	\$0	\$2,149,333
Health and Human Resources				
Children's Services Act				
Adjust program funding to reflect forecasted expenditures	(\$6,901,074)	\$0	\$0	\$0
Children's Services Act - Proposed Budget Changes	(\$6,901,074)	\$0	\$0	\$0
Department for Aging and Rehabilitative Services				
Increase support for vocational rehabilitation services	\$0	\$285,164	\$0	\$2,162,084

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Maintain personal care services provided to disabled Virginians	\$0	\$225,647	\$0	\$0
Adjust state support for Centers for Independent Living salaries	\$0	\$37,423	\$0	\$0
Adjust appropriation to reflect agency operations	\$0	\$0	\$425,000	\$425,000
Department for Aging and Rehabilitative Services - Proposed Budget Changes	\$0	\$548,234	\$425,000	\$2,587,084
Department for the Blind and Vision Impaired				
Increase support for employment services for blind, vision impaired, and deafblind Virginians	\$0	\$632,738	\$0	\$294,122
Fund unavoidable increases in shared services contract costs	\$0	\$160,371	\$0	\$0
Adjust appropriation to reflect current services	\$0	\$0	\$0	\$138,291
Department for the Blind and Vision Impaired - Proposed Budget Changes	\$0	\$793,109	\$0	\$432,413
Department for the Deaf and Hard-Of-Hearing				
Fund unavoidable increases in shared services contract costs	\$0	\$4,998	\$0	\$0
Department for the Deaf and Hard-Of-Hearing - Proposed Budget Changes	\$0	\$4,998	\$0	\$0
Department of Behavioral Health and Developmental Services				
Increase funding for comprehensive crisis services system	\$0	\$58,345,204	\$0	\$0
Provide one-time funds for mobile crisis units	\$0	\$20,000,000	\$0	\$0
Pursue hospital-based psychiatric emergency alternatives	\$0	\$20,000,000	\$0	\$0
Expand school-based mental health pilot	\$0	\$15,000,000	\$0	\$0
Expand housing opportunities for individuals with serious mental illness	\$0	\$8,000,000	\$0	\$0
Support Off-Duty Officer program	\$0	\$1,000,000	\$0	\$0
Sustain waiver management system interoperability and software upgrades	\$0	\$350,000	\$0	\$0
Fund two cybersecurity positions	\$0	\$261,164	\$0	\$0
Support additional waiver slots with two additional positions	\$0	\$162,878	\$0	\$23,268
Provide funds for forensic data tracking and analysis	\$0	\$97,795	\$0	\$0
Combine earmarks for alternative transportation and alternative custody	\$0	\$0	\$0	\$0
Amend language to allow dementia funds to be used for discharge and diversion of older adults	\$0	\$0	\$0	\$0
Add language to allow flexible use of mental health pilot program funds	\$0	\$0	\$0	\$0
Provide additional funding for naloxone	\$0	\$0	\$1,416,398	\$1,416,398
Transfer developmental disability waiver rate responsibilities to the Department of Medical Assistance Services	\$0	(\$85,000)	\$0	\$0
Transfer electronic health records funding to facilities	\$0	(\$1,023,050)	\$0	\$0
Department of Behavioral Health and Developmental Services - Proposed Budget Changes	\$0	\$122,108,991	\$1,416,398	\$1,439,666

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Department of Health				
Establish the Earn to Learn Nursing Education Acceleration program grant	\$0	\$30,000,000	\$0	\$0
Enhance the Nurse Preceptor Incentive Program	\$0	\$10,000,000	\$0	\$0
Establish psychiatric nursing graduate education loan repayment program	\$0	\$5,000,000	\$0	\$0
Provide required state match funding for drinking water infrastructure projects	\$0	\$3,373,581	\$0	\$91,864,181
Enhance the Behavioral Health Loan Repayment Program	\$0	\$2,500,000	\$0	\$0
Increase funding to support salary adjustments for Office of the Chief Medical Examiner staff	\$0	\$1,491,950	\$0	\$0
Provide additional support for the nursing scholarships and loan repayment program	\$0	\$1,000,000	\$0	\$0
Provide additional support to address increases in rent costs for local health departments	\$0	\$943,856	\$0	\$698,322
Provide funding for cybersecurity threat management position	\$0	\$163,918	\$0	\$0
Add funding for sexual assault forensic examiner training for emergency department staff	\$0	\$125,000	\$0	\$0
Increase drug-susceptible tuberculosis funding	\$0	\$50,000	\$0	\$0
Add funds to address a reversion of federal funding for the Office of Drinking Water	\$1,118,595	\$0	\$0	\$0
Transfer State Office of Rural Health Grant matching funds to correct program area	\$0	\$0	\$0	\$0
Restrict abortion services	\$0	\$0	\$0	\$0
Extend loan deadlines for COVID-19 pandemic response	\$0	\$0	\$0	\$0
Designate portion of opioid settlement funds for fentanyl response efforts	\$0	\$0	\$0	\$7,000,000
Add appropriation for epidemiology and laboratory capacity grants	\$0	\$0	\$0	\$150,756,011
Department of Health - Proposed Budget Changes	\$1,118,595	\$54,648,305	\$0	\$250,318,514
Department of Health Professions				
Make application processing more efficient and reduce reliance on wage employees	\$0	\$0	\$0	\$513,451
Department of Health Professions - Proposed Budget Changes	\$0	\$0	\$0	\$513,451
Department of Medical Assistance Services				
Adjust Virginia Health Care Fund appropriation	(\$50,436,557)	\$67,732,794	\$50,436,557	(\$67,732,794)
Account for extension of the federal public health emergency	(\$157,800,861)	\$53,439,303	\$153,859,144	\$1,113,615,681
Increase rates for personal care, respite, and companion services	\$0	\$41,616,322	\$0	\$47,194,131
Add 500 developmental disability waiver slots	\$0	\$15,155,118	\$0	\$15,822,689
Fund Medicaid utilization and inflation	(\$279,325,319)	\$12,266,384	\$1,483,717,796	\$1,356,069,626
Increase rates for Early Intervention services	\$0	\$1,117,018	\$0	\$1,187,947
Add 20 psychiatric residencies through graduate medical education	\$0	\$1,000,000	\$0	\$1,000,000
Account for the Medicaid portion of state facility salary actions	\$0	\$268,792	\$0	\$280,632

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Transfer resources to fund developmental disability waiver responsibilities	\$0	\$85,000	\$0	\$85,000
Fund costs associated with settlement	\$2,271,918	\$0	\$462,689	\$0
Reprocure Medicaid managed care program	\$1,689,750	\$0	\$2,594,750	\$0
Implement telehealth service delivery options for developmental disability waivers	\$0	\$0	\$0	\$0
Align outpatient rehabilitation reimbursement methodology with Medicare	\$0	\$0	\$0	\$0
Convene a workgroup to examine inclusion of residential treatment services in managed care	\$0	\$0	\$0	\$0
Improve access to peer recovery support services	\$0	\$0	\$0	\$0
Improve third-party liability recoveries	\$0	\$0	\$0	\$0
Fund capitated contract cost escalations	\$0	\$0	\$2,410,933	\$2,410,933
Adjust funding for medical services for involuntary mental commitments	(\$1,500,000)	(\$250,000)	\$0	\$0
Fund Family Access to Medical Insurance Security program utilization and inflation	(\$13,143,045)	(\$321,954)	\$7,098,020	\$5,279,027
Fund medical assistance services for low-income children utilization and inflation	(\$5,888,208)	(\$2,820,997)	\$16,495,016	\$634,327
Department of Medical Assistance Services - Proposed Budget Changes	(\$504,132,322)	\$189,287,780	\$1,717,074,905	\$2,475,847,199
Department of Social Services				
Implement Office of the State Inspector General child protective services audit recommendations	\$0	\$8,274,569	\$0	\$28,853
Fund the Temporary Assistance for Needy Families benefits and Virginia Initiative for Education and Work childcare forecast	\$10,462,511	\$5,218,718	\$9,762,358	\$4,164,376
Meet compliance standards for local departments of social services shared site technology support	\$0	\$3,800,143	\$0	\$3,800,143
Fund foster care and adoption cost of living adjustments	\$0	\$2,287,785	\$0	\$2,001,186
Sustain and expand Kinship Navigator programs	\$0	\$935,196	\$0	\$0
Convert part-time Supplemental Nutrition Assistance Program management evaluation reviewer positions to full-time positions	\$0	\$110,854	\$0	\$110,855
Provide funding for Supplemental Nutrition Assistance Program overissuance repayment	\$6,105,940	\$0	\$0	\$0
Add mandatory carryforward language for unspent Comprehensive Child Welfare Information System funding	\$0	\$0	\$0	\$0
Adjust agency appropriations to better align with agency objectives	\$0	\$0	\$0	\$0
Adjust appropriation to modernize the child support information system	\$0	\$0	\$0	\$9,976,000
Appropriate nongeneral fund for local staff and operations	\$0	\$0	\$14,395,343	\$15,115,109
Adjust the child welfare forecast	(\$14,338,948)	(\$5,645,890)	(\$566,050)	(\$5,884,666)
Department of Social Services - Proposed Budget Changes	\$2,229,503	\$14,981,375	\$23,591,651	\$29,311,856
Intellectual Disabilities Training Centers				
Fund salary alignment for critical positions	\$0	\$74,917	\$0	\$549,424

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Intellectual Disabilities Training Centers - Proposed Budget Changes	\$0	\$74,917	\$0	\$549,424
Mental Health Treatment Centers				
Fund salary alignments for critical positions	\$0	\$8,673,252	\$0	\$0
Transfer electronic health records funding to facilities	\$0	\$895,168	\$0	\$0
Fund three additional forensic evaluators	\$0	\$485,091	\$0	\$0
Mental Health Treatment Centers - Proposed Budget Changes	\$0	\$10,053,511	\$0	\$0
Opioid Abatement Authority				
Provide initial appropriation for the Opioid Abatement Authority	\$0	\$0	\$0	\$3,500,000
Opioid Abatement Authority - Proposed Budget Changes	\$0	\$0	\$0	\$3,500,000
Secretary of Health and Human Resources				
Add funds for a behavioral health transformation contractor	\$0	\$750,000	\$0	\$0
Study the statewide coordination of behavioral health and substance abuse programs with an emphasis on veterans	\$0	\$250,000	\$0	\$0
Develop a statewide strategic plan for the health care workforce	\$0	\$250,000	\$0	\$0
Conduct campaign to reduce fentanyl poisoning among youth	\$0	\$0	\$0	\$5,000,000
Secretary of Health and Human Resources - Proposed Budget Changes	\$0	\$1,250,000	\$0	\$5,000,000
Virginia Board for People with Disabilities				
Provide support for increased operating costs	\$0	\$22,800	\$0	\$0
Fund unavoidable increases in shared services contract costs	\$0	\$4,581	\$0	\$0
Virginia Board for People with Disabilities - Proposed Budget Changes	\$0	\$27,381	\$0	\$0
Virginia Center for Behavioral Rehabilitation				
Fund salary alignment for critical positions	\$0	\$275,188	\$0	\$0
Transfer electronic health records funding to facilities	\$0	\$127,881	\$0	\$0
Virginia Center for Behavioral Rehabilitation - Proposed Budget Changes	\$0	\$403,069	\$0	\$0
Health and Human Resources - Proposed Budget Changes	(\$507,685,298)	\$394,181,670	\$1,742,507,954	\$2,769,499,607
Independent Agencies				
State Corporation Commission				
Create reinsurance program service area	\$0	\$0	\$0	\$0
Revert surplus general fund balance	\$0	\$0	\$0	\$0
Increase nongeneral fund appropriation for the State Health Benefit Exchange	\$0	\$0	\$0	\$10,000,000

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
State Corporation Commission - Proposed Budget Changes	\$0	\$0	\$0	\$10,000,000
Virginia Lottery				
Provide appropriation for casino payments to localities	\$0	\$0	\$0	\$40,300,000
Virginia Lottery - Proposed Budget Changes	\$0	\$0	\$0	\$40,300,000
Virginia Workers' Compensation Commission				
Revert surplus general fund balance	\$0	\$0	\$0	\$0
Virginia Workers' Compensation Commission - Proposed Budget Changes	\$0	\$0	\$0	\$0
Independent Agencies - Proposed Budget Changes	\$0	\$0	\$0	\$50,300,000
Judicial Department				
Circuit Courts				
Increase retired recalled judge per diem	\$0	\$827,236	\$0	\$0
Circuit Courts - Proposed Budget Changes	\$0	\$827,236	\$0	\$0
Combined District Courts				
Increase retired recalled judge per diem	\$0	\$82,837	\$0	\$0
Combined District Courts - Proposed Budget Changes	\$0	\$82,837	\$0	\$0
Court of Appeals of Virginia				
Provide additional staffing for Court of Appeals to address increased caseload	\$0	\$362,917	\$0	\$0
Court of Appeals of Virginia - Proposed Budget Changes	\$0	\$362,917	\$0	\$0
General District Courts				
Increase retired recalled judge per diem	\$0	\$443,733	\$0	\$0
General District Courts - Proposed Budget Changes	\$0	\$443,733	\$0	\$0
Indigent Defense Commission				
Address salary and compression issues in public defender offices	\$0	\$7,425,851	\$0	\$0
Indigent Defense Commission - Proposed Budget Changes	\$0	\$7,425,851	\$0	\$0
Juvenile and Domestic Relations District Courts				
Increase retired recalled judge per diem	\$0	\$318,267	\$0	\$0
Juvenile and Domestic Relations District Courts - Proposed Budget Changes	\$0	\$318,267	\$0	\$0

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Supreme Court				
Increase funding for specialty dockets	\$0	\$3,500,000	\$0	\$0
Provide additional human resources and fiscal services staff	\$0	\$278,320	\$0	\$0
Revert surplus general fund balance	\$0	\$0	\$0	\$0
Supreme Court - Proposed Budget Changes	\$0	\$3,778,320	\$0	\$0
Virginia Criminal Sentencing Commission				
Provide compensation adjustments to address recruitment and retention	\$0	\$120,600	\$0	\$0
Virginia Criminal Sentencing Commission - Proposed Budget Changes	\$0	\$120,600	\$0	\$0
Judicial Department - Proposed Budget Changes	\$0	\$13,359,761	\$0	\$0
Labor				
Department of Labor and Industry				
Provide resources to monitor student learners in pharmacies	\$0	\$100,832	\$0	\$0
Revert surplus general fund balance	\$0	\$0	\$0	\$0
Department of Labor and Industry - Proposed Budget Changes	\$0	\$100,832	\$0	\$0
Department of Professional and Occupational Regulation				
Increase nongeneral fund appropriation to support current staffing and operating costs	\$0	\$0	\$0	\$856,300
Department of Professional and Occupational Regulation - Proposed Budget Changes	\$0	\$0	\$0	\$856,300
Secretary of Labor				
Provide additional operating support	\$0	\$399,950	\$0	\$0
Secretary of Labor - Proposed Budget Changes	\$0	\$399,950	\$0	\$0
Virginia Employment Commission				
Provide funds for deposit to the Unemployment Insurance Trust Fund	\$100,000,000	\$0	\$0	\$0
Authorize a line of credit for the Virginia Employment Commission	\$0	\$0	\$0	\$0
Continue support for additional appeals staff	\$0	\$0	\$0	\$0
Continue support for the customer contact center	\$0	\$0	\$0	\$0
Remove one-time positions	\$0	\$0	\$0	\$0
Virginia Employment Commission - Proposed Budget Changes	\$100,000,000	\$0	\$0	\$0
Labor - Proposed Budget Changes	\$100,000,000	\$500,782	\$0	\$856,300

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Natural and Historic Resources				
Department of Conservation and Recreation				
Provide additional funding for the Resilient Virginia Revolving Loan Fund	\$100,000,000	\$100,000,000	\$0	\$0
Provide appropriation to the Water Quality Improvement Fund	\$0	\$87,113,924	\$0	\$0
Provide supplemental funding to support agriculture best management practices	\$0	\$50,000,000	\$0	\$0
Support for Hayfields State Park operations	\$0	\$692,436	\$0	\$0
Fund soil and water conservation positions previously supported by federal grants	\$0	\$400,823	\$0	\$0
Address compression among law enforcement personnel	\$0	\$358,675	\$0	\$0
Provide free admission to Virginia State Parks for the Virginia National Guard	\$0	\$20,000	\$0	\$0
Increase flexibility of use of water quality funding	\$0	\$0	\$0	\$0
Amend budget language regarding the acquisition of Hayfields Farm	\$0	\$0	\$0	\$0
Increase support for dam safety regional engineers	\$0	\$0	\$0	\$490,350
Department of Conservation and Recreation - Proposed Budget Changes	\$100,000,000	\$238,585,858	\$0	\$490,350
Department of Environmental Quality				
Provide additional funding for the Enhanced Nutrient Removal Certainty Program	\$0	\$107,058,659	\$0	\$0
Support the Enhanced Nutrient Removal Certainty program	\$0	\$43,915,388	\$0	\$0
Update agency administration software	\$0	\$2,000,000	\$0	\$0
Provide additional funding for the Richmond Combined Sewer Overflow project	\$100,000,000	\$0	\$0	\$0
Support upgrades at Poor Creek Pump Station	\$5,500,000	\$0	\$0	\$0
Implement the Permit Evaluation and Enhancement Program (PEEP)	\$3,500,000	\$0	\$0	\$0
Align nongeneral fund appropriation with projected expenditures	\$0	\$0	\$890,602	\$890,602
Department of Environmental Quality - Proposed Budget Changes	\$109,000,000	\$152,974,047	\$890,602	\$890,602
Department of Historic Resources				
Increase appropriation for one Deputy Director of Programs	\$0	\$175,000	\$0	\$0
Increase funding for the Black, Indigenous, and People of Color Preservation Fund (BIPOC)	\$5,000,000	\$0	\$0	\$0
Department of Historic Resources - Proposed Budget Changes	\$5,000,000	\$175,000	\$0	\$0
Department of Wildlife Resources				
Address salary compression among law enforcement positions	\$0	\$0	\$0	\$1,200,000
Adjust federal appropriation with increase in annual apportionment for wildlife restoration program	\$0	\$0	\$0	\$2,673,944

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Department of Wildlife Resources - Proposed Budget Changes	\$0	\$0	\$0	\$3,873,944
Marine Resources Commission				
Provide funding to address salary compression in law enforcement	\$0	\$1,764,925	\$0	\$0
Update benchmark stock assessment for the Chesapeake Bay blue crab	\$0	\$225,000	\$0	\$0
Complete transfer of shellfish management amounts to a dedicated service area	\$0	\$0	\$0	\$0
Marine Resources Commission - Proposed Budget Changes	\$0	\$1,989,925	\$0	\$0
Secretary of Natural and Historic Resources				
Fund strategies to implement flood resilience	\$500,000	\$500,000	\$0	\$0
Secretary of Natural and Historic Resources - Proposed Budget Changes	\$500,000	\$500,000	\$0	\$0
Natural and Historic Resources - Proposed Budget Changes	\$214,500,000	\$394,224,830	\$890,602	\$5,254,896
Public Safety and Homeland Security				
Commonwealth's Attorneys' Services Council				
Acquire a secure data file sharing program	\$15,937	\$8,602	\$0	\$0
Commonwealth's Attorneys' Services Council - Proposed Budget Changes	\$15,937	\$8,602	\$0	\$0
Department of Corrections				
Provide funding for salary increases for security positions not included in Chapter 2	\$0	\$8,317,554	\$0	\$0
Provide additional funding for the operation of Lawrenceville Correctional Center	\$0	\$5,300,000	\$0	\$0
Fund additional nursing positions to provide 24-hour medical coverage	\$0	\$3,846,557	\$0	\$0
Provide funding to address the shortfall in the Drug Offender Assessment Fund	\$0	\$1,300,000	\$0	\$0
Provide funding for 2023 Session legislation that may impact need for prison beds	\$0	\$550,000	\$0	\$0
Provide funding for salary increases for probation and parole positions not funded in Chapter 2	\$0	\$242,251	\$0	\$0
Fund the state share of a project to upgrade security systems at Franklin County Jail	\$0	\$32,401	\$0	\$0
Redistribute funds in the medical services program and authorize additional medical positions	\$0	\$0	\$0	\$0
Expand reentry seminar program	\$0	\$0	\$0	\$100,000
Department of Corrections - Proposed Budget Changes	\$0	\$19,588,763	\$0	\$100,000

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Department of Criminal Justice Services				
Fund Operation Bold Blue Line Initiative	\$0	\$30,000,000	\$0	\$0
Provide additional appropriation for the Operation Ceasefire Grant Fund	\$0	\$20,000,000	\$0	\$0
Establish the Virginia Mass Violence Care Fund	\$0	\$10,000,000	\$0	\$0
Fund a law enforcement officer hiring initiatives coordinator	\$0	\$100,328	\$0	\$0
Fund Internet Crimes Against Children (ICAC) programs	\$0	\$100,000	\$0	\$0
Provide resources to purchase and maintain a new credentialing management system	\$500,000	\$0	\$0	\$0
Revise Body Worn Camera (BWC) Grant program language	\$0	\$0	\$0	\$0
Increase appropriation for the Victim-Witness Special Fund	\$0	\$0	\$0	\$1,320,878
Department of Criminal Justice Services - Proposed Budget Changes	\$500,000	\$60,200,328	\$0	\$1,320,878
Department of Emergency Management				
Continue funding for the disaster logistics warehouse	\$0	\$1,087,635	\$0	\$0
Department of Emergency Management - Proposed Budget Changes	\$0	\$1,087,635	\$0	\$0
Department of Fire Programs				
Increase general fund appropriation to support operations	\$0	\$455,894	\$0	\$0
Department of Fire Programs - Proposed Budget Changes	\$0	\$455,894	\$0	\$0
Department of Forensic Science				
Provide support for four biologist positions	\$0	\$314,637	\$0	\$0
Fund software subscription fees for cell phone investigative tools	\$0	\$107,770	\$0	\$0
Provide laboratory specialist position to enable agency response to THC legislation	\$0	\$85,247	\$0	\$0
Provide general fund support for Physical Evidence Recovery Kit (PERK) coordinator position	\$0	\$77,585	\$0	\$0
Convert part-time evidence receiving technician position to full-time status	\$0	\$49,167	\$0	\$0
Department of Forensic Science - Proposed Budget Changes	\$0	\$634,406	\$0	\$0
Department of Juvenile Justice				
Appropriate funds to lease and operate three local juvenile detention centers	\$0	\$2,927,069	\$0	\$0
Increase capacity at Bon Air Juvenile Correctional Center	\$0	\$764,839	\$0	\$0
Provide funding to enhance resident specialist recruitment efforts	\$0	\$267,500	\$0	\$0
Transfer positions and associated funding to realign program operations	\$0	\$0	\$0	\$0
Department of Juvenile Justice - Proposed Budget Changes	\$0	\$3,959,408	\$0	\$0

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Department of State Police				
Provide appropriation to facilitate the agency's transition to the Commonwealth's information technology environment	\$0	\$9,383,778	\$0	\$0
Provide general fund appropriation for sworn law enforcement positions	\$0	\$3,291,531	\$0	\$0
Address salary compression for sworn positions	\$0	\$2,040,201	\$0	\$0
Provide positions and general fund support for the Department's civilian workforce	\$0	\$2,027,112	\$0	\$0
Replace Virginia Criminal Information Network (VCIN) server and software	\$0	\$1,366,000	\$0	\$1,000,000
Provide funding to address organized retail crime	\$0	\$772,760	\$0	\$0
Add general fund support for the Internet Crimes Against Children (ICAC) program	\$0	\$517,000	\$0	\$0
Fund the purchase of two helicopters	\$0	\$203,000	\$0	\$0
Department of State Police - Proposed Budget Changes	\$0	\$19,601,382	\$0	\$1,000,000
Secretary of Public Safety and Homeland Security				
Transfer existing Flood Control Study appropriation to Secretary of Natural and Historic Resources	(\$500,000)	(\$500,000)	\$0	\$0
Secretary of Public Safety and Homeland Security - Proposed Budget Changes	(\$500,000)	(\$500,000)	\$0	\$0
Public Safety and Homeland Security - Proposed Budget Changes	\$15,937	\$105,036,418	\$0	\$2,420,878
Transportation				
Department of Aviation				
Move positions and associated funding between programs	\$0	\$0	\$0	\$0
Adjust appropriation to reflect 2022-2024 biennium salary increases	\$0	\$0	\$0	\$366,427
Align appropriation with Transportation Trust Fund allocation estimates	\$0	\$0	\$4,635,850	\$4,906,492
Adjust jet aircraft funding	\$0	\$0	(\$8,100,000)	\$7,600,000
Department of Aviation - Proposed Budget Changes	\$0	\$0	(\$3,464,150)	\$12,872,919
Department of Transportation				
Study use of public-private partnership for Interstate 81 expansion	\$0	\$500,000	\$0	\$0
Provide general fund surplus dedicated to Interstate 64 improvements between exits 205 and 234	\$150,000,000	\$0	\$0	\$0
Adjust appropriation to reflect financial plan based on revised budget for FY 2023 and FY 2024	\$0	\$0	\$124,318,543	(\$151,256,034)
Add language directing the deposit of general fund to transportation funds	\$0	\$0	\$0	\$0
Redirect funding to the Transportation Partnership Opportunity Fund to support economic development	\$0	\$0	\$0	\$0
Adjust appropriation based on new revenue estimates and program adjustments	\$0	\$0	\$0	\$103,784,689

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Department of Transportation - Proposed Budget Changes	\$150,000,000	\$500,000	\$124,318,543	(\$47,471,345)
Department of Transportation Transfer Payments				
Adjust appropriation to reflect financial plan based on revised budget for FY 2023 and FY 2024 to support regional transfer payments	\$0	\$0	\$26,377,727	(\$2,812,872)
Adjust appropriation based on new revenue estimates to support regional transportation programs	\$0	\$0	\$0	\$129,425,905
Department of Transportation Transfer Payments - Proposed Budget Changes	\$0	\$0	\$26,377,727	\$126,613,033
Secretary of Transportation				
Update language on use of Grant Anticipation Revenue Vehicle (GARVEE) bonds	\$0	\$0	\$0	\$0
Secretary of Transportation - Proposed Budget Changes	\$0	\$0	\$0	\$0
Virginia Port Authority				
Increase available debt service appropriation	\$0	\$0	\$0	\$0
Adjust appropriation for estimated rent escalations	\$0	\$0	\$3,500,000	\$3,700,000
Establish appropriation for the Port Opportunity Fund	\$0	\$0	\$4,000,000	\$4,000,000
Virginia Port Authority - Proposed Budget Changes	\$0	\$0	\$7,500,000	\$7,700,000
Transportation - Proposed Budget Changes	\$150,000,000	\$500,000	\$154,732,120	\$99,714,607
Veterans and Defense Affairs				
Department of Veterans Services				
Increase appropriation for Virginia Values Veterans (V3) grant program	\$0	\$900,000	\$0	\$0
Fund veterans service representative positions	\$0	\$416,667	\$0	\$0
Provide funding for cemetery operations	\$0	\$400,000	\$0	\$0
Provide funding for a new program coordinator	\$0	\$96,250	\$0	\$0
Transfer appropriation and positions between programs	\$0	\$0	\$0	\$0
Transfer one position between programs to align with funding	\$0	\$0	\$0	\$0
Transfer nongeneral fund appropriation between programs	\$0	\$0	\$0	\$0
Increase working capital advance and nongeneral fund appropriation for new veterans care centers	\$0	\$0	\$0	\$20,500,000
Department of Veterans Services - Proposed Budget Changes	\$0	\$1,812,917	\$0	\$20,500,000
Veterans Services Foundation				
Provide funding for a finance manager position	\$0	\$109,079	\$0	\$0
Veterans Services Foundation - Proposed Budget Changes	\$0	\$109,079	\$0	\$0

	GF FY 2023	GF FY 2024	NGF FY 2023	NGF FY 2024
Veterans and Defense Affairs - Proposed Budget Changes	\$0	\$1,921,996	\$0	\$20,500,000

HB 1400/SB 800

APPENDIX D

2022-24 Capital Outlay

DETAIL OF HB 1400 / SB 800 - CAPITAL OUTLAY

Title	GF	NGF Cash	\$ 9(c) Bonds	\$ 9(d) Bonds	Total
General Conditions					
Alternative Financing Approval Requirements					Language
Six-Year Capital Outlay Plan Advisory Committee Meeting Requirements					Language
Administration					
Department of General Services					
Construct New State Office Building Parking Deck	6,000,000	0	0	0	6,000,000
Construct New Supreme Court Building	16,000,000	0	0	0	16,000,000
Replace Fire Alarms at DBHDS Facilities	3,422,000	0	0	0	3,422,000
Improve and Convey Property in Clarke County	4,100,000	0	0	0	4,100,000
Total: Office of Administration	29,522,000	0	0	0	29,522,000
Agriculture and Forestry					
Department of Forestry					
Acquire Charlotte State Forest Tract	0	640,000	0	0	640,000
Total: Office of Agriculture and Forestry	0	640,000	0	0	640,000
Education					
William & Mary					
Improve Auxiliary Facilities	0	0	0	20,000,000	20,000,000
Renovate Historic Campus	8,000,000	0	0	0	8,000,000
Old Dominion University					
Renovate Baseball Stadium	0	10,726,126	0	10,000,000	20,726,126
Address Deferred Maintenance	0	20,000,000	0	0	20,000,000
Virginia Community College System					
Upgrade ADA Accessibility, Tidewater Community College	4,006,002	4,006,002	0	0	8,012,004
Virginia Tech					
Improve Building Envelopes	0	13,580,000	0	33,620,000	47,200,000
Expand Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute (Planning)	0	6,047,360	0	0	6,047,360
Total: Office of Education	12,006,002	54,359,488	0	63,620,000	129,985,490
Health & Human Resources					
Department of Behavioral Health and Developmental Services					
Improve safety and security at Eastern State Hospital	16,900,000	0	0	0	16,900,000
Install duress systems at mental health facilities - Phase 1	4,000,000	0	0	0	4,000,000
Total: Office of Human Resources	20,900,000	0	0	0	20,900,000
Natural Resources					

DETAIL OF HB 1400 / SB 800 - CAPITAL OUTLAY

Title	GF	NGF Cash	\$ 9(c) Bonds	\$ 9(d) Bonds	Total
Department of Conservation & Recreation					
Replace Underground Storage Tanks - Phase I	3,000,000	0	0	0	3,000,000
Transfer Capital Funds to Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund					Language
Department of Wildlife Resources					Language
Expand Dam Safety Funding Authorization					Language
Total: Office of Natural Resources	3,000,000	0	0	0	3,000,000
Public Safety					
Department of Corrections					
Capital Infrastructure Fund	10,000,000	0	0	0	10,000,000
Department of Juvenile Justice					
Remove and replace compromised fire protection water tank	250,000	0	0	0	250,000
Transfer Unused VPBA Authorization from DOC to DJJ Bon Air Renovations					Language
Total: Office of Public Safety	10,250,000	0	0	0	10,250,000
Veterans and Defense Affairs					
Department of Veterans Services					
Replace fire alarm system at Sitter and Barfoot Veterans Care Center	244,519	454,106	0	0	698,625
Renovation of Sitter and Barfoot Veterans Care Center					Language
Construct Replacement Veterans Care Center Facility in Roanoke					Language
Department of Military Affairs					
Improve Readiness Centers	3,000,000	0	0	0	3,000,000
Construct the Army Aviation Support Facility (AASF), Sandston	0	126,788,000	0	0	126,788,000
Planning funds to prepare for federal project funding	250,000	750,000	0	0	1,000,000
Renovate Facilities at Camp Pendleton to House Job ChalleNGe Program	90,000	0	0	0	90,000
Total: Veterans and Defense Affairs	3,584,519	127,992,106	0	0	131,576,625
Transportation					
Department of Transportation					
Acquire, Design, Construct and Renovate Agency Facilities	0	20,000,000	0	0	20,000,000
Virginia Commercial Space Flight Authority					
Acquire land for expansion of Rocket Lab facilities	3,100,000	0	0	0	3,100,000
Total: Office of Transportation	3,100,000	20,000,000	0	0	23,100,000
Central Appropriations					
Central Capital Outlay					

DETAIL OF HB 1400 / SB 800 - CAPITAL OUTLAY

Title	GF	NGF Cash	\$ 9(c) Bonds	\$ 9(d) Bonds	Total
Maintenance Reserve	16,000,000	0	0	0	16,000,000
Capital Equipment Funding	34,065,200	893,160	0	0	34,958,360
Detail Planning Pool	6,168,800	0	0	0	6,168,800
2022 Public Educational Institution Capital Pool	0	7,800,000	0	34,800,000	42,600,000
2022 State Agency Capital Pool	3,497,000	0	0	0	3,497,000
2023 Capital Construction Pool	19,122,800	0	0	0	19,122,800
2022 Capital Supplement Pool	400,000,000	0	0	0	400,000,000
Jefferson Lab Data Facility	43,305,379	0	0	0	43,305,379
State Police: Construct Area 39 Office Lexington (Scope Change)					Language
VMI: Renovate and Expand Engineering and Lab Facilities (Scope Change)					Language
Redirect Excess Bond Balances to 2016 VCBA / VPBA Pools					Language
VMFA: Transfer VPBA Balances among Projects					Language
Rescind WWRC Emergency Replacement of HVAC System Mary Switzer Building Transfer Bond Balance to 2016 VPBA Pool					Language
Enhanced Nutrient Removal Certainty Program					Language
DJJ: Beaumont Correctional Center Workgroup					Language
Total: Central Appropriations	522,159,179	8,693,160	0	34,800,000	565,652,339
Total: Capital Outlay HB 1400 / SB 800	604,521,700	211,684,754	0	98,420,000	914,626,454